

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

IN RE:)		
)	CHAPTER:	11
2 BROTHERS TRANSPORT, LLC)	CASE NO.:	17-04962
)	JUDGE:	WALKER
Debtor.)		
)		

**DEBTOR'S COMBINED DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF
REORGANIZATION DATED MAY 17, 2018**

ARTICLE I - INTRODUCTION

The Debtor, 2 Brothers Transport, LLC, submits this Combined Disclosure Statement and Plan of Reorganization (the "Plan") dated May 17, 2018. This Plan is presented to creditors and parties in interest in the above Chapter 11 case in order to provide adequate information on the proposal for restructuring the debt of the Debtor, and to seek your vote in accepting the Plan.

On July 21, 2017, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Since the filing of the petition, the Debtor has remained in possession of its property and operated its affairs as a Debtor in Possession. No Trustee has been appointed, nor has a committee of unsecured creditors been appointed.

This Plan provides for three (3) classes of secured claims; one (1) class of unsecured claims; and one (1) class of equity interests of the Debtor. Unsecured creditors holding allowed claims will receive pro rata distributions totaling \$23,250.00, as further described herein. This Plan also provides for the payment of administrative and priority claims. All creditors and parties in interest should refer to Articles V through VII of this Plan for information regarding the precise treatment of their claims.

ARTICLE II – DISCLAIMER

No representations concerning the Debtor, other than as set forth in this Plan, are authorized by the Debtor. Any representations or inducements made to secure your acceptance other than as contained in this Plan should not be relied upon by you in arriving at your decision.

The information contained in this Plan derives from the Debtor and from other sources where indicated. The Debtor believes the information to be correct; however, it has not been independently verified in every instance, nor has it been subjected to a certified audit.

ARTICLE III - DEFINITIONS

The definitions and rules of construction set forth in §§ 101 and 102 of the Bankruptcy Code shall apply when terms defined or construed in the Bankruptcy Code are used in this Plan, and they are supplemented by the below listed definitions. Therefore, the following terms, when used in this Plan, shall have the following meanings:

- a. “Adequate Protection Payments” shall mean payments made by the Debtor to creditors holding claims secured by Property of the Debtor, from the Petition Date to the Effective Date, whether or not such payments were made directly to the creditor or deposited into an account, and whether or not such payments were made pursuant to an order of the Court.
- b. “Administrative Claim” shall mean any claim including, but not limited to, claims for compensation of professionals made pursuant to § 330 of the Bankruptcy Code and claims entitled to administrative priority pursuant to §§ 507(a)(1) and 503(b) of the Bankruptcy Code. Fees due to the United States Trustee pursuant to 28 U.S.C. § 1930 shall also be included in this definition.
- c. “Allowed Claim” shall mean a Claim that is evidenced by a proof of claim that has been filed under § 501 or deemed filed under § 1111(a), and any timely filed objection has been resolved by a final non-appealable order. The amount of any Claim shall be reduced by any post-petition payments made to the creditor prior to the Effective Date. As used herein, Allowed Claim shall include claims against property of the estate that may be allowed as secured under § 506 of the Bankruptcy Code.
- d. “Allowed Secured Claim” shall mean a Secured Claim in an amount equal to the lesser of (i) the value of the Property securing the Allowed Claim set under the Plan or otherwise determined by the Court at Confirmation, or (ii) the amount of the Allowed Claim plus post-petition interest and fees accrued from the Petition Date until the Effective Date as allowed under § 506(b).
- e. “Allowed Unsecured Claim” shall mean an Allowed Claim that is not otherwise an Allowed Secured Claim or an Allowed Claim entitled to priority under § 507 of the Bankruptcy Code.
- f. “Bankruptcy Code” shall mean the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. § 101, *et seq.*
- g. “Chapter 11” shall mean Chapter 11 of the Bankruptcy Code.
- h. “Claim” shall mean a claim against the Debtor as defined in § 101(5) of the Bankruptcy Code.
- i. “Claimant” shall mean any creditor or party in interest.
- j. “Confirmation” shall mean the entry by the Court of an order confirming the Plan.

- k. "Confirmation Hearing" shall mean the hearing on the confirmation of the Plan.
- l. "Confirmation Order" shall mean the Order entered by the Court confirming the Plan.
- m. "Court" shall mean the United States Bankruptcy Court for the Middle District of Tennessee and the Judge assigned to this case.
- n. "Debtor" shall mean 2 Brothers Transport, LLC with the status of and rights conferred to a debtor-in-possession by § 1107 of the Bankruptcy Code.
- o. "Effective Date" shall mean the later of (i) the first business day of the second full month following Confirmation, or (ii) the first business day after an appeal of an order confirming this Plan has become final and unappealable. For purposes of the calculations and disbursements proposed within this Plan, an Effective Date of September 1, 2018 is presumed. However, the Debtor may at any time designate an earlier Effective Date by filing written notice thereof with the Court and serving such notice on all creditors and parties in interest.
- p. "Interests" shall mean the ownership interests held by the Debtor in Property.
- q. "Petition Date" shall mean July 21, 2017.
- r. "Plan" shall mean this Chapter 11 Plan as the same may be modified from time to time in accordance herewith or pursuant to applicable law.
- s. "Property" shall mean all assets in which the Debtor has an interest as of the Effective Date, to the extent of the Debtor's interest, plus, unless otherwise stated herein, assets acquired after the Petition Date.
- t. "Reorganized Debtor" shall mean the Debtor after Confirmation.
- u. "Secured Claim" shall mean an Allowed Claim that is allowed as a secured claim pursuant to § 506(a). If a value fixed by this Plan is not approved by the Court at Confirmation, the Plan will apply the value determined by the Court to be appropriate.

ARTICLE IV – BACKGROUND

4.01 Pre-Bankruptcy.

The Debtor was formed on or about February 28, 2014; it has always and continues to be engaged in the business of over-the-road transportation. The Debtor provides transportation services to various customers, but generally does not have any dedicated routes or contracts with specific customers. The Debtor obtains routes via an online job board.

The Debtor operated smoothly for several years, employed approximately five (5) drivers, and generally turned a modest profit for the owner, Ryan M. Kasboski. For example, the profit

in 2015 was approximately \$20,000.00. The Debtor operated with a factoring company, BAM Worldwide, LLC, who purchased the Debtor's receivables and charged the Debtor a fee of just over two percent (2.15%) for its services.

A few untimely events, such as large vehicle repairs, paired with increased competition, and an overall decrease in the profitability in the trucking industry caused the Debtor to borrow funds from banks as well as high-interest-rate online finance companies. The Debtor soon found itself unable to make payments on its obligations without borrowing more to service the existing debt, which created a funding cycle that the Debtor could not overcome.

Although the transportation industry profitability began to recover, the Debtor realized that its sizable debt load could not be fully repaid under contractual terms, and the Debtor elected to seek relief under Chapter 11 of the Bankruptcy Code.

4.02 Post-Bankruptcy.

Immediately upon the commencement of this case, the Debtor employed undersigned counsel as its bankruptcy counsel for this Chapter 11 proceeding.

The Debtor is considered a Small Business Debtor pursuant to 11 U.S.C. § 101(51D).

The Debtor's owner attended the Initial Debtor's Conference at the Office of the United States Trustee on August 2, 2017, and the Debtor has filed Monthly Operating Reports for the months of July 2017 through April 2018.

The Debtor filed an Expedited Motion for Post-Petition Financing on July 31, 2017 [Docket No. 8] so that it could continue the pre-petition factoring agreement with BAM Worldwide, LLC. An interim order granting the motion was entered on August 2, 2018 [Docket No. 18], and a final order granting the motion was entered on August 28, 2018 [Docket No. 36].

On September 27, 2017, the Debtor and First Home Bank filed a Joint Motion for Adequate Protection and Surrender and Abandonment of Vehicle [Docket No. 48], and an order granting that motion was entered on October 17, 2017 [Docket No. 51]. This motion allowed the Debtor to surrender an inoperable vehicle (2013 Freightliner Cascadia – VIN: 3AKJGLBG4DSFJ8029), and it established adequate protection payments for First Home Bank in the amount of \$2,000.00 per month. The Debtor has made these payments each month, pursuant to the order granting the motion. First Home Bank has not filed an amended proof of claim indicating the sales price of the surrendered vehicle.

On November 07, 2017, Max Trans Logistics, LLC filed a Motion for Relief from Stay [Docket No. 60] for the purpose of pursuing the Debtor's former insurance company related to a pre-petition claim. The motion was granted on December 8, 2017 [Docket No. 66], and Max Trans Logistics pursued the claim in the Hamilton County General Sessions Court [case no. 18GS214]. The Debtor is unaware of any recovery Max Trans Logistics may have received from the insurance company. To the best of the Debtor's knowledge, Max Trans Logistics has not recovered any funds from the Debtor's former insurance company.

Since the filing of this bankruptcy case, the Debtor has operated at a profit and appears to have overcome its cyclical funding issues. The Debtor's positive operating trend was disrupted in March and April 2018. An employee quit without giving notice, which sidelined a truck for approximately two (2) weeks, and increased expenses (the hiring and training of a new employee). These issues, combined with a serious illness of a second employee and a Department of Transportation audit, caused a net operating loss for March and April 2018. However, the Debtor is back on track now and expects to maintain its modest gains going forward. Even with the recent losses, the Debtor averages a monthly profit from the Petition Date through April 30, 2018. This average monthly profit increases significantly when adequate protection payments of \$2,000.00 per month and the quarterly U.S. Trustee fees are considered.

ARTICLE V - SUMMARY OF ASSETS AND LIABILITIES

5.01 Summary of Assets

The Debtor's assets are listed on Schedule A/B of the Petition and are summarized as follows:

A. REAL PROPERTY

The Debtor does not own any real property. The Debtor operates out of the home of the owner and does not have any office-space overhead.

B. CASH

At the time of filing, the Debtor had cash in the amount of \$0.00 and bank accounts with a present value of \$5,000.00. The Debtor's bank accounts are subject to the lien of Celtic Bank [*See* ECF Claim No. 2]. The Debtor had \$4,200.00 in accounts receivable; however, this \$4,200.00 was set off by Max Trans Logistics, LLC prior to the Petition Date due to a cargo damage claim. The Debtor's accounts receivable are subject to the lien of The Business Backer, LLC.

C. INVENTORY AND EQUIPMENT

The Debtor owns limited office equipment. The office equipment is valued at \$750.00 and is subject to the lien of Celtic Bank [*See* ECF Claim No. 2].

The Debtor owned four (4) vehicles subject to the lien of First Home Bank [*See* ECF Claim No. 4], the total value of these vehicles is approximately \$85,000.00. Since the filing, the Debtor surrendered one of these vehicles, the 2013 Freightliner Cascadia, due to damage to the vehicle. Additionally, the Debtor owns two (2) vehicles with a total value, as of the Petition Date, of \$30,000.00 that are not subject to a perfected lien.

D. PREFERENTIAL AND FRAUDULENT TRANSFERS

Payments made by Debtor during the 90-day period (or one-year period for insiders) prior to the filing of this Chapter 11 case totaled approximately \$20,000.00, excluding payments aggregating less than \$6,425.00. However, these transfers were to Ryan M. Kasboski, the owner of the Debtor, for employment services; therefore, they are likely defensible.

At this time, the Debtor does not believe the transfers are recoverable preferences or fraudulent transfers that would be beneficial to the estate. The Debtor will continue the analysis of all transfers, potential preferences, and fraudulent conveyances and specifically reserves the right to pursue such actions.

5.02 Summary of Liabilities

A. SECURED DEBT

1. First Home Bank. First Home Bank has a consensual lien in three (3) vehicles owed by the Debtor to secure a loan in the approximate amount of \$295,487.19 [See ECF Claim No. 5]. This claim is supported by approximately \$75,000.00 in assets. Therefore, under the Plan, Claim No. 5 will be bifurcated and treated as secured in the amount of \$75,000.00 and unsecured in the amount of \$220,487.19.

2. Celtic Bank. Celtic Bank has a consensual lien in the Debtor's inventory, chattel paper, accounts, equipment, and general intangibles to secure a loan in the approximate amount of \$141,096.97 [See ECF Claim No. 2]. On the Petition Date, the claim was supported by approximately \$5,750.00 in assets. Therefore, under the Plan, Claim No. 2 will be bifurcated and treated as secured in the amount of \$5,750.00 and unsecured in the amount of \$135,346.97.

3. The Business Backer, LLC. The Business Backer has a consensual lien in the Debtor's receivables to secure an indebtedness in the amount of \$34,371.60 [See ECF Claim No. 6]. On the Petition Date, this claim was supported by approximately \$4,200.00 in receivables. Therefore, under the Plan, Claim No. 6 will be bifurcated and treated as secured in the amount of \$4,200.00, and unsecured in the amount of \$30,171.60.

B. PRIORITY DEBT

The Debtor has no known priority debts.

C. UNSECURED DEBT

The Debtor's unsecured debt, as reflected in the Debtor's Schedules and through filed proofs of claims, is shown below. The Court set a bar date for filing proofs of claims of November 30, 2017 [See Docket No. 31], and Allowed Unsecured Claims filed before such date are included in this category.

Name of Creditor	Amount of Claim	Source of Amount
First Home Bank	\$220,487.19	Bifurcated amount of secured claim, ECF Claim No. 5
Celtic Bank	\$135,346.97	Bifurcated amount of secured claim, ECF Claim No. 2
The Business Backer	\$30,171.60	Bifurcated amount of secured claim, ECF Claim No. 6
Capital One Bank (USA), N.A.	\$5,396.17	ECF Claim No. 3
Max Trans Logistics, LLC	\$17,192.96	ECF Claim No. 4
American Tire	\$2,122.73	Debtor's Schedules
Bank of America	\$19,974.89	Debtor's Schedules
LG Funding, LLC	\$20,553.90	Debtor's Schedules
United Diesel Power	\$24,186.92	Debtor's Schedules

**ARTICLE VI -TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS
AND U.S. TRUSTEE FEES**

6.01 Unclassified Claims. Pursuant to § 1123(a)(1), Administrative Claims allowed under § 507(a)(2) and priority tax claims under § 507(a)(8) are not in a class.

A. ADMINISTRATIVE CLAIMS. Except as otherwise provided under the Plan, each holder of an Administrative Claim allowed under § 503 of the Bankruptcy Code will be paid in full at the later of (i) the time that the expense has been approved by the Court, (ii) upon such other terms as may be agreed upon by the holder of the claim and the Debtor, or (iii) the Effective Date.

B. PRIORITY TAX CLAIMS. No Priority Claims allowed under § 507(a)(8) have been filed in this bankruptcy case. All such tax claims that are incurred after Confirmation shall be payable when due.

6.02 United States Trustee Fees. All fees required to be paid by 28 U.S.C. § 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, converted to another chapter of the Bankruptcy Code, or a final decree is entered by the Court.

ARTICLE VII – CLASSIFICATION AND TREATMENT OF IMPAIRED CLAIMS

The below classes of claims are impaired and will be classified and treated under the Plan as follows:

<i>Class No.</i>	<i>Holder of Claim or Interest</i>	<i>Plan Treatment</i>
1	First Home Bank [ECF Claim No. 5]	<p>The Allowed Secured Claim of First Home Bank shall be allowed in the amount of \$75,000.00.</p> <p>This Allowed Secured Claim No. 5 shall be paid under the Plan as follows:</p> <p>(i) Adequate protection payments of \$2,000.00 per month, since October 2017, shall be applied to reduce the principal balance of the Allowed Secured Claim pursuant to the Agreed Order for Adequate Protection and Surrender and Abandonment of Vehicle [Docket No. 51].</p> <p>(ii) Twenty-eight (28) equal monthly installments of principal and interest shall be made in the amount of \$2,003.43, or until the balance of the Allowed Secured Claim is satisfied.</p> <p>(iii) Interest shall accrue at the fixed rate of 4.75%.</p> <p>(iv) The first monthly installment payment will be due on the 15th day of the first month following the Effective Date and subsequent payments will be due on the 15th day of each month thereafter until the Allowed Secured Claim is paid in full.</p> <p>(v) Any terms of the existing note and security agreement evidencing this Allowed Secured Claim which may conflict with the terms of the Plan shall be deemed modified by the terms of this Plan.</p> <p>First Home Bank shall retain its lien in the three (3) vehicles noted in its proof of claim until the final of the above equal monthly installments is made. Upon receipt of such final payment, First Home Bank shall terminate its UCC(s) related to the Debtor and release the titles to the vehicles securing First Home Bank's loan.</p>
2	Celtic Bank [ECF Claim No. 2]	<p>The Allowed Secured Claim of Celtic Bank shall be allowed in the amount of \$5,750.00.</p> <p>This Allowed Secured Claim shall be paid under the Plan as follows:</p> <p>(i) Twenty-four (24) equal monthly installments of principal and interest shall be made in the amount of \$251.62.</p> <p>(ii) Interest shall accrue at the fixed rate of 4.75%.</p> <p>(iii) The first monthly installment payment will be due on the 15th day of the first month following the Effective Date and</p>

		<p>subsequent payments will be due on the 15th day of each month thereafter until the Allowed Secured Claim is paid in full.</p> <p>(iv) Any terms of the existing note and security agreement evidencing this Allowed Claim which may conflict with the terms of the Plan shall be deemed modified by the terms of this Plan.</p> <p>Celtic Bank shall retain its lien in the assets of the Debtor until the final of the above equal monthly installments is made. Upon receipt of such final payment, Celtic Bank shall terminate its UCC(s) related to the Debtor.</p>
3	The Business Backer, LLC [ECF Claim No. 6]	<p>The Allowed Secured Claim of The Business Backer shall be allowed in the amount of \$4,200.00.</p> <p>This Allowed Secured Claim shall be paid under the Plan as follows:</p> <p>(i) Twenty-four (24) equal monthly installments of principal and interest shall be made in the amount of \$183.79.</p> <p>(ii) Interest shall accrue at the fixed rate of 4.75%.</p> <p>(iii) The first monthly installment payment will be due on the 15th day of the first month following the Effective Date and subsequent payments will be due on the 15th day of each month thereafter until the Allowed Secured Claim is paid in full.</p> <p>(iv) Any terms of the existing note and security agreement evidencing this Allowed Claim which may conflict with the terms of the Plan shall be deemed modified by the terms of this Plan.</p> <p>The Business Backer shall retain its lien in the Debtor's unfactored accounts receivable until the final of the above equal monthly installments is made. Upon receipt of such final payment, The Business Backer shall terminate its UCC(s) related to the Debtor.</p>
4	All Allowed Unsecured Claims	<p>This class shall consist of the Allowed Unsecured Claims not entitled to priority and not expressly included in the definition of any other class. This class includes, without limitation, Claims arising out of the rejection of any executory contract or unexpired lease, each Allowed Claim secured by a lien on Property in which the Debtor has an interest to the extent that such Claim is determined to be unsecured pursuant to 11 U.S.C. § 506(a), and each such Claim of the class described in 11 U.S.C. § 507(a), to the extent that the allowed amount of such Claim exceeds the amount which such Claim may be afforded priority thereunder.</p> <p>This plan will provide a pool of \$23,250.00 to be paid pro-rata to the claimholders in this class. The Reorganized Debtor shall commence pro-rata payments to claimants in this class beginning on, or following, the first day of the month after twenty-four (24) months following the Effective Date.</p>

5	Debtor	The Debtor will retain all ownership rights in Property.
---	--------	--

In the event any of the claimants listed or scheduled as secured file a proof of claim stating that no part of the claim is secured, then the claim shall be deemed entirely unsecured and treated as such pursuant to this Plan.

The amount listed on a timely filed proof of claim (subject to allowance of the claim) shall control over any contrary amount listed in the Debtor's schedules and deemed filed pursuant to 11 U.S.C. § 1111(a).

ARTICLE VIII - LIQUIDATION ANALYSIS

For this Plan to be approved by the Court, a determination must be made that the Plan will provide to each creditor an amount, as of the Effective Date, that is not less than the value of the property that each creditor would receive or retain if all assets of the Debtor were sold and the proceeds were distributed under Chapter 7 of the Bankruptcy Code.

The estimated dollar amount that would be generated from the forced liquidation of the Debtor's assets (the "Liquidation Proceeds") would consist of the *net* proceeds from the sale of all non-exempt assets of the Debtor and recoveries on any actions against other parties. All of the assets of the Debtor are subject to the liens of creditors. However, Celtic Bank's lien on two (2) vehicles, with a current value of \$20,000.00 total, is unperfected. Therefore, a Chapter 7 Trustee could avoid the lien of Celtic Bank, liquidate the vehicles, and distribute the proceeds to unsecured creditors. The Liquidation Proceeds of approximately \$20,000.00 would then be reduced by the cost of the liquidation, which would include approximately \$4,750.00 in Trustee and auctioneer commissions, and \$2,000.00 in the cost of administration of the estate. Therefore, the Liquidation Proceeds would total \$13,250.00 from the sale of the Debtor's assets.

The Debtor is presently unaware of any actions a Chapter 7 trustee could take against other parties to obtain funds for the estate. Therefore, the total Liquidation Proceeds are believed to be \$13,250.00. When contrasted with a Chapter 7 liquidation, the distribution to Allowed Unsecured Claims proposed by the Debtor's Plan is higher than the estimated Liquidation Proceeds. The Debtor proposes to pay unsecured creditors \$23,250.00. Accordingly, the Debtor's Plan offers creditors \$10,000.00 more than they would receive from liquidation under Chapter 7 of the Bankruptcy Code.

ARTICLE IX - MEANS FOR EXECUTION OF THE PLAN

9.01 Discharge of Debts and Discharge Injunction. For the purposes of 11 U.S.C. § 1141(d)(1), the Debtor will be entitled to obtain a discharge upon Confirmation, and it shall be entitled to the permanent protection afforded by 11 U.S.C. § 524 upon the Court's entry of the Order of Discharge.

9.02 Continued Operation of the Debtor. The Debtor intends to continue its business operations to fund the payments proposed in this Plan. The Debtor demonstrated through nine (9)

monthly operating reports that it will have sufficient funds to pay the proposed payments in the Plan.

9.03 Distribution on Allowed Claims. Distributions hereunder will be made only on Allowed Claims.

9.04 Early Payment. Nothing herein shall prohibit the Reorganized Debtor from making an early payment of an Allowed Secured Claim, provided the funds used to pay that Claim will not cause a reduction of the distributions to the Unsecured Claims in amount. In addition, nothing herein shall be construed as imposing a temporal requirement on the Debtor to wait the proposed length of the Plan to satisfy all payments or distributions, and the Reorganized Debtor shall not be prohibited from making an early payment of the guaranteed amount to Class 4 Claims, provided that the Debtor is current on payments to Claims in Classes 1, 2, and 3.

9.05 Objections to Claims. The Debtor or any party in interest may file an objection to any Claim in any class on or before the Effective Date. Objections not filed within such time will be deemed waived. No payments or distributions are required to be paid with respect to all or any portion of a disputed Claim unless and until such Claim becomes an Allowed Claim as determined by an order of the Court. If any Claim or portion thereof is challenged by an objection or otherwise, distribution may, in the Debtor's sole discretion, be made on any portion of such disputed Claim which is undisputed, pending resolution of the Claim allowance as a whole.

9.06 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

9.07 Determination of Interest Rate. If any interest rate fixed under this Plan is not approved by the Court, the applicable rate under the Plan shall be the rate determined to be allowable by the Court.

9.08 Retention and Pursuit of Causes of Action. Pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor may have had power to assert immediately prior to Confirmation. It is the intent of the Debtor that this reservation of claims shall be as broad as permitted by applicable law and shall include all claims, whether or not disclosed in the Debtor's schedules or the Plan. The Debtor shall have the widest possible latitude in deciding whether or not to pursue any possible cause of action, including without limitation any preference or other avoidance action. Except as expressly provided in the Plan, the Confirmation Order shall not bar the Debtor by *res judicata*, collateral estoppel or otherwise from collecting, prosecuting or defending any matter, avoidance action, or cause of action.

9.09 Voiding of Liens. Except as otherwise provided under the Plan, Confirmation will void pursuant to § 506(d) all liens in excess of the Allowed Secured Claim.

9.10 Retention of Property. As of the Effective Date and except as otherwise provided herein, all Property of the Debtor will be retained by the Reorganized Debtor free and clear of all claims.

9.11 Tax Consequences. There are no known negative tax consequences created by the Plan. *Creditors are advised to direct all questions regarding the tax consequences of the Plan to their respective tax advisor.*

9.12 Executory Contracts and Unexpired Leases. The Debtor is not aware of any specific contracts that it anticipates rejecting upon Confirmation. To the extent there are any executory contracts of the Debtor not specifically assumed hereunder, the Debtor hereby specifically rejects those contracts retroactively to the Petition Date.

9.13 Default Under Plan. Confirmation shall effect a cure of any existing default under a debt, and notwithstanding the provision of any lease or loan document that may survive the Confirmation, an event of default as to any Claim after Confirmation shall exist only if the Debtor (i) fails to make monetary payment when due under the Plan and that default is not cured within twenty (20) days following delivery of written notice of that default, (ii) fails to insure the Property securing the creditor's Claim for the value of the Property, or (iii) disposes of the Property securing the Claim, normal wear and tear excepted, without either the consent of the creditor holding the Claim, the satisfaction of the lien on that Property, or the payment of the net proceeds to that creditor.

9.14 Notice. Unless otherwise directed by the Debtor in writing, notice of default shall be sufficient if delivered as follows:

2 Brothers Transport, LLC
Attn: Ryan M. Kasboski
117 Summerlake Place
Hendersonville, TN 37075

With copy to: Gray Waldron
NIARHOS & WALDRON, PLC
1106 18th Avenue South
Nashville, Tennessee 37212
gray@niarhos.com

ARTICLE X - CONFIRMATION REQUIREMENTS

To confirm the Plan, the Court must, after notice, hold a hearing on the question of confirmation. Any creditor may object to confirmation of the Plan and appear at the confirmation hearing to prosecute such objection. The requirements for confirmation of a Chapter 11 Plan are set forth in detail in 11 U.S.C. § 1129. The following is a summary of the more notable requirements:

10.01 Acceptance by Impaired Classes. Pursuant to 11 U.S.C. § 1129(a)(10), at least one class of impaired claimants must vote to accept the Plan. For a class to accept the Plan, the Plan must receive favorable votes from claimants within that class who hold at least two-thirds in dollar amount of the claims that vote and more than one-half in number of the claims that vote.

10.02 Feasibility. Pursuant to 11 U.S.C. § 1129(a)(11), the Court is required to find that confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor. The Court must find that the Plan adequately addresses the needs for reorganization and that it is likely that the Reorganized Debtor will be able to perform pursuant to the Plan. A finding by the Court that the Plan meets these requirements is not a guarantee that the Plan will be fully performed. The Debtor asserts that the Plan is feasible. As evidenced by the monthly operating reports, the Debtor is operating with a positive monthly cash flow in the approximate amount of \$1,177.21 on average (in addition to the adequate protection payments of \$2,000.00 per month beginning in October 2017), which would allow the Debtor to make the proposed Plan Payments.

10.03 Liquidation Test. Pursuant to 11 U.S.C. § 1129(a)(7), and as discussed in Article VIII herein, the Plan must pay to each class that has not accepted the Plan an amount determined as of the Effective Date that is not less than the amount a claimant within that nonaccepting class would receive or retain if the Debtor's assets were liquidated under Chapter 7 of the Bankruptcy Code. The Debtor asserts that the Plan satisfies the requirements of 11 U.S.C. § 1129(a)(7).

10.04 "Cramdown" Provisions. Pursuant to 11 U.S.C. § 1129(b), if an impaired class does not vote to accept the Plan, as discussed in paragraph 10.01 above, the Court may still confirm the Plan if the Court determines that the Plan treatment of the class of claims rejecting the Plan is fair and equitable and does not discriminate unfairly. The Debtor intends to invoke these "cramdown" provisions should any class of impaired claims fail to accept the Plan. The Debtor believes that the Plan is fair and equitable and does not discriminate unfairly.

ARTICLE XI - EFFECT OF CONFIRMATION, DISCHARGE AND INJUNCTION

11.01 Vesting of Property. Except as otherwise expressly provided in the Plan, Confirmation of the Plan shall vest all the property of the Debtor's estate into the Reorganized Debtor.

11.02 Property Free and Clear. Except as otherwise provided in the Plan, all Property shall be free and clear of all claims, liens and interests of any party as of the Confirmation of the Plan. This Plan will evidence the release of any and all liens or encumbrances against all Property, unless such lien or encumbrance is specifically retained in the Plan.

11.03 Legal Binding Effect. The provisions of this Plan shall bind all Claimants, whether or not they accept this Plan or whether or not their Claim is impaired.

11.04 Effect on Third Parties. Nothing contained in the Plan or in the documents to be executed in connection with the Plan shall affect any Claimant's rights against any third party, except as otherwise expressly provided in this Plan and except that any creditor or party in interest

may only recover from any third-party guarantor or co-obligor the amount owed to it in excess of the amount to be paid on the underlying obligation pursuant to the Plan.

11.05 Release of Claims. The consideration to be distributed under the Plan shall be in exchange for, and in complete satisfaction and release of, all Claims against the Debtor or any of its assets or properties, including without limitation any Claim accruing after the Petition Date and prior to the Effective Date.

11.06 Permanent Injunction. Except as otherwise expressly provided in, or permitted under, this Plan, the Confirmation Order shall provide, among other things, that all Claimants and persons who have held, hold or may hold Claims that existed prior to the Effective Date, are permanently enjoined on and after the Effective Date against the: (i) commencement or continuation of any judicial, administrative, or other action or proceeding against the Debtor on account of Claims against the Debtor, or on account of claims released pursuant to sections 9.01 and 11.05 of the Plan; (ii) enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order against the Debtor or any Property; or (iii) creation, perfection or enforcement of any encumbrance of any kind against the Debtor arising from a Claim. This provision does not enjoin the prosecution of any claims that arise on or after the Effective Date nor does it enjoin the determination in the Bankruptcy Court of the amount of any Claims that arose prior to the Effective Date. Claimants and parties asserting entitlement to payment of Administrative Claims incurred prior to the date of Confirmation shall be permanently enjoined from asserting any Claim against the Debtor or its retained assets based upon any act or omission, transaction or other activity that occurred prior to the Confirmation Date, except as otherwise provided in the Plan, whether or not a proof of claim or interest was filed and whether or not such Claim or Interest is allowed under Section 502 of the Bankruptcy Code.

11.07 Exculpation. Except as otherwise provided in the Plan or Confirmation Order, the Debtor and the professionals for the Debtor shall neither have nor incur any liability to any entity or person for any act taken or omitted to be taken (exclusive of an act constituting fraud, gross negligence or intentional misconduct) in connection with or related to this Chapter 11 case, including, without limitation, actions related to the formulation, preparation, dissemination, implementation, administration, Confirmation or consummation of the Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan.

ARTICLE XII - GENERAL AND MISCELLANEOUS PROVISIONS

12.01 Withdrawal of Plan. At the option of the Debtor, this Plan may be withdrawn at any time prior to Confirmation. Such option shall be exercised by filing with the Court a notice of withdrawal and mailing a copy of such notice to all creditors, equity security holders and persons specially requesting all notices in this case.

12.02 Retention of Claims. Pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor may have had power to assert immediately prior to Confirmation, including without limitation,

actions for the avoidance and recovery pursuant to § 550 of the Bankruptcy Code of transfers avoidable by reason of §§ 544, 545, 547, 548, 549 or 553(b) of the Bankruptcy Code.

12.03 Exemptions from Transfer Tax. The issuance, transfer or exchange of a security or the recording of any instrument evidencing the transfer of assets contemplated under the Plan, including the post-Confirmation sale of any Property, shall not be taxed under any law imposing a stamp tax or similar tax pursuant to § 1146(c) of the Bankruptcy Code.

12.04 Modification of the Plan. The Debtor may propose amendments or modifications of this Plan at any time prior to Confirmation with leave of the Court. After Confirmation, the Debtor, with approval of the Court, and so long as it does not materially or adversely affect the interests of creditors, may remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the order of confirmation in such a manner as may be necessary to carry out the purposes and effect of this Plan. The foregoing provisions of this paragraph do not limit the ability of any party to modify the Plan under § 1127 and applicable rules.

12.05 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

12.06 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

12.07 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

12.08 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Tennessee govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

12.09 Continuing Jurisdiction of the Court. In addition to the continued jurisdiction after the Confirmation Date that is provided for as a matter of law by the Bankruptcy Code and Bankruptcy Rules, the Court shall retain exclusive jurisdiction for the following:

- (a) To determine any and all objections to the allowance, extent, priority or nature of any Claims, the amount and proper classification of the Claim of any holder and the determination of such objections as may be filed to any Claims;
- (b) To determine any and all applications for compensation and reimbursement pursuant to §§ 330 or 331 of the Bankruptcy Code;
- (c) To determine any and all applications for the assumption or rejection of executory contracts and unexpired leases, and the allowance of any Claims resulting from rejection thereof;

- (d) To determine any and all applications, adversary proceedings and litigated matters that may be filed in this Court;
- (e) To interpret, enter orders relating to, and otherwise act upon or in regard to the terms and provisions of the Plan;
- (f) To cause the correction of any defect, the curing of any omission or the reconciliation of any inconsistency in this Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
- (g) To consider the modification of this Plan after the date of Confirmation as allowed pursuant to the Federal Rules of Bankruptcy Procedure and the Bankruptcy Code;
- (h) Except as otherwise provided in this Plan, to make any determinations and to issue any orders to enforce, interpret or effectuate the Plan;
- (i) To enter an order concluding and terminating this case;
- (j) To review the reasonableness of any post-Confirmation professional fees paid by the Reorganized Debtor pursuant to sections 13.02 and 13.04 of this Plan; and
- (k) To determine such other matters as may be provided for in the Confirmation Order.

ARTICLE XIII - CLOSING OF THE CASE AND CONTINUED EXECUTION OF THE PLAN

13.01 Closing of the Case. After the Effective Date, upon the payment of all outstanding administrative claims and the commencement of payments to secured claims, the estate will be deemed to be fully administered and the Debtor may close the case upon the filing of a final accounting and a motion for a final decree as required under Bankruptcy Rule 3022. The Debtor shall continue to pay the U.S. Trustee quarterly fees until the Final Decree is entered.

13.02 Professional Fees after Confirmation. In the period after the date of Confirmation, but before closing of the case, the Reorganized Debtor may continue to avail itself to the services of professional persons whose employment was approved at or prior to the date of Confirmation in completing administration of the case and in the consummation and performance of the Plan and, if necessary, employ additional professional persons to render services in and in connection with the case. With respect to services rendered and expenses incurred in or in connection with the case by any professional person during such period, the professional person may render periodic billing thereafter to the Reorganized Debtor, who shall promptly pay the same, but each such payment shall be subject to review and approval by the Court as to the reasonableness thereof, as set forth herein below. In the Motion for Final Decree, the Reorganized Debtor shall detail all amounts paid during such period to professional persons as compensation for services rendered or reimbursement of expenses incurred, with respect to which no prior application for allowance thereof has been made to the Court. At any hearing upon the Reorganized Debtor's Motion for

Final Decree, the Court shall consider and determine whether or not such payments shall be approved as reasonable.

13.03 Continued Execution of the Plan after Closing. After closing of the case, the Reorganized Debtor shall continue to make payments or distributions as provided in the Plan.

13.04 Professional Fees after Closing. After closing of the case, the Reorganized Debtor may continue to avail itself to the services of professional persons whose employment was approved at or prior to closing of the case in performance of the Plan. In the event such professional services are rendered, or expenses are incurred by any professional person therewith, an itemized bill shall be furnished by such professional person to the Reorganized Debtor, who shall promptly pay the same, subject to any objection being raised by the Reorganized Debtor. Pursuant to section 12.09(j) of this Plan, the Court will retain jurisdiction to review the reasonableness of each such payment in the event of such an objection or dispute.

Signed this 17th day of May, 2018.

2 Brothers Transport, LLC

By: /s/ Ryan M. Kasboski
Ryan M. Kasboski, Owner

Respectfully Submitted,

/s/ Gray Waldron
TIMOTHY G. NIARHOS
GRAY WALDRON
REBECCA J. YIELDING
NIARHOS & WALDRON, PLC
1106 18th Avenue South
Nashville, Tennessee 37212
(615) 320-1101 | Phone
(615) 320-1102 | Fax
gray@niarhos.com
Attorneys for Debtor