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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE: §
§ CASE NO. 17-40314
§
COMPACTION UNLIMITED, LLC §
§ CHAPTER 11
DEBTOR. §

DISCLOSURE STATEMENT
DATED JUNE 23, 2017

Compaction Unlimited, LLC, the Debtor, (herein “Compaction”) submits the following Disclosure Statement pursuant to 11 U.S.C. Section 1125:

I
INTRODUCTION

Identity of the Debtor

Compaction Unlimited, LLC, a Texas limited liability company (hereinafter “Debtor”) filed its voluntary Chapter 11 Case in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division (“Court”) on February 16, 2017. Debtor’s main assets consist of account receivables. It has been in existence since 2010. Ron Bowlin is the owner of this business. He is an experienced broker with over 20 years in the business. Revenues were \$679,240.00 in 2014, \$703,100 in 2015, \$292,766.00 in 2016 and year to date for 2017 is \$260,000 with projections of \$472,273. Debtor proposes to pay 24% of its current indebtedness by ongoing operations over the next sixty (60) months. See Debtor’s Statement of Operations attached as Exhibit “A”.

Purpose of Disclosure Statement; Source of Information

Debtor submits this Disclosure Statement (“Disclosure Statement”) pursuant to Section 1125 of the Code to all known Claimants of Debtor for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of Debtor in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor’s Plan of

Reorganization dated June 23, 2017 (“Plan”). This Disclosure Statement describes the operations of the Debtor contemplated under the Plan. You are urged to study the Plan in full and to consult with your counsel about the Plan and its impact upon your legal rights. Any accounting information contained herein has been provided by the Debtor.

Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a Debtor is authorized to reorganize its business for its own benefit and that of the creditors and equity interest holders. Formulation of a Plan is the principal purpose of a Chapter 11 reorganization case. A Plan sets forth the means for satisfying claims against and interests in the Debtor. After a Plan has been filed, it must be accepted by holders of claims against, or interests in, the Debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a Plan. The Disclosure Statement is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

Explanation of the Process of Confirmation

Even if all Classes of Claims accept the Plan, its confirmation may be refused by the Court. Section 1129 of the Code sets forth the requirements for confirmation and, among other things, requires that a Plan of reorganization be in the best interests of Claimants. It generally requires that the value to be distributed to Claimants may not be less than such parties would receive if the Debtor were liquidated under Chapter 7 of the Code.

Acceptance of the Plan by the Creditors and Equity Interest Holders is important. In order for the Plan to be accepted by each class of claims, the creditors that hold at least two-thirds ($2/3$) in amount and more than one-half ($1/2$) in number of the allowed claims actually voting on the Plan in such class must vote for the Plan and the equity interest holders that hold at least two-thirds ($2/3$) in amount of the allowed interests actually voting on the Plan in such class must vote for the Plan. Chapter 11 of the Code does not require that each holder of a claim against, or interest in, the Debtor vote in favor of the Plan in order for it to be confirmed by the Court. The Plan, however, must be accepted by: (i) at least the holder of (1) class of claims by a majority in number and two-thirds ($2/3$) in amount of those claims of such class actually voting; or (ii) at least the holders of one (1) class of allowed interests by two-thirds ($2/3$) in amount of the allowed interests of such class actually voting.

The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a Plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

Confirmation of the Plan discharges the Debtor from all their pre-confirmation debts and liabilities except as expressly provided for in the Plan and Section 1141(d) of the Code. Confirmation makes the Plan binding upon the Debtor and all claimants, equity

interest holders and other parties-in-interest, regardless of whether or not they have accepted the Plan.

Voting Procedures

Unimpaired Class. Claimants in Class 1 are not impaired under the Plan. Such Class is deemed to have accepted the Plan.

Impaired Classes. The Class 2 and 3, priority and secured creditors do not exist. The Class 4 Claimants are impaired as defined by Section 1124 of the Code. The Debtor is seeking the acceptance of the Plan by Claimants in Class 4

Each holder of an Allowed Claim in Class 4 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below.

Except to the extent permitted by the Bankruptcy Court pursuant to Rule 3018 of the Bankruptcy Rules, ballots that are received after the Voting Deadline will not be accepted or used by the Debtor in connection with the Debtor's request for confirmation of the Plan.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt) acceptance and revocation or withdrawal of ballots or master ballots will be determined by the Debtor in their sole discretion, whose determination will be final and binding.

For all Classes, the ballot must be returned to Daniel C. Durand III, Durand & Associates, P.C., 522 Edmonds Lane, Suite 101, Lewisville, Texas 75067. In order to be counted, ballots must be RECEIVED no later than at the time and date listed on the ballot.

Best Interests of Creditors Test

Section 1129(a)(7) of the Code requires that each impaired class of claims or interests 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 so receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, each holder of a claim of such class will receive or retain under the Plan, on account of such claim, property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims. In order for the Plan to be confirmed, the Bankruptcy Court must determine that the Plan is in the best interests of the Debtor's creditors. Accordingly, the proposed Plan must provide the Debtor's creditors with more than they would receive in a Chapter 7 liquidation. It is anticipated that in a Chapter 7 liquidation, the Debtor's creditors, other than the secured creditors, would receive nothing. Accordingly, since the Plan proposes a substantial dividend to all creditors, such

creditors are receiving more than they would receive in a Chapter 7 liquidation. Accordingly, the Plan satisfies the requirements of Section 1129(a)(7).

Cramdown

The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a Plan over the objection of one or more classes of claims or interests are set for in Section 1129(b) of the Code.

II **REPRESENTATIONS**

[Note: Paragraphs in brackets to be included after the Bankruptcy Court approves this Disclosure Statement.]

[This Disclosure Statement is provided pursuant to Section 1125 of the Code to all of the Debtor known Creditors and other parties in interest in connection with the solicitation of acceptance of its Plan, as amended or modified. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan. A copy of the Plan is attached hereto as Exhibit "F".]

[After a hearing on notice, the Court approved this Disclosure Statement as containing information of the kind and in sufficient detail adequate to enable a hypothetical, reasonable investor typical of the classes being solicited to make an informed judgment about the Plan.]

The information contained in this Disclosure Statement has been derived from the Debtor, unless specifically stated to be from other sources.

All initially capitalized and bolded words used in this Disclosure Statement have the same definitions provided for in Article 2 of the Plan.

NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED BY THE DEBTOR OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTOR RECOMMENDS THAT ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH IS NOT CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN REACHING YOUR DECISION ON HOW TO VOTE ON THE PLAN. ANY REPRESENTATION OR INDUCEMENT MADE TO YOU NOT CONTAINED HEREIN SHOULD BE REPORTED TO THE ATTORNEY FOR DEBTOR WHO SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL SECURITIES AND EXCHANGE COMMISSION ("SEC"). THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY IS ANY STATE OF THE UNITED STATES. IN ADDITION, NEITHER THE SEC, NOR ANY OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THE DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTOR'S ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.

DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. THE PLAN WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND EACH CREDITOR AND INTEREST HOLDER IS URGED TO CAREFULLY REVIEW THE PLAN PRIOR TO VOTING ON IT.

III

HISTORY AND DESCRIPTION OF BUSINESS

The owner of the business, Ron Bowlin, has 20 year's experience in this industry and has been in this particular business since 2010. Due to a downturn in the economy,

Debtor's business suffered in 2016, but is improving. See attached Exhibits "B" (Balance sheet), "C-1" and "C-2" (Profit and Loss Statement) and "D" (Monthly Operating Report for May of 2017).

The management has made several changes to improve profitability:

1. It increased its marketing efforts to generate new business; and
2. It aggressively pursued account receivables to increase cash flow.

A liquidation analysis reveals that if Compaction fails, the cash, receivables, intangibles, and miscellaneous office equipment may be worth approximately \$38,350.00 in a Chapter 7, but there would be \$24,515.00 or a 4.17% dividend left for unsecured creditors after priority, secured, and administrative claims. In this proposed Chapter 11, \$140,000.00 or 24% will be repaid to unsecured creditors. We believe the creditors are better off in this Chapter 11 than if it were a 7. Under the proposed plan, 100% of all administrative, secured and priority claims will be repaid and Debtor's continued operations will repay unsecured creditors 24%. A Chapter 7 Trustee would charge an administrative fee of at least 10% and sell as quickly as possible without maximizing a return to all creditors. The debtor in possession proposes to pay its small administrative claims and 24% of its unsecured claims. This is a much better deal for all creditors. See the Liquidation Analysis attached as Exhibit "E".

Compaction asks for your vote in favor of this plan of reorganization and hopes to confirm it no later than July ____, 2017 at a Confirmation Hearing in the United States Bankruptcy Court, Eastern District of Texas, Sherman Division, Plano Bankruptcy Courtroom, 660 N. Central Expressway, Third Floor, Plano, Texas 75074.

IV
FINANCIAL INFORMATION

The principal obligor of these debts is Compaction.

The principal tangible assets of Compaction are as follows:

Real estate:	None
Cash on Hand as of February 16, 2017	\$5,500.00
Inventory on hand valued at liquidation by Compaction as of February 16, 2017	\$0.00
Account receivables as of February 16, 2017 of which 100% is collectable	approximately \$28,000.00
Miscellaneous customer lists, domain name and website and office equipment and furniture are valued at	<u>\$ 4,850.00</u>
TOTAL	\$38,350.00

The principal liabilities are as follows:

- Administrative priority claims of Debtor's attorney fees (\$10,000). (Class 1)
- Priority claims of \$0.00. (Class 2)
- Secured claims to creditor in the amount of \$0.00
- Allowed unsecured debt to twenty eight (28) creditors of \$583,000.00 (Class 4)

V
PENDING CLAIMS AND LITIGATION

There are four lawsuits pending in state court for alleged breach of contract with claims from \$7,650.00 to \$23,250.00. One of the suits has been settled due to personal liability and garnishment of personal bank accounts of the owner outside of bankruptcy. The other lawsuit claims will be paid pro rata with all other creditors in the Plan of Reorganization.

VI
PRESENT PROJECTIONS AND INCOME HISTORY

The attached Balance Sheet as of February 14, 2017 shows the assets and liabilities of the Debtor. See attached Exhibit "B". A Profit and Loss Statement is attached. See Exhibit "C-1" and "C-2". Net proceeds of \$2,500 per month will yield a

base of \$150,000.00 to be paid to Class 1 administrative claimants (\$10,000.00) and Class 4 unsecured creditors (\$140,000).

VII

LIQUIDATION ANALYSIS

Should Compaction file under Chapter 7 of the Bankruptcy Code on the date of this Disclosure Statement, it is estimated that the below listed assets would be realized by the Trustee in the following amounts:

Real Estate	None
Cash	\$5,500.00
Accounts Receivable	\$28,000.00
Inventory	\$0.00
Other Assets (miscellaneous customer lists, domain name and website)	\$4,850.00
Total	\$38,350.00

The expenses of administration in such a Chapter 7 case are estimated to be approximately \$3,835.00, which would leave a balance in the amount of \$34,515.00 available for the payment of claims. Administrative claims for Debtor's attorney is \$10,000.00. The estimated total amount of secured debt that would be allowed in the Chapter 7 case is \$0.00 of \$0.00 in claims. Priority claims total \$0.00. The total amount of general non-priority unsecured claims that would be allowed in the Chapter 7 case is estimated to be approximately \$588,000.00 in claims. This would permit the payment of a dividend to non-priority unsecured creditors of approximately 4 cents on the dollar, or \$24,515.00, should Compaction file a petition under Chapter 7 of the Bankruptcy Code. The amount available after payment of administrative claims, secured and unsecured priority debt would be \$24,515.00 on total claims of \$588,000.00. See attached Exhibit "E".

IX

MANAGEMENT

The owner of Compaction in control of the business and its revenue is as follows:

Ron Bowlin with an annual salary of \$48,000.

The persons above will constitute the management of Compaction during the period of the proposed plan. Their salary will be as shown above, or may increase, during the period of the plan.

X
STATUS OF CASE

This Chapter 11 case was filed by Compaction because, in its opinion, and in the opinion of its counsel, it was the only feasible method of stopping a state court receivership by Compucycle, Inc. that would have taken over its business. In the opinion of Compaction, most of its creditors will receive considerably more in this Chapter 11 case than they would have received had it gone out of business or filed under Chapter 7 of the Bankruptcy Code.

This Chapter 11 case was initially filed on February 16, 2017 to stop receivership. Since then, under the protection of the bankruptcy court, Ron Bowlin has reorganized. This required his time and expertise. There is a greater chance that all other creditors of the Debtor will be paid much more in this Chapter 11 than in a Chapter 7, since the Debtor, and not a Chapter 7 Trustee, will be working to operate its business and repay its creditors in an ongoing operation.

XI
SUMMARY OF PROPOSED PLAN OF REORGANIZATION

A proposed Debtor's Plan of Reorganization Dated June 23, 2017 has been filed with the Court and is incorporated for reference herein as Exhibit "F". It proposes to pay its creditors \$2,500.00 per month for 60 months beginning on August 1, 2017 for a total paid in base of \$150,000.00. This is a 24% dividend to its unsecured creditors.

Dated and respectfully submitted this 23rd day of June, 2017.



Ron Bowlin
President, Compaction Unlimited, LLC

APPROVED:



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IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF TEXAS
 SHERMAN DIVISION

DEBTORS: COMPACTION UNLIMITED, LLC	MAIN BANKRUPTCY CASE NO: CASE NO.: 17-40314 CHAPTER 11
<u>EXHIBIT LIST</u>	
EXHIBIT	DESCRIPTION OF EXHIBIT
A	Statement of Operations
B	Balance Sheet
C-1 and C-2	Profit and Loss
D	May 2017
E	Liquidation Analysis
F	Plan of Reorganization



Compaction Unlimited, LLC



Statement of Operation for Compaction Unlimited, LLC

Compaction Unlimited, LLC is the baling, shredding & recycling equipment solution for a host of different manufacturers and industries, such as: paper, metals and plastics recycling and the waste, shredding & printing industries, as well.

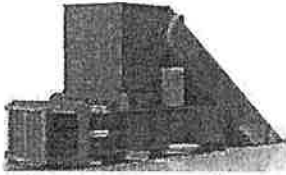
For over six years, we have provided equipment solutions in: TX, CA, LA, OK, AR, AZ, NM, CO, IL, TN, AL, KS, NC, SC, MI, IA, NY, NJ, PA, MA, WA, FL, GA & Jamaica.

Our specialty is providing balers, shredders, compactors and conveyors to recyclers, waste generators, shredding companies *and their customers*. We've also helped numerous customers in the following industries: Multitenant Office Buildings, Multitenant Housing, Restaurants, Hotels, Airlines, Education, Hospitals, Government, Retail Malls and several *Fortune 500* companies.

Our customers particularly value our ability to *reduce their waste expenditures by up to 50% and/or increase their recycling throughput capacity & productivity* immensely by providing the RIGHT size and correct equipment options.

Personally, I have been in the waste, recycling and environmental industry for 20 years and have worked in many different capacities, such as: Sales, Sales Management, National Management, Operations & Facility Management and Market Area General Manager.

Our offices are located in Flower Mound, TX - 15 minutes North of the Dallas-Ft. Worth Airport.



Compaction Unlimited, LLC



Balance Sheet

Balance sheet as of: 2/14/17

ASSETS

Current Assets

Cash
 Accounts receivable
 (less doubtful accounts)
 Inventory
 Temporary investment
 Prepaid expenses
Total Current Assets

8000
150,000
158,000

Fixed Assets

Long-term investments
 Land
 Buildings
 (less accumulated depreciation)
 Plant and equipment
 (less accumulated depreciation)
 Furniture and fixtures
 (less accumulated depreciation)
Total Net Fixed Assets

1500
1500

TOTAL ASSETS

\$ 159,500

LIABILITIES

Current Liabilities

Accounts payable
 Short-term notes
 Current portion of long-term notes
 Interest payable
 Taxes payable
 Accrued expenses

135,000
135,000

Total Current Liabilities

Long-term Liabilities

Mortgage
 Other long-term liabilities
Total Long-Term Liabilities

500,000
500,000

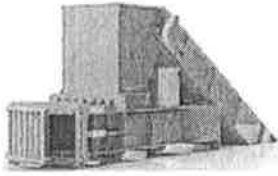
Shareholders' Equity

Capital stock
 Paid in Capital
 Retained earnings
Total Shareholders' Equity

—

TOTAL LIABILITIES & EQUITY

\$ 635,000



Compaction Unlimited, LLC



Profit & Loss for Compaction Unlimited – Nov 1, 2016 through June 20, 2017

Income

Gross Sales Revenues \$313,209

Expenses

Pending Expenses \$39,812
Sub-total Expenses \$246,785
Total \$286,597

Profit/Loss as of June 20, 2017 \$26,612

**United States Bankruptcy Court
Eastern District of Texas**

In re Compaction Unlimited, LLC

Debtor(s)

Case No.
Chapter

17-40314

11

BUSINESS INCOME AND EXPENSES

FINANCIAL REVIEW OF THE DEBTOR'S BUSINESS (NOTE: ONLY INCLUDE information directly related to the business operation.)

PART A - GROSS BUSINESS INCOME FOR PREVIOUS 12 MONTHS:

1. Gross Income For 12 Months Prior to Filing: \$ 24,393.83

PART B - ESTIMATED AVERAGE FUTURE GROSS MONTHLY INCOME:

2. Gross Monthly Income \$ 32,256.52

PART C - ESTIMATED FUTURE MONTHLY EXPENSES:

3. Net Employee Payroll \$ 3,833.33

4. Payroll Taxes 0.00

5. Unemployment Taxes 0.00

6. Worker's Compensation 0.00

7. Other Taxes 0.00

8. Inventory Purchases (Including raw materials) 0.00

9. Purchase of Feed/Fertilizer/Seed/Spray 0.00

10. Rent (Other than debtor's principal residence) 0.00

11. Utilities 0.00

12. Office Expenses and Supplies 0.00

13. Repairs and Maintenance 0.00

14. Vehicle Expenses 0.00

15. Travel and Entertainment 4.17

16. Equipment Rental and Leases 0.00

17. Legal/Accounting/Other Professional Fees 955.66

18. Insurance 0.00

19. Employee Benefits (e.g., pension, medical, etc.) 0.00

20. Payments to Be Made Directly By Debtor to Secured Creditors For Pre-Petition Business Debts (Specify):

DESCRIPTION

TOTAL

21. Other (Specify): Miscellaneous

164.16

DESCRIPTION

TOTAL

Cost of Goods Sold

24,647.87

22. Total Monthly Expenses (Add items 3-21)

\$ 29,605.20

PART D - ESTIMATED AVERAGE NET MONTHLY INCOME:

23. AVERAGE NET MONTHLY INCOME (Subtract item 22 from item 2)

\$ 2,651.92

EXHIBIT

C-2

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

UNITED STATES BANKRUPTCY COURT

In re *Competition Unlimited, LLC*
Debtor

Case No. *17-40314*

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: *MAY 2017*

Date filed: *6-20-17*

Line of Business: *Industrial Equip Sales*

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

Ronald E. Bowlin

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"/>

EXHIBIT D

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 \$ 68,855.69

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 11,191.09
 Cash on Hand at End of Month \$ 67,443.84

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 68,197.85

(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 \$ 15,102.94

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 68,855.69
 EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 15,102.94
 (Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 53,752.75

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 \$ 65,000

(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 \$ 278,000

(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? 1
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 1

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 2367

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0

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	\$ 85k	\$ 68,855	\$ -16,145
EXPENSES	\$ 76,500	\$ 15,103	\$ 61,397
CASH PROFIT	\$ 5k	\$ 53,752	\$ 48,752

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$ 85,000
 TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$ 81,000
 TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$ 4,000

ADDITIONAL INFORMATION

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



MANAGE YOUR CASH

CASH MANAGEMENT CHECKING MONEY MARKET CDs LOANS

COMPACTION UNLIMITED LLC DEBTOR IN POSS
 EASTERN DISTRICT OF TEXAS
 TEXAS CASE #17-40314
 2721 GRAYSTONE DR
 FLOWER MOUND TX 75028

Speak to a dedicated business solutions expert
 at 1-888-755-2172 — a one-stop number for
 both your business and personal needs.

ACCOUNT SUMMARY FOR PERIOD MAY 01, 2017 - MAY 31, 2017

Commercial Checking ██████████25211		COMPACTION UNLIMITED LLC DEBTOR IN POSS	
Previous Balance 04/30/17	\$13,691.09	Number of Days in Cycle	31
2 Deposits/Credits	\$68,855.69	Minimum Balance This Cycle	\$11,151.09
10 Checks/Debits	(\$15,102.94)	Average Collected Balance	\$61,811.19
Service Charges	\$0.00		
Ending Balance 05/31/17	\$67,443.84		

ACCOUNT DETAIL FOR PERIOD MAY 01, 2017 - MAY 31, 2017

Commercial Checking ██████████25211		COMPACTION UNLIMITED LLC DEBTOR IN POSS		
<u>Date</u>	<u>Description</u>	<u>Deposits/Credits</u>	<u>Withdrawals/Debits</u>	<u>Resulting Balance</u>
05/01	Phone transfer debit TO 3316603288		\$2,500.00	\$11,191.09
05/02	Debit Card Purchase 050217 NTTA AUTOCHARGE 972-818-6882 TX		\$40.00	\$11,151.09
05/05	ACH deposit TTI INC. ACCT PAY 050517 COMPACTION UNLIMITED XEC230	\$60,569.15		\$71,720.24
05/10	Recur Debit Card Purchase 050917 INTUIT *QB ONLINE 800-286-6800 CA		\$15.99	\$71,704.25
05/11	Phone transfer debit TO 3316603288		\$2,000.00	\$69,704.25
05/12	Customer withdrawal		\$3,328.95	\$66,375.30
05/17	Phone transfer debit TO 3316603288		\$2,000.00	\$64,375.30
05/19	ACH deposit TETRA PAK SIDEL US ACH 051917 0009COMPACTION UNLIM 95309923770787	\$8,286.54		\$72,661.84
05/25	Customer withdrawal		\$3,500.00	\$69,161.84
05/26	Phone transfer debit TO 3316603288		\$1,500.00	\$67,661.84
05/30	Debit Card Purchase 053017 ACE OF SALES 800 8657496 GA		\$20.00	\$67,641.84

Thank you for banking with us.





MANAGE YOUR CASH

CASH MANAGEMENT CHECKING MONEY MARKET CDs LOANS

COMPACTION UNLIMITED LLC DEBTOR IN POSS
EASTERN DISTRICT OF TEXAS
TEXAS CASE #17-40314

ACCOUNT DETAIL CONTINUED FOR PERIOD MAY 01, 2017 - MAY 31, 2017

<i>Date</i>	<i>Description</i>	<i>Deposits/Credits</i>	<i>Withdrawals/Debits</i>	<i>Resulting Balance</i>
05/31	Debit Card Purchase 053117 GIE MEDIA INC 08004560707 OH		\$198.00	\$67,443.84
Total		\$68,855.69	\$15,102.94	



Income:

\$68,855.69

Expenses for April:

\$2,500 Wages
\$40 NTTA toll tag
\$15.99 Intuit QuickBooks
\$3,328.95 Certified funds payment for equipment
\$2,000 Wages
\$3,500 Certified funds payment for equipment
\$2,000 Wages
\$20 e-mail database program for marketing
\$1,500 Wages
\$198 Recycling directory for leads/marketing

Total: \$15,102.94

Profit for May: 53,752.75

Total Outstanding Payables:

Staley Entp. - \$60k
REI - \$5k

Total Receivables:

TTI - \$50k Aug 1st
24/7 Recycling - \$80k June 30th
Bass Machinery - \$140k July 15th
Nicho Produce - \$8k July 20th

Total Receivables: \$278k

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 State Bar Card No. 06287570
 DURAND & ASSOCIATES, P.C.
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IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF TEXAS
 SHERMAN DIVISION

IN RE: §
 § CASE NO. 17-40314
 COMPACTION UNLIMITED, LLC, §
 § CHAPTER 11
 DEBTOR. §

LIQUIDATION ANALYSIS

If Debtor in Possession pays in confirmed Plan:

1. \$150,000.00 GROSS REVENUES

\$10,000.00	Administrative (Class 1)
0.00	Priority (Class 2)
0.00	Secured (Class 3)
\$10,000.00	TOTAL

Available to Unsecured Creditors (Class 4) after payments to Class 1, 2, and 3:

\$150,000.00
 - \$ 10,000.00
 \$140,000.00

EXHIBIT E

If Chapter 7 Trustee Sells Assets in a Liquidation:

Cash	\$ 5,500.00	
Other personal properties:	\$ 0.00	
Receivables:	\$28,000.00	
Other:	\$ 4,850.00	
Total:	\$38,350.00	
10% Trustee Fee:	\$ 3,835.00	
Closing Costs:	\$ 0.00	
Gross:	\$34,515.00	
Secured Debt	\$ 0.00	
Priority Debt:	\$ 0.00	
Net Equity:	\$34,515.00	
Class 1, 2, and 3 Creditors:	\$10,000.00	
Available for Class 4 Unsecured Creditors:	\$24,515.00	
AVAILABLE:	\$24,515.00	
Total Claims:	\$588,000.00	4.17%

BOTTOM LINE

If Debtor Pays in Plan

\$140,000.00 or 24% dividend to
28 Unsecured creditors

If Chapter 7 Trustee Sells

\$24,515.00 or 4.17% dividend to
28 Unsecured creditors

BOTTOM LINE: VOTE FOR THE DEBTOR'S PLAN TO PAY YOU MORE!

ARTICE 2
DEFINITIONS

The following terms when used in this Plan shall have the following meanings:

Administrative claim. An administrative expense (including a professional fee or expense) that is entitled to priority of payment under 11 U.S.C §507(a)(1) and that is allowed under 11 U.S.C §503.

Allowed claim. The amount of a claim, a proof of which was filed within the time fixed by the Court or which was listed on the schedules filed by the Debtor (and was not listed thereon as being disputed, contingent or unliquidated), to which no objection is filed or which is allowed by order of the Court.

Court. The United States Bankruptcy Court for the Eastern District of Texas, Sherman Division.

Critical Vendors. None

Debtor. Compaction Unlimited, LLC, a Texas limited liability company, engaged in the brokerage of compaction equipment.

Effective date of the Plan. The date on which the order of the Court commencement of this case.

Estate. The estate created under 11 U.S.C §541 by reason of the commencement of this case.

Impaired claim. A claim of which the legal, equitable or contractual rights of the holder are altered by the Plan.

Plan. The Debtor's Plan of Reorganization Dated June 23, 2017 and subsequent Modifications or Amendments (i.e., this Plan or Reorganization).

Term of Plan. A period beginning on the effective date of the Plan and ending when all payments and other acts required of the Debtor under the Plan have been made.

ARTICE 3
CLASSIFICATION OF CLAIMS

The claims to be dealt with under the Plan are classified as follows:

- Class 1 Administrative claim of attorney's fees (Not Impaired)
- Class 2 Priority claims – NONE
- Class 3 Secured claims – NONE
- Class 4 Unsecured creditors (Impaired) (28)

ARTICE 4
CLASSES OF CLAIMS NOT IMPAIRED BY THE PLAN

The following classes of claims are not impaired by the Plan: Class 1

ARTICE 5
TREATMENT OF UNIMPAIRED CLAIMS

In Class 1, the Debtor's attorney (\$10,000.00) shall be paid from first funds its claim of \$10,000.00 as an administrative expense subject to Court approval.

ARTICE 6
TREATMENT OF IMPAIRED CLAIMS

Class 4 is impaired.

Class 2 and 3 do not exist as there are no priority or secured creditors.

Class 4 will be paid from continued operations after payments of all administrative claims.

ARTICE 7
TREATMENT OF ADMINISTRATIVE AND PRIORITY TAX CLAIMS

All allowable claims for costs and expenses of administration entitled to priority under 11 U.S.C. §507(a)91), estimated to be \$10,000.00 including fees and expenses of professionals, shall be paid in full upon the approval of such claims by the Court.

ARTICE 8
TREATMENT OF INTERESTS

All unsecured creditors shall be paid \$140,000.00 or 24% according to the percentage of interest in the class.

ARTICE 9
IMPLEMENTATION OF THE PLAN

The Debtor shall retain all of its property and shall operate its business during the period of the Plan. The funds for implementing and carrying out the Plan shall be provided by the Debtor's business operations.

ARTICE 10
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

All executory contracts or unexpired leases of the Debtor not previously assumed or rejected under 11 U.S.C. §365 are hereby expressly rejected.

ARTICE 11
RETENTION OF JURISDICTION

The Court shall retain jurisdiction over the parties to and the subject matter of the Plan and all matters related thereto until the Plan has been fully consummated and the case closed, or until the case is dismissed or converted to another chapter. Specifically, the court shall retain jurisdiction to interpret and enforce the provisions of the Plan, determine all disputes or controversies arising under the Plan, enter orders in aid of consummation of the plan, and determine the allowance of claims or expenses against the Debtor or the Estate.

ARTICE 12
DISCHARGE AND RELEASE

Upon completion of the Plan payments, the Debtor, Compaction Unlimited, LLC, and all property of the Estate shall be discharged and released from liability for any and all claims, debts, liabilities and encumbrances that arose before the date of the order confirming the Plan, except as otherwise expressly provided in the Plan, or by law.

ARTICE 13
DEFAULT PROVISION

If the Debtor or the reorganized Debtor fails to make all payments on federal taxes or other debts as provided for in this Plan or if any other event of default as provided in the Plan occurs, the United States and the creditors, shall be entitled to give the Debtor notice of the default and if the default has not been cured within ten (10) days from the mailing of the written notice, the United States and the creditors, shall have the following rights:

(a) The United States and other creditors shall have the right to declare due and payable any interest or penalties which would have accrued on prepetition tax liabilities for the Debtor but for the filing of the bankruptcy petition and if the Debtor fails to pay the interest and penalties then they may be assessed by the United States;

(b) The prepetition tax claims, and other debts, shall be treated as taxes or debts owed by a nondebtor as if no bankruptcy petition has been filed and as if no plan had been confirmed;

(c) The United States and other creditors, shall have the right to proceed to collect from the Debtor or the reorganized Debtor any of the prepetition tax or other liabilities and related penalties and interest through administrative or judicial collection procedures available under the United States Code or law as if no bankruptcy petition had been filed and as if no plan had been confirmed.

(d) The ad valorem tax liens of Denton County for all tax years will remain in full force and effect until the taxes, as well as any penalty or interest thereon, have been paid in full. Furthermore, Denton County shall receive interest from the Petition Date through the Effective Date under U.S.C. §506(b), as well as from the Effective Date until paid in full under §1129(b), both at the statutory rate of 1% per month, as required by U.S.C. §511.

As to any property being marketed for sale, payments will be suspended for one year from the Effective Date, and upon that one year anniversary of the Effective Date, payments shall begin in equal monthly payments in cash over a period ending not later than five years after the Petition Date.

The taxes for the 2017 tax year, and all years following, shall be timely paid. If the 2017 taxes or any following year of taxes are not timely paid, or if appropriate payments on pre-petition taxes have not begun subsequent to the one year anniversary of the Effective Date, the Debtor shall have defaulted on this Plan, and Denton County will be at liberty to pursue state court collection of all taxes due on the subject property without further recourse to the Bankruptcy Court.

ARTICE 14
MISCELLANEOUS PROVISIONS

Management. The Debtor's business and property shall be managed during the period of the Plan by the Debtor's present management.

Property of Estate. All property of the Estate not dealt with in the Plan shall be deemed the property of the Debtor upon the effective date of the Plan.

Ratification. All loan documents of any secured creditors are ratified and remain in force and effect subject to the Plan and Confirmation Order. All liens and security interests of any banks remain in full force and effect.

Modification of Plan. The Debtor may file and submit modifications of the Plan to the Court at any time prior to confirmation in the manner provided in 11 U.S.C. §1127.

Default. If any payment provided for under the Plan is not made on or before the date specified in the Plan, the Debtor shall have ten (10) days in which to make the payment before being deemed in default. Upon default, creditors shall have the right to pursue their legal and equitable remedies in State Court without further recourse to the Bankruptcy Court.

Dated and respectfully submitted this 23rd day of June, 2017.

APPROVED:

Durand & Associates, PC

By: 

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By: 

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