

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

IN RE:)	
)	
SCARAB BEHAVIORAL)	Case No. 317-03174
HEALTH SERVICES, LLC,)	Judge Harrison
)	Chapter 11
Debtor.)	

**DISCLOSURE STATEMENT
TO ACCOMPANY PLAN OF REORGANIZATION
PROPOSED BY THE DEBTOR DATED AUGUST 18, 2017**

Scarab Behavioral Health Services, LLC (the “Debtor”), submits this Disclosure Statement for use in soliciting acceptances of its Plan of Reorganization (the “Plan”).

INTRODUCTION

On May 8, 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 Debtor-in-Possession. No Trustee has been appointed, nor has a committee of unsecured creditors been appointed.

The purpose of a disclosure statement is to provide the holders of Claims against, and Interests in, a debtor with adequate information about the debtor and its assets and debts sufficient to enable such holders to make an informed judgment about the merits of approving a plan.

This Disclosure Statement is intended to contain “adequate information” (as defined in §1125(a) of the Code) of a kind, and in sufficient detail, that would enable a hypothetical investor typical of the holders of Claims or Interests in the case to make an informed judgment in voting to accept or reject the Plan. Approval of this Disclosure Statement by the Court does not constitute a recommendation to accept or reject the Plan.

Article I of the Plan contains definitions of certain terms. Where those terms are capitalized in this Disclosure Statement, they have the meaning set forth in Article I of the Plan.

DISCLAIMER

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

The information contained in this Disclosure Statement has been derived from the Debtor's management. The Debtor's management 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.

TAX CONSEQUENCES

11 U.S.C. § 1125(a)(1) requires the Debtor to include a discussion of any potential material federal tax consequences of the Plan. Creditors and equity interest holders concerned with how the Plan may affect their tax liability should consult with their accountants, attorneys, or advisors. A tax consequence of the Chapter 11 filing is that the Debtor is entitled to exclude from gross income any cancellation of debt resulting from this Plan. The Debtor is not aware of any potential *material* Federal tax consequences to it or a hypothetical investor.

THE DEBTOR

The Debtor is a privately owned company providing behavioral health services in the Middle and East Tennessee areas. The Debtor is licensed as an Outpatient Mental Health Facility in the Middle and East Regions of Tennessee. The practice has been in business since 2003. For year-to-date 2017, the Debtor had an estimated \$700,000 in gross revenue. The Debtor has business assets

valued at \$173,863 (including bank accounts, accounts receivable, office furniture, equipment and supplies) and business-related liabilities of more than \$916,000.

Since the filing of this case, the Debtor has attended its informal debtor conference and meeting of creditors, and has prepared and filed Schedules and Statement of Financial Affairs. The Debtor has negotiated an adequate protection agreement with First Tennessee Bank.

DEBTOR'S ASSETS

The Debtor's assets consist primarily of bank accounts and accounts receivable, as well as a security deposit, office furniture, and computer and telephone equipment. A detail of all assets is attached hereto as Exhibit "A".

DEBTORS' LIABILITIES

A. SECURED CLAIMS

First Tennessee Bank. This Claimant holds a Claim secured by a first priority lien on insurance receivables and fixed assets of the Debtor.

B. PRIORITY CLAIMS

Internal Revenue Service. This Claimant holds a priority claim in the approximate amount of \$46,358.40 for federal withholding taxes and federal unemployment taxes.

C. POST-PETITION ADMINISTRATIVE CLAIMS

Administrative claims are accorded priority under 11 U.S.C. § 507. The following is a discussion of the administrative claims in this case:

U.S. Trustee Quarterly Fees. The Debtor will be current with payments to the U.S. Trustee on the Effective Date of the Plan.

D. UNSECURED CLAIMS

The Debtor has unsecured debt in the approximate amount of \$510,537.42 as set forth in Exhibit “B” hereto.

FINANCIAL CONDITION OF THE DEBTOR

A. POST-PETITION OPERATIONS

All detailed monthly operating reports are available from the Court Clerk for inspection and copying.

B. EXPECTED FUTURE INCOME

The Debtor expects to have accumulated sufficient funds to meet its operating expenses post-confirmation and make all Plan payments. A list of estimated monthly Plan payments is attached hereto as Exhibit “C”.

SUMMARY OF THE PLAN

C. CLASSIFICATION OF CLAIMS AND INTERESTS

The Claims of creditors and Interests of equity security holders under the Plan are divided into the following classes and subclasses:

- Class 1 *Administrative Claims*
- Class 2 *Claims of Governmental Units*
- Class 3 *Secured Claim of First Tennessee Bank*
- Class 4 *General Unsecured Claims*
- Class 5 *Membership Interests*

D. TREATMENT OF CLAIMS

The following is a summary of the treatment provided in the Plan to each Class of Claims and Interests:

Class 1 Claims: Except for quarterly fees owed to the United States Trustee, which will be paid when due, the holders of Class 1 Allowed Claims shall be fully paid within 10 business days of the later of: (i) the entry and finality of an order of the Court allowing such claim or (ii) the Effective Date of the Plan, or as otherwise deferred by agreement between the holder of the Claim and the Debtor. The Debtor shall continue to make post-confirmation quarterly fee payments to the United States Trustee until entry of a Final Decree pursuant to 11 U.S.C. §350. Any administrative claims representing a liability incurred in the ordinary course of the Debtor's business may be paid in cash after the Confirmation Date.

Class 2 Claims: Class 2 consists of Allowed Claims entitled to priority pursuant to 11 U.S.C. §507(a)(8). Allowed Class 2 Claims shall be paid through the Chapter 13 Plans of the Debtor's individual members, Amanda Elizabeth Urbanczyk (Chapter 13 Case Number 317-02630) and Lorraine Jefferson (Chapter 13 Case Number 317-02629).

Class 3 Claims: Class 3 consists of the Allowed Secured Claim of First Tennessee Bank. Payments in the amount of \$750.00 shall begin on the first day of the month following the Effective Date of the Plan and shall continue on the first day of the month for twenty-four (24) months. After the initial twenty-four payments, the payment amount shall increase to \$1,000.00 per month, and shall continue on the first day of the month for thirty-six (36) months. The total of sixty (60) payments shall be in complete satisfaction of the Class 3 Claim. The Class 3 Claimant shall retain its lien on the Class 3 Collateral.

Class 4 Claims: Class 4 consists of all Allowed General 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. The Class 7 Claimants shall receive five percent (5%) of their Allowed Claims, payable over 60 months. The first payment shall be due on or before the first day of the month following the Effective Date of the Plan.

Class 5 Interests: Class 5 shall consist of the interest of the Debtor's members, Lorraine Jefferson, Amanda E. Urbanczyk and Kenneth Dupree. The members shall retain their respective membership interest in the Debtor.

SUMMARY OF OTHER PROVISIONS OF THE PLAN

Legally Binding Effect. Confirmation of the Plan will bind the Debtor and all creditors and Interest holders, whether or not they accept the Plan. Confirmation will also discharge the Debtor from all debts that arose before the Confirmation Date. The distributions of consideration provided for in the Plan will be in exchange for and in complete settlement, satisfaction and discharge of all Claims and Interests, including any Claim for interest after the Petition Date. On the Confirmation Date, all creditors shall be precluded from asserting any Claim against the Debtor or its property based upon any transaction or other activity of any kind that occurred prior to the Confirmation Date.

Modification of the Plan. The Debtor may propose amendments to or modifications of the Plan at any time prior to the Confirmation Date provided that the amended Plan satisfies the

requirements of the Code. Unless, within the time fixed by the Court, a creditor changes its previous acceptance or rejection of the Plan, such previous election shall be deemed applicable to the amended Plan.

Post-Confirmation Jurisdiction. The Court shall retain exclusive jurisdiction over this Chapter 11 case for the purpose of determining any matters pertaining to the Plan or the Confirmation Order, as well as determining all disputes, suits or controversies arising out of the Plan and its interpretation, enforcement or consummation. Persons reading this Disclosure Statement should refer to the Plan for a more detailed discussion of the Court's continuing jurisdiction over the Debtor and this case.

Post-Confirmation Reporting. Pursuant to Local Rule 2015-2(b), amended December 31, 2014, the reorganized Debtor shall file with the Court, a Chapter 11 Post-Confirmation Quarterly Report in the form of Appendix I to the Local Rules, which shall be due on or before April 30, July 31, October 31 and January 31. These reports will be on file with the Clerk of the Bankruptcy Court, Customs House, 701 Broadway, Nashville, Tennessee 37203.

LIQUIDATION ANALYSIS

To obtain confirmation of the Plan, the Debtor must show that each holder of an impaired Claim or interest has accepted the Plan, or that each holder will receive or retain under the Plan on account of the holder's Claim or interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtor's assets were liquidated under Chapter 7 of the Code on said date.

The starting point in determining the amount which creditors of each class of unsecured claims and interest would receive in a Chapter 7 case under Bankruptcy Code, is to estimate the

dollar amount that would be generated from the forced liquidation of the Debtors (the “liquidation proceeds”).

The liquidation proceeds of the Debtor would consist of the proceeds from the sale of all of the assets of the Debtor, plus cash held by the Debtor and recoveries on any actions against other parties. The liquidation proceeds would first be used to pay allowed secured claims, then be reduced by the cost of the liquidation. Costs of liquidation of the Debtor would likely include the fees of the Chapter 7 Trustee, as well as those of counsel and other professionals that would be retained by the Trustee, actual selling expenses, any unpaid expenses incurred by the Debtor during reorganization under this Chapter 11 (such as fees for attorneys and accountants), and any claims arising by reason of the Trustee’s rejection of any contractual or lease obligations of the Debtor. These claims, and such other claims which are likely to arise during the liquidation process under Chapter 7, will result in a diminution of the liquidation proceeds available to pay unsecured creditors. The Debtor asserts that the present value of the distributions which could be anticipated from the net liquidation proceeds should be compared with the present value offered to each of the classes of unsecured claims and interests under the Plan.

The assets to be liquidated would consist of bank accounts and accounts receivable, minimal office furniture, and computer and telephone equipment used in operation of the Debtor’s business. Even without considering the costs of liquidation, the Debtor believes that there would not be enough funds available to pay the secured claim in full, as any such disposition would likely occur by auction and would result in much lower sale prices. The Debtor believes that liquidation costs would exceed the actual recovery.

In contrast to a forced liquidation, this Plan offers all creditors an opportunity to be paid in full up to the value of their collateral. The Debtor's failure to obtain confirmation of the Plan will deprive creditors of the opportunity to receive payments towards their claims due to the *de minimis* liquidation value of the Debtor after payment toward secured debt. Consequently, the Debtor submits that confirmation of the Plan is in the best interest of creditors and should be approved.

CONFIRMATION PROCEDURES

The Plan cannot be consummated unless it is confirmed by the Court. Confirmation of the Plan requires that, among other things, either (i) each Class of Claims or Interests that is impaired by the Plan has voted to accept the Plan by the requisite majority, or (ii) the Plan is determined by the Court to be fair and equitable, as defined by the Bankruptcy Code, with respect to Classes of Claims or Interests that have rejected the Plan. The Bankruptcy Code also requires that the confirmation of the Plan be in the "best interests" of all holders of Claims and Interests. The Debtor believes that the Plan meets the Confirmation requirements of the Bankruptcy Code.

Creditors Eligible to Vote. Only the votes of Classes whose Claims or Interests are impaired by the Plan will be counted in connection with the Confirmation of the Plan. Generally, and subject to the specific provisions of § 1124 of the Bankruptcy Code, a Class is "impaired" if its legal, equitable or contractual rights attaching to the Claims or Interests of that Class are modified by the Plan. In determining acceptance of the Plan, votes will be counted only if submitted by a holder of an Allowed Claim or Allowed Interest. Claims or Interests may be Allowed by the Court for voting purposes only. Classes 1 and 5 of the Plan include Claims or Interests that are not impaired under the Plan. All other Classes of Claims or Interests are impaired.

Acceptance Necessary to Confirm the Plan. For the Plan to be accepted and thereafter confirmed, it must be accepted by at least one Class of Claims which is impaired by the Plan. Under § 1126 of the Code, the impaired Class is deemed to have accepted the Plan if: (i) with respect to a Class of Claims, votes representing at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Allowed Claims that have voted in that Class have accepted the Plan, and (ii) with respect to a Class of Interests, votes representing at least two-thirds (2/3) in amount of those Allowed Interests that have voted have accepted the Plan; provided that the vote of any holder of an Allowed Claim or Allowed Interest whose acceptance or rejection of the Plan was not made in good faith, as determined by the Court, will not be counted.

If a Class of Claims has been impaired by the Plan, the impaired Class must accept the Plan. Otherwise, the Court, in order to confirm the Plan, must independently determine that the Plan provides to each holder of a Claim or Interest, as the case may be, of such Class a recovery which has a value, as of the Effective Date, at least equal to the value of the distribution which such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date.

Manner of Voting. In voting for or against the Plan, please use only the ballot sent to you with this Disclosure Statement. If a creditor has an Allowed Claim or Allowed Interest in more than one Class, such creditor may vote multiple ballots. Holders of Allowed Claims or Allowed Interests entitled to vote to accept or reject the Plan may vote by completing, dating, signing and transmitting the ballot to: Emerge Law PLC, 2021 Richard Jones Road, Suite 240, Nashville, Tennessee 37215; Fax: (615) 577-8325; Email: elliott@emergelaw.net or warner@emergelaw.net.

To be counted, a ballot must be received at the above address on or before the date and time set forth in the ballot. A ballot, once submitted, cannot be withdrawn or modified except as provided under the Bankruptcy Code.

Confirmation Without Unanimous Acceptance. Section 1129(b) of the Bankruptcy Code provides that the Plan may be confirmed by the Court despite not being accepted by every impaired Class if: (i) at least one impaired Class of Claims, excluding the Claims of insiders, has accepted the Plan; and (ii) the Court finds that the Plan does not discriminate unfairly and is fair and equitable to the rejected Classes. Among other things, such a finding would require a determination by the Court that the Plan provides that no holder of an Allowed Claim or Allowed Interest junior to the rejecting Class will receive or retain property or payment under the Plan until or unless such rejecting Class is paid in full.

The Debtor reserves the right pursuant to § 1129(b) of the Code to request the Court to confirm the Plan if all of the applicable requirements of § 1129(a) of the Code have been met. In addition, the Debtor reserves the right pursuant to § 1126(e) of the Code to request the Court to strike any ballot rejecting the Plan cast by any holder of a Claim or Interest which was not cast in good faith.

Hearing on Confirmation of the Plan. The Court will set a hearing on Confirmation of the Plan to determine whether the Plan has been accepted by the requisite number of holders of Claims and Interests and whether the other standards for Confirmation of the Plan have been satisfied. The hearing may be adjourned from time to time without further written notice other than an announcement in open Court.

DATED: August 18, 2017.

Respectfully submitted,

/s/ Lorraine Jefferson
Scarab Behavioral Health Services, LLC
By: Lorraine Jefferson
Its: Executive Vice President/COO

/s/ Elliott W. Jones
Elliott W. Jones (#003687)
Warner Jones (#028021)
Emerge Law PLC
2021 Richard Jones Road, Suite 240
Nashville, Tennessee 37215
(615) 953-2629
Fax: (615) 577-8325
elliott@emergelaw.net
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ATTORNEYS FOR DEBTOR

ASSETS
(as of Petition Date)

Exhibit A

<u>Description of Property</u>	<u>Value</u>
Bank Accounts	36,486.00
Security Deposits	1,260.00
Accounts Receivable	134,117.00
Office Furniture	1,000.00
Computer and Telephone Equipment	1,000.00
	<u>173,863.00</u>

UNSECURED CREDITORS

Exhibit B

<u>Creditor</u>	<u>Claim Amount</u>
American Express	6,333.50
CPA Consulting Group	4,355.00
Greene, Dewey	321,500.00
Lowe's Credit Card	1,378.00
Internal Revenue Service	9,592.92
Urbanczyk, Amanda	167,378.00
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	510,537.42

**Scarab Behavioral Health Services, LLC
Profit & Loss - Monthly**

	Projected Jan 18	Projected Feb 18	Projected Mar 18	Projected Apr 18	Projected May 18	Projected Jun 18	Projected Jul 18	Projected Aug 18	Projected Sep 18	Projected Oct 18	Projected Nov 18	Projected Dec 18	Projected FY18
Income													
Fees													
Fees - Other	171,290.00	171,290.00	171,290.00	171,290.00	171,290.00	176,630.00	179,335.00	179,335.00	189,535.00	189,535.00	189,535.00	189,535.00	2,149,890.00
Total Fees	171,290.00	171,290.00	171,290.00	171,290.00	171,290.00	176,630.00	179,335.00	179,335.00	189,535.00	189,535.00	189,535.00	189,535.00	2,149,890.00
Fee Refunds	-524.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-524.70
Total Income	170,765.30	171,290.00	171,290.00	171,290.00	171,290.00	176,630.00	179,335.00	179,335.00	189,535.00	189,535.00	189,535.00	189,535.00	2,149,365.30
Expense													
Advertising & Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Service Charges	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	288.00
Continuing Education	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	0.00	400.00	1,900.00
Contract Labor	1,750.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	3,750.00
Depreciation Expense	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,500.00	2,600.00
Dues and Subscriptions	0.00	670.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	250.00	100.00	0.00	1,270.00
Employee Meals	312.49	0.00	250.00	0.00	0.00	250.00	0.00	0.00	250.00	0.00	0.00	250.00	1,312.49
Equipment Rental	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Gifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HSA Company Contribution	1,217.33	1,217.33	1,217.33	1,217.33	1,217.33	1,217.33	1,217.33	1,300.67	1,300.67	1,300.67	1,300.67	1,300.67	15,024.67
Human Resources	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
Insurance													
AFLAC	54.46	95.80	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	1,110.26
US Able	199.78	265.73	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,465.51
General, Prof Liability & WC	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	3,000.00	0.00	0.00	0.00	3,300.00
Health	4,120.00	4,120.00	4,120.00	4,120.00	4,120.00	4,120.00	4,120.00	4,532.00	4,532.00	4,532.00	4,532.00	4,532.00	51,500.00
Insurance - Other	1,242.82	728.76	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	19,471.58
Total Insurance	5,617.06	5,210.29	6,166.00	6,166.00	6,466.00	6,166.00	6,166.00	6,578.00	9,578.00	6,578.00	6,578.00	6,578.00	77,847.35
Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and Permits	0.00	810.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	1,810.00
Maintenance Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Meals and Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mileage Reimbursements	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	39,000.00
Office Supplies													
Postage and Delivery	0.00	8.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,008.50
Office Supplies - Other	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Office Supplies	2,000.00	2,008.50	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	25,008.50
Payroll Taxes	12,563.77	12,235.02	12,334.02	10,278.35	10,278.35	10,278.35	10,584.19	10,584.19	10,584.19	10,584.19	10,584.19	10,584.19	131,472.97
Professional Fees	43.99	173.50	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	10,217.49
Rent	6,603.03	6,603.03	6,603.00	6,603.00	6,603.00	6,603.00	6,603.00	6,603.00	6,603.00	6,603.00	6,603.00	6,603.00	79,236.06
Repairs & Maintenance	746.33	710.49	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	8,706.82
Salaries													
Incentive	3,752.75	100.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	15,852.75
Salaries - Other	135,844.68	135,844.68	135,844.68	135,844.68	135,844.68	135,844.68	139,922.47	139,922.47	139,922.47	139,922.47	139,922.47	139,922.47	1,654,602.85
Total Salaries	139,597.43	135,944.68	137,044.68	137,044.68	137,044.68	137,044.68	141,122.47	141,122.47	141,122.47	141,122.47	141,122.47	141,122.47	1,670,455.60

**Scarab Behavioral Health Services, LLC
Profit & Loss - Monthly**

	Projected Jan 18	Projected Feb 18	Projected Mar 18	Projected Apr 18	Projected May 18	Projected Jun 18	Projected Jul 18	Projected Aug 18	Projected Sep 18	Projected Oct 18	Projected Nov 18	Projected Dec 18	FY18
Taxes & Fees	0.00	60.40	330.00	1,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00	2,190.40
Technology Support	433.60	1,433.52	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	7,367.12
Telephone	565.06	1,104.96	930.00	930.00	930.00	930.00	930.00	930.00	930.00	930.00	930.00	930.00	10,970.02
Travel	30.00	0.00	150.00	0.00	0.00	150.00	0.00	0.00	150.00	0.00	0.00	150.00	630.00
Utilities	2,522.09	1,707.94	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,230.03
Total Expense	178,126.18	174,013.66	176,024.03	174,488.36	173,488.36	173,338.36	177,321.99	177,817.32	181,217.32	179,267.32	178,917.32	180,267.32	2,124,287.52
Net Ordinary Income	-7,360.88	-2,723.66	-4,734.03	-3,198.36	-2,198.36	3,291.64	2,013.02	1,517.68	8,317.68	10,267.68	10,617.68	9,267.68	25,077.78
Other Income/Expense													
Other Expense													
Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payment - Lorraine J													
HSA Contribution - Lorraine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payment - Lorraine J - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Guaranteed Payment - Lorraine J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payments-Urbanczyk													
HSA Contribution - Beth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payments-Urbanczyk - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Guaranteed Payments-Urbanczyk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Payment - Dewey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	-7,360.88	-2,723.66	-4,734.03	-3,198.36	-2,198.36	3,291.64	2,013.02	1,517.68	8,317.68	10,267.68	10,617.68	9,267.68	25,077.78

Scarab Behavioral Health Services, LLC
Profit & Loss - Monthly

	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	FY19
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	
Income													
Fees													
Fees - Other	179,745.00	179,745.00	179,745.00	179,745.00	179,745.00	185,530.00	188,235.00	188,235.00	198,435.00	198,435.00	198,435.00	198,435.00	2,254,465.00
Total Fees	179,745.00	179,745.00	179,745.00	179,745.00	179,745.00	185,530.00	188,235.00	188,235.00	198,435.00	198,435.00	198,435.00	198,435.00	2,254,465.00
Fee Refunds	-524.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-524.70
Total Income	179,220.30	179,745.00	179,745.00	179,745.00	179,745.00	185,530.00	188,235.00	188,235.00	198,435.00	198,435.00	198,435.00	198,435.00	2,253,940.30
Expense													
Advertising & Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Service Charges	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	288.00
Continuing Education	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	0.00	400.00	1,900.00
Contract Labor	1,750.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	3,750.00
Depreciation Expense	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,500.00	2,600.00
Dues and Subscriptions	0.00	670.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	250.00	100.00	0.00	1,270.00
Employee Meals	312.49	0.00	350.00	0.00	0.00	250.00	0.00	0.00	250.00	0.00	0.00	250.00	1,412.49
Equipment Rental	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Gifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HSA Company Contribution	1,300.67	1,300.67	1,300.67	1,300.67	1,300.67	1,300.67	1,342.33	1,342.33	1,342.33	1,342.33	1,342.33	1,342.33	15,858.00
Human Resources	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
Insurance													
AFLAC	54.46	95.80	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	1,110.26
US Able	199.78	265.73	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,465.51
General, Prof Liability & WC	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	3,000.00	0.00	0.00	0.00	3,300.00
Health	4,532.00	4,532.00	4,532.00	4,532.00	4,532.00	4,532.00	4,738.00	4,738.00	4,738.00	4,738.00	4,738.00	4,738.00	55,620.00
Insurance - Other	1,242.82	728.76	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	19,471.58
Total Insurance	6,029.06	5,622.29	6,578.00	6,578.00	6,878.00	6,578.00	6,784.00	6,784.00	9,784.00	6,784.00	6,784.00	6,784.00	81,967.35
Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and Permits	0.00	810.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	1,810.00
Maintenance Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Meals and Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mileage Reimbursements	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000.00
Office Supplies													
Postage and Delivery	0.00	8.50	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,008.50
Office Supplies - Other	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	1,800.00	23,800.00
Total Office Supplies	2,000.00	2,008.50	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	1,900.00	24,808.50
Payroll Taxes	13,204.35	12,875.60	12,974.60	10,812.16	10,812.16	10,812.16	11,125.64	11,125.64	11,125.64	11,125.64	11,125.64	11,125.64	138,244.90
Professional Fees	43.99	173.50	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	10,217.49
Rent	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	6,603.03	79,236.06
Repairs & Maintenance	746.33	710.49	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	8,706.82
Salaries													
Incentive	3,752.75	100.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	15,852.75
Salaries - Other	142,962.20	142,962.20	142,962.20	142,962.20	142,962.20	142,962.20	147,141.93	147,141.93	147,141.93	147,141.93	147,141.93	147,141.93	1,740,624.76
Total Salaries	146,714.95	143,062.20	144,162.20	144,162.20	144,162.20	144,162.20	148,341.93	148,341.93	148,341.93	148,341.93	148,341.93	148,341.93	1,756,477.51

**Scarab Behavioral Health Services, LLC
Profit & Loss - Monthly**

	Projected Jan 19	Projected Feb 19	Projected Mar 19	Projected Apr 19	Projected May 19	Projected Jun 19	Projected Jul 19	Projected Aug 19	Projected Sep 19	Projected Oct 19	Projected Nov 19	Projected Dec 19	FY19
Taxes & Fees	0.00	60.40	330.00	1,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00	2,190.40
Technology Support	433.60	1,433.52	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	7,367.12
Telephone	565.06	1,104.96	930.00	930.00	930.00	930.00	930.00	930.00	930.00	930.00	930.00	930.00	10,970.02
Travel	30.00	0.00	150.00	0.00	0.00	150.00	0.00	0.00	150.00	0.00	0.00	150.00	630.00
Utilities	2,522.09	1,707.94	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,230.03
Total Expense	186,629.61	182,517.09	184,627.46	182,885.03	181,885.03	181,735.03	186,075.91	186,075.91	189,475.91	187,525.91	187,175.91	188,325.91	2,224,934.69
Net Ordinary Income	-7,409.31	-2,772.09	-4,882.46	-3,140.03	-2,140.03	3,794.97	2,159.09	2,159.09	8,959.09	10,909.09	11,259.09	10,109.09	29,005.61
Other Income/Expense													
Other Expense													
Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payment - Lorraine J													
HSA Contribution - Lorraine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payment - Lorraine J - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Guaranteed Payment - Lorraine J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payments-Urbanczyk													
HSA Contribution - Beth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guaranteed Payments-Urbanczyk - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Guaranteed Payments-Urbanczyk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Payment - Dewey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	-7,409.31	-2,772.09	-4,882.46	-3,140.03	-2,140.03	3,794.97	2,159.09	2,159.09	8,959.09	10,909.09	11,259.09	10,109.09	29,005.61

PLAN TERMS SPREADSHEET

Exhibit D

Class	Creditor	Collateral	Fair Market Value	Original Claim Amount	Allowed Claim Amount	Payment Frequency	Term (months)	Interest Rate	Payment Amount
1	Administrative	n/a	n/a	\$ -	\$ -	One-time	n/a	n/a	-
2	Internal Revenue Service	n/a	n/a	\$ 46,358.40	\$ 46,358.40	<i>paid through individual Chapter 13 plans</i>			-
						<i>*to be paid in full no later than 5/7/2022</i>			
3	First Tennessee Bank	Insurance Receivables/Fixed Assets		\$ 380,781.00	\$ 54,000.00	Monthly	24	0.000%	750.00
					*	Monthly	36	0.000%	1,000.00
4	General Unsecureds	n/a	n/a	\$ 510,537.42	\$ 25,526.87	Monthly	60	0.000%	425.45
									1,175.45

* payment amount shall increase after the initial 24 payments