

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE
NORTHERN DIVISION**

IN RE:

LP CLEANERS, INC.,
d/b/a Concord Cleaners

No. 3:16-bk-33166-SHB
CHAPTER 11

Debtor.

**AMENDED DISCLOSURE STATEMENT TO AMENDED PLAN OF
REORGANIZATION OF LP CLEANERS, INC.**

THIS AMENDED DISCLOSURE STATEMENT FOR THE AMENDED PLAN OF REORGANIZATION OF LP CLEANERS, INC. ("DISCLOSURE STATEMENT") HAS BEEN PREPARED PURSUANT TO 11 U.S.C. § 1125 ON BEHALF OF LP CLEANERS, INC. ("DEBTOR") AND DESCRIBES THE TERMS AND THE CONDITIONS OF THE PLAN OF REORGANIZATION OF THE DEBTOR ("PLAN") FILED IN THE CASE PENDING BEFORE THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TENNESSEE ("BANKRUPTCY COURT") UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OF 1978, AS AMENDED ("BANKRUPTCY CODE"). A COPY OF THE PLAN IS SERVED HEREWITH.

THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED BY THE DEBTOR, IN GOOD FAITH, BASED UPON INFORMATION AVAILABLE TO THE DEBTOR UNLESS OTHERWISE INDICATED, NONE OF THE INFORMATION CONTAINED HEREIN HAS BEEN SUBJECT TO AN AUDIT. ALL FINANCIAL INFORMATION WAS COMPILED FROM THE RECORDS OF THE DEBTOR.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND DELIVERY OF THE DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE OF THE DISCLOSURE STATEMENT AND THE DATE THAT THE MATERIALS RELIED UPON IN PREPARATION OF THE DISCLOSURE STATEMENT WERE COMPILED.

THE DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR ANY LIABILITY BY ANY PARTY OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON HOLDERS OF CLAIMS OR INTERESTS.

THE DESCRIPTION OF THE PLAN CONTAINED IN THE DISCLOSURE STATEMENT IS INTENDED AS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH IS PROVIDED WITH THIS DISCLOSURE STATEMENT. EACH CREDITOR AND EACH INTEREST HOLDER IS ENCOURAGED TO READ, TO CONSIDER, AND TO ANALYZE CAREFULLY THE PROVISIONS OF THE PLAN.

THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE BANKRUPTCY COURT DATED _____, AS CONTAINING INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE A HYPOTHETICAL REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OF RELEVANT CLASSES TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN. THE APPROVAL BY THE BANKRUPTCY COURT OF THE DISCLOSURE STATEMENT, HOWEVER, DOES NOT CONSTITUTE A RECOMMENDATION BY THE BANKRUPTCY COURT EITHER FOR OR AGAINST THE PLAN.

A BALLOT ACCOMPANIES THE DISCLOSURE STATEMENT FOR USE IN VOTING ON THE PLAN. SEE ARTICLE III OF THE DISCLOSURE STATEMENT.

THE BANKRUPTCY COURT HAS SCHEDULED A HEARING ON CONFIRMATION OF THE PLAN TO COMMENCE ON _____. THAT HEARING WILL BE HELD AT THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TENNESSEE, NORTHERN DIVISION, AT KNOXVILLE, HOWARD H. BAKER, JR. UNITED STATES COURTHOUSE, COURTROOM 1-C, 800 MARKET STREET, KNOXVILLE, TENNESSEE 37902, BEFORE HON. SUZANNE H. BAUKNIGHT. THE HEARING ON CONFIRMATION MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE, EXCEPT FOR AN ANNOUNCEMENT MADE AT THE HEARING OR ANY ADJOURNMENT THEREOF.

I. INTRODUCTION

A. Definitions.

Certain capitalized terms used in the Disclosure Statement have been defined in the Plan. All such definitions in the Plan are incorporated into the Disclosure Statement.

B. Purpose of the Disclosure Statement.

The Disclosure Statement has been prepared by the Debtor for the purpose of disclosing information which the Bankruptcy Court has determined is necessary for persons or entities entitled to vote on the Plan to arrive at an informed decision with respect to the Plan.

Confirmation of the Plan depends upon the receipt of a sufficient number of votes in favor of the Plan from persons holding Claims in Classes entitled to vote on the Plan. Accordingly, if you hold Claims in any of those Classes, your vote is important.

The Disclosure Statement describes various transactions contemplated by the Plan, including the manner in which Claims will be satisfied. The classification and the treatment of Claims are described in Section VI. You are urged to study the Plan and to consult your counsel about the Plan and its impact upon your legal rights before voting.

THE DEBTOR BELIEVES THAT THE TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN CONTEMPLATES A RECOVERY THAT IS NOT LESS THAN THE RECOVERY THAT WOULD BE RECEIVED IF THE DEBTOR WAS LIQUIDATED UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF HOLDERS OF CLAIMS AND INTERESTS AND RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

C. Brief Explanation of Chapter 11.

Chapter 11 is the principal chapter of the Bankruptcy Code providing for the reorganization of a debtor. Under Chapter 11, a debtor is authorized to reorganize its business for its own benefit and for the benefit of holders of claims against, and interests in, it. During the pendency of a case under Chapter 11, a debtor generally operates its business as debtor-in-possession, and attempts at collection of pre-petition claims are stayed.

Formulation of a Plan of Reorganization is the principal purpose of a case under Chapter 11. The Plan is the vehicle for satisfying the holders of claims against, and interests in, a debtor. Unless a trustee is appointed, a debtor has the exclusive right to file a plan during the first 120 days of a case under Chapter 11, subject to extension or reduction by the court.

The Debtor filed the Plan of Reorganization of Mid-South Auto Auction, Inc. on May 19, 2016.

II. OVERVIEW OF THE PLAN

The Plan contemplates an orderly reorganization of the Debtor, the purpose of which is to maximize the distributions which can be made to the creditors of the Debtor while allowing the Debtor to make a fresh start after completion of the Plan.

The Plan contains separate classes and proposed recoveries for holders of Claims and Interests. After careful review of the Debtor's current income and expenses, estimated recoveries in a liquidation scenario, and the prospects of ongoing income, the Debtor has concluded that the recovery to the Debtor's creditors will be maximized by the reorganization of the Debtor as contemplated by the Plan.

The following table briefly summarizes the classification and the treatment of Claims against, and Interests in, the Debtor under the Plan:

CLASS	TREATMENT
Allowed Administrative Expense Claims	Paid in full on the Effective Date
Statutory Fees	Any US Trustee fees due prior to the Effective Date will be paid on the Effective Date. Debtor will remain current on any US Trustee fees until the case is closed, dismissed, or converted to another chapter of the Bankruptcy Code.
Priority Unsecured Tax Claims	The IRS will receive equal monthly installments at 12% interest to be paid in full within five (5) years from the Petition Date (payments approximately \$485). Knox County, Tennessee will be paid in full in equal monthly installments at 12% interest (payments approximately \$315). Anderson County, Tennessee will be paid in full in equal monthly installments 12% interest (payments approximately \$35). The Tennessee Department of Revenue will be paid in full in equal monthly installments at 7.5% interest (payments approximately \$260). All payments will commence on the Effective Date.
Class 1 (Allowed Non-Priority Unsecured Claim of Batson Realty)	<p>Batson Realty will receive, on its claim for past due rent, \$500/month for a period of 60 months. Payments will commence the month immediately following the month in which the Effective Date occurs.</p> <p>This Class is IMPAIRED.</p>
Class 2 (Allowed Non-Priority Unsecured Claim of Ben Koplan)	<p>Ben Koplan will receive \$125/month on his claim for past due rent until such claim is paid in full. Payments will commence the month immediately following the month in which the Effective Date occurs.</p> <p>This Class is IMPAIRED</p>
Class 3 (Allowed Non-Priority Unsecured Claims)	<p>The unsecured creditors will receive on their claims 19 quarterly payments of \$1,475 to be distributed <i>pro rata</i> per the amount of each creditor's claim. Payments will commence 90 days after the Effective Date. The anticipated dividend to unsecured creditors is approximately 15%.</p> <p>This Class is IMPAIRED.</p>

The general unsecured claims listed and to be paid are those claims which were not marked as contingent, disputed, or unliquidated in Schedule F to the petition or for which proofs of claim have been filed.

THIS TABLE IS INTENDED ONLY AS A SUMMARY AND IS NOT A SUBSTITUTE FOR READING THE PLAN. PERSONS OR ENTITIES CONSIDERING THE PLAN SHOULD READ THE PLAN.

III. VOTING INSTRUCTIONS

A. Ballots and Voting Procedures.

A ballot for voting to accept or to reject the Plan, together with a return envelope, is enclosed with each copy of the Disclosure Statement mailed to a holder of a Claim entitled to vote.

THE BANKRUPTCY COURT HAS DIRECTED THAT, TO BE COUNTED FOR VOTING PURPOSES, BALLOTS FOR THE ACCEPTANCE OR THE REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN THE ____ DAY OF ____, 2017 KNOXVILLE, TENNESSEE, AT THE FOLLOWING ADDRESS:

LP Cleaners, Inc.
c/o Keith L. Edmiston
EDMISTON CAMBRON, PLLC
7031 Middlebrook Pike
Knoxville, TN 37909

(865) 383-0354 [facsimile]
kedmiston@edmistoncambron.com

BALLOTS MAY BE RECEIVED BY HAND DELIVERY OR BY FIRST-CLASS U.S. MAIL.

IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD VOTE ON EACH BALLOT THAT YOU RECEIVE. PLEASE PROVIDE ALL INFORMATION REQUESTED ON THE BALLOT AND SIGN THE BALLOT.

IF A BALLOT IS DAMAGED OR LOST OR IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING, CONTACT THE DEBTOR AT THE FOLLOWING ADDRESS BY FACSIMILE, TELEPHONE, OR E-MAIL:

LP Cleaners, Inc.
c/o Keith L. Edmiston
EDMISTON CAMBRON, PLLC
7031 Middlebrook Pike
Knoxville, TN 37909
(865) 248-6038
(865) 383-0354 [facsimile]
kedmiston@edmistoncambron.com

WHEN A BALLOT IS SIGNED AND RETURNED WITHOUT FURTHER INSTRUCTION REGARDING ACCEPTANCE OR REJECTION OF THE PLAN OR IS INCOMPLETE, IT WILL BE TREATED AS IF NO VOTE WERE CAST ON THE PLAN.

B. Parties Entitled to Vote.

Under Section 1126 of the Bankruptcy Code, each Class of impaired Claims allowed under Section 502 of the Bankruptcy Code which is not deemed to accept or to reject the Plan, is entitled to vote on the acceptance or the rejection of the Plan.

Under Section 1124 of the Bankruptcy Code, a class is "impaired" under a plan of reorganization unless, with respect to each claim in such class, the plan of reorganization: leaves unaltered the legal, equitable, and contractual rights to which such claim or such interest entitles the holder of such claim or such interest; or notwithstanding any applicable law or any contractual provision that entitles the holder of such claim or such interest to receive accelerated payment of such claim or such interest after the occurrence of a default:

(1) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code;

(2) reinstates the maturity of such claim or such interest as such maturity existed before the default;

(3) compensates the holder of such claim or such interest for any damages incurred as a result of any reasonable reliance by such holder on such applicable law or such contractual provision; and

(4) does not otherwise alter the legal, equitable or contractual rights to which such claim or such interest entitles the holder of such claim or such interest.

ALL CLASSES OF CLAIMS (CLASSES 1-3) ARE IMPAIRED AND MEMBERS OF ANY SUCH CLASS ARE ENTITLED TO VOTE ON THE PLAN.

C. Vote Required for Class Acceptance of the Plan.

As a condition to confirmation, the Bankruptcy Code requires that each impaired Class of Claims or Interests accept the Plan, subject to certain exceptions. At least one impaired Class of Claims must accept the Plan in order for the Plan to be confirmed.

Section 1126 of the Bankruptcy Code generally defines acceptance of a plan of reorganization by a class of claims as acceptance by holders of at least two-thirds in amount and more than one half in number of the allowed claims.

Classes of claims that are not "impaired" under a plan of reorganization are deemed, as a matter of law, to accept the Plan and therefore are not permitted to vote for or against the Plan.

IV. GENERAL INFORMATION AND BACKGROUND

Events Leading to Chapter 11.

The Debtor began operating in July 2015 as a dry-cleaning and laundry service. The business is located in west Knoxville in Tennessee in a mall park.

The Debtor performed and was able to pay its bills until the summer of 2016. At that time there was an unexplainable significant downturn in business. Also, one of the Debtor's primary pieces of dry-cleaning equipment malfunctioned, causing each item of clothing ran through that machine to tear. The Debtor was required to pay well over \$10,000 to compensate customers for their destroyed items. In the fall of 2016, the Debtor entered into a loan transaction with Guardian Enterprises, LLC, its merchant services provider, wherein the Debtor received approximately \$20,000 in return for payments with interest. Payments were made by deducting 40% of all credit and debit card deposits, leaving the Debtor with only 60% of its credit and debit card receipts to operate. This transaction was a poor financial decision.

V. OPERATION AND SIGNIFICANT EVENTS DURING REORGANIZATION

A. Operations of Debtor-in-Possession.

Since the Petition Date, the Debtor has managed its property and operated its business.

B. Operating Results.

Since the Petition Date, the Debtor has generated disposable cash – a net profit. The Debtor showed a loss for November 2015, but had a profit of approximately \$8,000 for the combined months of December 2016, January 2017, and February 2017.

The Debtor projects that it will continue to generate disposable cash sufficient to fund the Plan.

C. Counsel.

On November 18, 2016, an order was entered approving the employment of Keith L. Edmiston as counsel for the Debtor, *nunc pro tunc* to the Petition Date.

D. Fees.

On February 15, 2017, counsel for the Debtor filed an application seeking \$6,631.00 for compensation and \$31.00 for reimbursement of expenses. The application was approved on March 9, 2017, granting compensation in the amount of \$6,225.00 and reimbursement of expenses in the amount of \$31.00.

E. Processing of Claims.

The Debtor filed its statements and schedules along with the filing of the petition except for the Statement of Financial Affairs, which was filed on November 10, 2016.

The Debtor will engage in a detailed review of Claims. In each case, the Debtors will attempt to reconcile the amount claimed by each holder with the amount reflected as owed to that creditor by the books and records of the Debtor. To the extent that the amount claimed by a holder does not reconcile with the amount reflected by the books and records of the Debtor, the Debtor may request additional information from the creditor to support the proof of claim and may object to the amount claimed in the proof of claim.

F. Litigation.

1. Adversary Proceedings.

The Debtor filed a complaint against Guardian Enterprises, LLC pursuant to 11 U.S.C. 549 for return of postpetition transfers. The amount to be recovered is approximately \$15,000. The complaint was filed on February 13, 2017. On March 31, 2017, the Clerk of the Court issued an Entry of Default. The Debtor intends to immediately file a motion for default judgment.

2. Preference/Fraudulent Transfers/Conveyance Litigation.

Under the Bankruptcy Code, a trustee or a debtor-in-possession has the right to recover preferences. Generally, a preference is a payment or a transfer of property by an insolvent debtor to a creditor for or on account of a pre-existing debt. Such preferences may be recovered if made within 90 days (one year in the case of insiders) prior to the commencement of a bankruptcy case and if the preference allowed the creditor to receive more than the creditor would have received if such payment or such transfer had not been made and if the debtor's assets were distributed in a liquidation under Chapter 7 of the Bankruptcy Code.

The Debtor will engage in a review of its books and records to identify all payments and all transfers by the Debtor that were made (a), with respect to creditors other than insiders, after February 4, 2016, and (b), with respect to insiders, after May 3, 2015 as disclosed in the Statement of Financial Affairs or otherwise. The Debtor has not identified any material payments or any material transfers that constitute preferential payments.

The Debtor has attempted to identify payments and transfers that constitute fraudulent conveyances under either the Bankruptcy Code or applicable non-bankruptcy law. The Debtor has not yet identified any material payments or any material transfers that constitute fraudulent conveyances.

VI. DESCRIPTION OF PLAN OF REORGANIZATION.

The principal provisions of the Plan are summarized in this Article VI. THE SUMMARY IS A BROAD OUTLINE OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.

A. Classification and Treatment of Claims and Interests.

Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Plan must designate classes of claims for purposes of voting on the Plan and making distributions thereunder.

Administrative Claims, Statutory Fees, and Priority Tax Claims have not been classified in the Plan and are paid in accordance with §§ 3.02 and 4.01 of the Plan.

All of the other Claims have been classified into 3 different Classes. A Claim is classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and any remainder of that Claim in a different Class to the extent that any such remainder of the Claim qualifies within the description of such different Class. A Claim is classified in a particular Class only to the extent that the Claim is an Allowed Claim in that Class and has not been paid prior to the Effective Date.

B. Classification.

The Plan contains the following Classes of Claims and Interests:

Class 1: The Allowed Non-Priority Unsecured Claim of Batson Realty

Class 2: The Allowed Non-Priority Unsecured Claim of Ben Koplan.

Class 3. Allowed Non-priority Unsecured Claims other than those treated in Classes 1 and 2.

C. Treatment of Unimpaired Classes of the Debtor.

No classes of claims are unimpaired under this Plan.

D. Means for Implementation of Plan.

1. Operation as Debtor in Possession Until Effective Date.

During the periods before the Effective Date and after the Effective Date, the Debtor will continue to manage its property and conduct its operations as Debtor-in-Possession. The funds with which to implement the Plan will come from the cash generated by the operations of the business.

2. Vesting of Assets in the Debtor.

On the Effective Date, all property of the Estate and all of the property acquired by the Debtor shall vest in the Debtor free and clear of all Claims and of all liens and all security interests securing such Claims other than liens and security interests expressly contemplated by the Plan and other than the obligation to distribute the Estate as provided in this Plan.

3. Avoiding Powers.

The Debtor, at its option, shall prosecute, settle or abandon the Estate's claims and causes of action, including any claims pursuant to sections 542, 544, 545, 547, 548 or 549 of the Bankruptcy Code, as is consistent with the exercise of reasonable business judgment. These claims and causes of action shall be deemed abandoned if not filed within one hundred and twenty (120) days after entry of the Order of Confirmation.

4. Filings.

The Debtor will make such filings and take such other actions with respect to regulatory requirements as may be appropriate or advisable in connection with the Plan and as are not inconsistent therewith.

5. Further Actions.

Payment of Administrative Claims. The Debtor will pay all Allowed Claims constituting Administrative Claims and statutory fees on or before the Effective Date. Ongoing post-confirmation administrative expenses, including court approved attorneys' fees and expenses, will be paid in full out of the income of the Debtor upon approval by the Court.

Distributions. Distributions will be made in the amounts and on the dates described in Article VI (D).

Delivery of Distributions. (Subject to Rule 9010 of the Bankruptcy Rules, all distributions to the holders of Claims required by the Plan shall be made at the address of the holder set forth on any proof of claim filed by the holder or, if the holder has not filed or been deemed to have filed a proof of claim, at the last known address of the holder according to the records of the Debtor. If a distribution is returned to the Debtor as undeliverable, the Debtor shall not be required to take any further action with respect to the delivery of the distribution unless and until the earlier of (1) the date on which the Debtor is notified in writing of the then current address of the holder entitled to receive the distribution and (2) 30 days after the distribution is returned. If the Debtors are notified in writing of the then current address of the holder prior to the thirtieth day after the distribution is returned, the Debtor shall promptly make the distribution required by the Plan to the holder at the then current address

Means of Payments. The Debtor shall make each distribution to be made by the Debtor in cash in United States dollars by a check drawn on a financial institution selected by the Debtor in its sole discretion.

Compliance with Tax Requirements. The Debtor shall comply with all applicable federal and state tax requirements in connection with the distributions to be made under the Plan, including, without limitation, any applicable back-up withholding requirements. Notwithstanding anything else contained in the Plan, all distributions to be made under the Plan shall be subject to any applicable back-up withholding requirements.

Setoff. The Debtor may, pursuant to Section 553 of the Bankruptcy Code, set off any distribution to be made under the Plan to a holder of a Claim with respect to the Claim any amount owed to the Debtor by the holder. A failure by the Debtor to effect such a setoff shall not affect the obligation of the holder to pay to the Debtor the amount owed to the Debtor by the holder.

E. Other Provisions of the Plan.

1. Executory Contracts and Unexpired Leases

As provided in the Plan, the Debtor will assume any remaining interest in each of the executory contracts and the unexpired leases identified in the Plan. All other executory contracts and leases, if any, including those potentially identified in Schedule G of the Debtor's Statement of Financial Affairs, are deemed rejected.

The identification of a contract or a lease by the Debtor will not constitute an admission by the Debtor that the contract or the lease is an executory contract or an unexpired lease, as the case may be, or that the Debtor has any liability under the contract or the lease.

Under the Plan, the Debtor is assuming the leases with Batson Realty and Ben Koplan.

The Plan provides that the leases are assumed without immediate cure of any default. The amounts owing due to default are paid with treatment set forth in Classes 1 and 2 of the Plan.

The Confirmation Order will constitute an order of the Bankruptcy Court approving the assumption of the executory contracts and the unexpired leases assumed as stated hereinabove on the Confirmation Date pursuant to 11 U.S.C. § 365.

The Confirmation Order will constitute an order of the Bankruptcy Court approving the rejection by the Debtor of the executory contracts and the unexpired leases rejected pursuant to Section 365 of the Bankruptcy Code on the Confirmation Date.

IF THE REJECTION OF AN EXECUTORY CONTRACT OR AN UNEXPIRED LEASE GIVES RISE TO A CLAIM BY THE OTHER PARTY TO THE EXECUTORY CONTRACT OR THE UNEXPIRED LEASE, THE CLAIM WILL BE FOREVER BARRED UNLESS A PROOF OF CLAIM WITH RESPECT TO THE CLAIM IS FILED WITH THE BANKRUPTCY COURT WITHIN 30 DAYS AFTER THE CONFIRMATION DATE.

2. Retention of Jurisdiction

After the Effective Date, the Bankruptcy Court will retain jurisdiction over the Case and any proceedings arising from, or relating to, the Case to the fullest extent permitted by the Bankruptcy Code and any other applicable law. Without limiting the generality of the foregoing, the Bankruptcy Court will retain the following jurisdiction:

a. Claim Determinations. The Bankruptcy Court will retain the jurisdiction to allow, to disallow, to liquidate, to classify, to estimate or to determine the priority of any Claim and to determine the validity and priority of any lien or any security interest securing such Claim, including, without limitation, the resolution of any request for payment of any Administrative Claim and the resolution of any objection to Claims. The Bankruptcy Court shall also retain the jurisdiction to hear avoidance actions.

b. Compensation and Expense Determinations. The Bankruptcy Court will retain the jurisdiction to grant or to deny any application for allowance of compensation or reimbursement of expenses authorized to be paid pursuant to the Bankruptcy Code or the Plan.

c. Assurance of Distributions. The Bankruptcy Court will retain the jurisdiction to ensure that distributions to the holders of Allowed Claims are accomplished in accordance with the Plan.

d. Pending Motions and Adversary Proceedings. The Bankruptcy Court will retain jurisdiction to decide or to resolve any motion and any other matter or to grant or to deny any applications involving the Debtor that are pending on the Effective Date or are subsequently filed with the Bankruptcy Court.

e. Implementation of the Plan. The Bankruptcy Court will retain the jurisdiction to enter such orders as may be appropriate or advisable to consummate the Plan and any instrument or any other agreement created in connection with, or contemplated by, the Plan.

f. Resolution of Controversies. The Bankruptcy Court will retain jurisdiction to resolve any controversy that may arise in connection with the consummation, the interpretation or the enforcement of the Plan or the rights or the obligations of any person or any entity under the Plan.

g. Modifications. To the extent authorized by the Bankruptcy Code, the Bankruptcy Court will retain the jurisdiction to modify the Plan before consummation of the Plan under Section 1127 of the Bankruptcy Code, to remedy any defect or any omission and to reconcile any inconsistency in any order entered by the Bankruptcy Court, the Plan and any instrument or any other agreement created in connection with, or contemplated by, the Plan in such manner as may be appropriate or advisable to consummate the Plan.

h. Restraint of Interference. The Bankruptcy Court will retain jurisdiction to issue such orders as may be appropriate or advisable to restrain interference by any person or any entity with the consummation or the enforcement of the Plan.

i. Modification, Stay, Reversal, Revocation or Vacation of the Confirmation Order. The Bankruptcy Court will retain jurisdiction to enter such orders as may be appropriate or advisable if the Confirmation Order is modified, stayed, reversed, revoked or vacated for any reason.

j. Avoidance and Preference Actions. The Bankruptcy Court will retain jurisdiction to determine any avoidance and preference actions brought by the Debtor.

k. Other Determinations. The Bankruptcy Court will retain the jurisdiction to determine any other matter arising out of, or in connection with, the Confirmation, the Plan or any instrument or any other agreement created in connection with, or contemplated by, the Plan.

l. Recovery of Assets. The Bankruptcy Court will retain the jurisdiction to enter such orders as may be appropriate or advisable in connection with the recovery of the assets of the Debtor and the Estate, wherever located.

m. Final Decree. The Bankruptcy Court will retain the jurisdiction to enter an order concluding the Case.

3. Discharge.

Except as provided in the Order of Confirmation, the confirmation of the Plan will terminate all interests and discharge all Claims provided for by the Plan.

4. Injunction.

On the Confirmation Date, except as otherwise provided in the Confirmation Order or the Plan, all persons and all entities that have held, currently hold or may hold a Claim that is discharged or an Interest that is terminated are permanently enjoined from taking any of the following actions on account of any such discharged Claim or any such terminated Interest:

- a. commencing or continuing any action or other proceeding against the Debtor or the property of the Debtor;
- b. enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor or the property of the Debtor;
- c. creating, perfecting or enforcing any lien or any security interest against the Debtor or the property of the Debtor;
- d. asserting a setoff, right of subrogation or recoupment of any kind against any obligation due to the Debtor or the property of the Debtor; or
- e. commencing or continuing any action, in any manner, in any place that does not comply with, or is inconsistent with, the Plan.

VII. ACCEPTANCE AND CONFIRMATION OF THE PLAN.

A. Confirmation Hearing

The Bankruptcy Court has scheduled a hearing on Confirmation of the Plan to commence on ___at___, Knoxville time. That hearing will be held at U.S. Bankruptcy Court, Howard H. Baker, Jr. United States Courthouse, 800 Market Street, Courtroom 1-C, Knoxville, Tennessee 37902 before the Hon. Suzanne H. Bauknight. At that hearing, the Bankruptcy

Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and whether it is in the best interest of the creditors and the shareholders. At that time, the Debtor will submit a report to the Bankruptcy Court concerning the votes for acceptance and rejection of the Plan by the parties entitled to vote.

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement made at the Confirmation Hearing or any adjournment thereof. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan. Any objections to the Plan must be made in writing and filed with the Bankruptcy Court and served on the following persons no later than _____ at ___ Knoxville time.

TO THE DEBTOR AT THE FOLLOWING ADDRESS:

LP Cleaners, Inc.
c/o Keith L. Edmiston
EDMISTON CAMBRON, PLLC
7031 Middlebrook Pike
Knoxville, TN 37909
(865) 383-0354 [fax]
kedmiston@edmistoncambron.com

with a copy to:

Ms. Tiffany Diiorio, Attorney for U.S. Trustee, 800 Market Street, Ste. 114, Knoxville, TN 37902

Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Requirements to Confirmation

At the Confirmation Hearing, the Bankruptcy Court will determine whether the provisions of Section 1129 of the Bankruptcy Code have been satisfied. If all of those provisions are met, the Bankruptcy Court may enter an order confirming the Plan. In the view of the Debtor, all of the provisions of Section 1129 will be satisfied on the Confirmation Date.

As applicable to the Debtor, Section 1129 provides as follows.

1. The Plan must comply with the applicable provisions of the Bankruptcy Code, including Section 1122, which requires that claims and interests be placed in classes with "substantially similar" claims and interests and Section 1123, which specifies the mandatory contents of the Plan (Section 1129(a)(1)).

2. The Debtor must comply with the applicable provisions of the Bankruptcy Code (Section 1129(a)(2)).

3. The Plan must have been proposed in good faith and not by any means forbidden by law (Section 1129(a)(3)).

4. Any payment made or to be made by the Debtor for services or for costs and expenses in or in connection with the case, or in connection with the Plan and incident to the Case, must be disclosed to the Bankruptcy Court and approved or subject to the approval of the Bankruptcy Court as reasonable (Section 1129(a)(4)).

5. The Plan must meet the "best interests of creditors" test which requires that each holder of a claim or interest or a class of claims or interests that is impaired under a Plan either accept the Plan or receive or retain 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 such holder would receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code. If the holders of a class of secured claims make an election under Section 1111 (b) of the Bankruptcy Code, each holder of a claim in such electing class must receive or retain under the Plan on account of its claim, property of a value, as of the effective date of the Plan, that is not less than the value of its interest in the Debtor's interest in the property that secures its claim (Section 1129(a)(7)).

6. Each class of claims or interests must either accept the Plan or not be impaired under the Plan (Section 1129(a)(8)). Alternatively, the Plan may be confirmed over the dissent of a class of claims or interests if the "cramdown" requirements of Section 1129(b) of the Bankruptcy Code are met.

7. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the Plan must provide that holders of administrative expense claims and priority claims (other than tax claims) will be paid in full in cash on the effective date of the Plan, that the holders of other priority claims be paid in cash in full on the effective date of the Plan or receive deferred cash payments of a present value equal to the allowed amount of such claim, and that holders of priority tax claims will receive on account of such claims deferred cash payments, over a period not exceeding six years after the date of assessment of such tax, of a value, as of the effective date of the Plan, equal to the allowed amount of such claim (Section 1129(a)(9)).

8. At least one impaired class must accept the Plan, determined without including the acceptance of the Plan by any insider holding a claim in such class (Section 1129(a)(10))

9. The Plan must be "feasible." In other words, it cannot be likely that confirmation of a Plan will be followed by the liquidation or the need for further financial reorganization of the Debtor or of any successor to the Debtor under the Plan, unless such liquidation or such reorganization is proposed in the Plan (Section 1129(a)(11)).

10. All fees payable under 28 U.S.C. § 1930 must have been paid or the Plan of Reorganization must provide for such payment on its effective date (Section 1129(a)(12)).

Section 1111(b) generally provides that a Secured Claim will be treated as a recourse claim in a case pending under Chapter 11 of the Bankruptcy Code, even if the claim is non-recourse by virtue of applicable law or any agreement. This recourse status automatically terminates if the property securing repayment of the Secured Claim is sold pursuant to the Plan or Section 363 of the Bankruptcy Code or the class of which the secured claim is a part elects application of Section 1111(b)(2). All claimants will be required to make any election to which they are entitled by applicable law or any agreement, whether such election is made under Section 1111(b) of the Bankruptcy Code or otherwise, in accordance with Bankruptcy Rule 3004, prior to the conclusion of the hearing on the Disclosure Statement.

C. Plan Meets Requirements for Confirmation.

1. *Best Interests of Creditors - Liquidation Alternative*

In the view of the Debtor, the treatment proposed in the Plan is in the best interests of its creditors and contemplates a recovery equal to or greater than the recovery likely to be achieved under currently available alternatives to the Plan or by liquidation of the Debtor.

The liquidation is based upon the experience and best estimates of the Debtor but there is no assurance that such amount will be recovered by the Estate. The Debtor believes the assumptions and estimates herein are reasonable but there is no assurance that these assumptions and estimates will ultimately prove to be accurate.

If the Plan is not confirmed and other subsequent plans of reorganization, if any, are not confirmed, it is probable that the Bankruptcy Court will liquidate the Debtor, either under Chapter 11 of the Bankruptcy Code or by converting the Case to a proceeding under Chapter 7 of the Bankruptcy Code and appointing a trustee to oversee such liquidation. In such event, the Bankruptcy Court may grant secured claims relief from the automatic stay to foreclose on their collateral, and there may be less assets available for distribution to unsecured creditors.

In a liquidation of assets of the Debtor other than through the Plan, a trustee would liquidate the assets of the Debtor. In this proceeding, the Debtor believes such a liquidation would result in a distribution to general unsecured creditors of 0%. Attached hereto as Exhibit 5 is a general analysis of what the Debtor expects, based upon its best estimates, of the results of a Chapter 7 liquidation with respect to any dividend to unsecured creditors.

2. *Feasibility of the Plan*

As a condition to confirmation, the Bankruptcy Code requires that confirmation not be likely to be followed by a liquidation of a reorganized Debtor or the need for a further reorganization.

In the view of the Debtor, the Plan is feasible and is not likely to be followed by a liquidation under Chapter 7 or a need for a further financial reorganization.

The Debtor is expected to generate profits above what it achieved during the period October 27, 2016 through February 28, 2017. First, the Debtor will be receiving 100% of its credit and debit deposits rather than 60% which was the case prior to the Petition Date through the first of January, 2017. The receipt of only 60% during the post-petition period October 27, 2016 to the end of the year results in an inaccurate reflection of the true ability of the Debtor to make a profit going forward. Secondly, the Debtor had significant expenditures during the case for repairs and some necessary renovations. These expenses will not occur after confirmation of the Plan. Third, the Debtor has reduced its payroll. Fourth, the Debtor has made significant improvements to its operating space,

making it attractive to customers, and the remodeled space is likely to assist in maintaining current business and retaining new business. Lastly, the Debtor has developed a marketing plan, including e-mail and flyer campaigns and other forms of advertisement.

D. Alternatives to the Plan

In the view of the Debtor, the Plan provides the holders of Claims with the greatest return that can be realized on their respective Claims.

If the Plan is not confirmed, the Bankruptcy Court could dismiss the case or convert the Case to a liquidation proceeding under Chapter 7 of the Bankruptcy Code. If the Case is converted to a Chapter 7 liquidation proceeding, a trustee would be appointed and would proceed to liquidate the assets of the Debtor.

X. FINANCIAL STATEMENTS.

The operating reports of the Debtor for the periods November 2016 through February 2017 are attached hereto as Exhibits 1, 2, 3, and 4.

XI. CONCLUSION.

In the view of the Debtor, the Plan presents its creditors their best opportunity for recovery and urges all creditors to vote to accept the Plan.

[Signatures on following page].

Signed this 7th day of April, 2017

LP CLEANERS, INC.

/s/Lawrence Pappas
By: Lawrence Pappas
Its: President

/s/Keith L. Edmiston
KEITH L. EDMISTON, BPR 018366
Attorney for the Debtor
EDMISTON CAMBRON, PLLC
7031 Middlebrook Pike
Knoxville, TN 37909
(865) 248-6038
(865) 383-0354 [facsimile]
kedmiston@edmistoncambron.com

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Eastern District of Tennessee

In re LP Cleaners, Inc.,
Debtor

Case No. 3:16-bk-22166-SHB ³³¹⁶⁶

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: November 2016

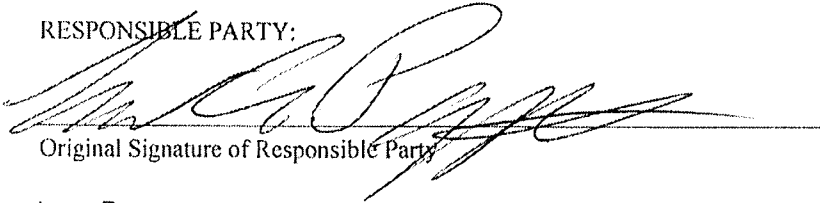
Date filed: 12/19/2016 12/23/16

Line of Business: Dry cleaning

NAISC Code: _____

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

Larry Pappas

Printed Name of Responsible Party

Questionnaire: *(All questions to be answered on behalf of the debtor.)*

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 10,377.73

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 241.32
 Cash on Hand at End of Month \$ -1,073.26

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 536.70

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 11,044.21

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 10,377.73

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 11,044.23

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ -666.65

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 3,773.34

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 514.05

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?	<u>4</u>
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?	<u>4</u>

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$	<u>11,200.00</u>
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$	<u>9,500.00</u>
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$	<u>1,700.00</u>

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Eastern District of Tennessee

In re LP Cleaners, Inc.,
Debtor

Case No. 3:16-bk-33166-SHB

Small Business Case under Chapter 11

Amended

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: December 2016

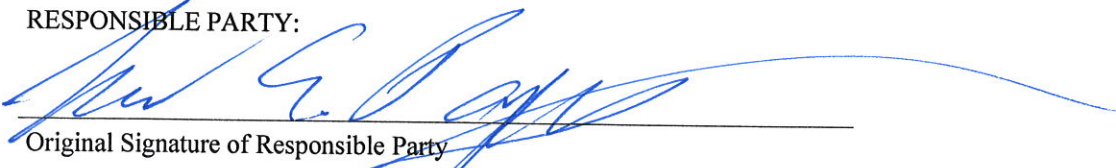
Date filed: 02/07/2017

Line of Business: Dry cleaning

NAISC Code: 812310

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

Larry Pappas, President

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- | | | |
|---|--------------------------|-------------------------------------|
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 19,541.46

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ -1,266.32

Cash on Hand at End of Month \$ 399.06

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 554.95

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 15,889.04

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 20,605.50

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 15,889.04

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 4,716.46

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 3,024.47

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 720.00

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 4
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 4

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ <u>11,200.00</u>	\$ <u>20,605.50</u>	\$ <u>9,405.50</u>
EXPENSES	\$ <u>9,500.00</u>	\$ <u>18,703.54</u>	\$ <u>9,203.54</u>
CASH PROFIT	\$ <u>1,700.00</u>	\$ <u>1,901.96</u>	\$ <u>201.96</u>

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ <u>20,000.00</u>
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ <u>17,500.00</u>
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ <u>2,500.00</u>

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Eastern District of Tennessee

In re LP Cleaners, Inc.,
Debtor

Case No. 3:16-bk-33166-SHB

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: January 2017

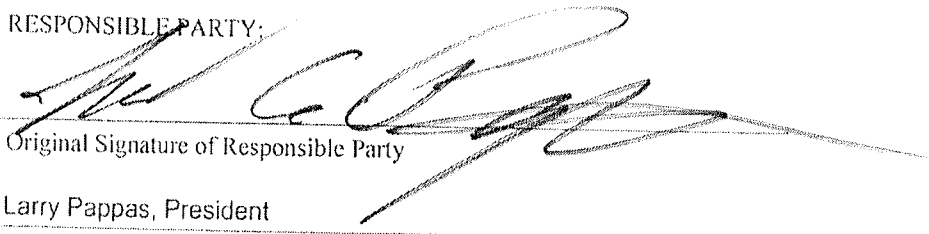
Date filed: 02/15/2017

Line of Business: Dry cleaning

NAISC Code: 812310

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

Larry Pappas, President

Printed Name of Responsible Party

Questionnaire: *(All questions to be answered on behalf of the debtor.)*

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 15,011.11

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 554.95

Cash on Hand at End of Month \$ 2,034.13

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 712.74

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 11,374.01

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 15,011.11

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 11,374.01

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 3,637.10

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 1,600.00

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 4,000.00

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 4
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 4

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ 20,000.00	\$ 15,011.11	\$ -4,988.89
EXPENSES	\$ 17,500.00	\$ 11,374.01	\$ -6,125.99
CASH PROFIT	\$ 2,500.00	\$ 3,637.10	\$ 1,137.10

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ 17,500.00
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ 12,500.00
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ 5,000.00

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Eastern District of Tennessee

In re LP Cleaners, Inc.,
Debtor

Case No. 3:16-bk-33166-SHB

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: January 2017

Date filed: 02/15/2017

Line of Business: Dry cleaning

NAISC Code: 812310

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party

Larry Pappas, President
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- | | | |
|---|--------------------------|-------------------------------------|
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 14,434.71

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month	\$	<u>2,034.13</u>
Cash on Hand at End of Month	\$	<u>806.34</u>

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 4,198.75

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 14,369.27

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH <i>(TOTAL FROM EXHIBIT B)</i>	\$	<u>14,434.71</u>
EXPENSES FOR THE MONTH <i>(TOTAL FROM EXHIBIT C)</i>	\$	<u>14,369.27</u>
<i>(Subtract Line C from Line B)</i>	CASH PROFIT FOR THE MONTH	\$ <u>65.44</u>

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0.00

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 6,000.00

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 4
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 4

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ <u>17,500.00</u>	\$ <u>14,434.71</u>	\$ <u>-3,065.29</u>
EXPENSES	\$ <u>12,500.00</u>	\$ <u>14,369.27</u>	\$ <u>1,869.27</u>
CASH PROFIT	\$ <u>5,000.00</u>	\$ <u>65.44</u>	\$ <u>-4,934.56</u>

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ <u>17,000.00</u>
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ <u>13,000.00</u>
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ <u>4,000.00</u>

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

EXHIBIT 5

Value of assets as set forth in the Debtor's schedules:

<u>Asset</u>	<u>Value</u>
Dry cleaning supplies	750.00
Chevrolet Uplander	3,500.00
Large drycleaning unit Boiler	
Large commercial dryer Standard dryers (2) Ironing stations (3)	15,000.00
TOTAL:	19,250.00
 <u>Deductions</u>	
Chapter 7 Trustee's Fee	-2,675.00
 Net proceeds	 <u>16,575.00</u>

The Priority Unsecured Claim of the IRS alone exceeds the greatest expected amount of proceeds from a liquidation. Accordingly, there would be no distribution to non-priority unsecured claimants in a liquidation scenario.