

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**IN RE:**

**NEW PHOENIX METALS, LTD.,**

**Debtors.**

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**CASE NO. 16-32075-sgj**

**NEW PHOENIX METALS, LTD. FIRST AMENDED DISCLOSURE STATEMENT  
DATED NOVEMBER 21, 2016**

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**ARTICLE I**  
**INTRODUCTION**  
**Identity of the Debtor**

**1.01** Debtor New Phoenix Metals, Ltd. filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq. ("**Code**") in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division ("**Court**"), initiating the above-styled and referenced bankruptcy proceedings. The Debtor is operating its business as **Debtor-in-Possession** pursuant to Sections 1107 and 1108 of the **Code**. Any reference to plan proponent is to the operating Debtor.

**Purpose of This Disclosure; Sources of Information**

**1.02 Debtor** submits this Disclosure 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, and the Members 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**. A copy of the Plan is attached hereto as **Exhibit "A"** and incorporated herein by this reference. The Plan sets forth in detail the repayment arrangement between the Debtor and its creditors. This Disclosure describes the operations of the **Debtor** contemplated under the **Plan**. Any accounting information contained herein has been provided by the **Debtor** and has been prepared using the cash method of accounting.

New Phoenix Metals and Carl Equipment Ltd filed voluntary petitions for reorganization under chapter 11 of the United State Bankruptcy Code, and have been proceeding as jointly administered cases. As part of the reorganization, Carl Equipment will be dissolved following the distribution of its two remaining assets (an excavator and a shredder) to Mike Carl and Marcus Carl, who will then contribute those two assets to New Phoenix Metals. Since only one entity will reorganize, this Plan references the debts of both entities, as well as the assets of both entities, but is a plan for New Phoenix Metals only.

Branch Banking & Trust ("BB&T") filed a motion to appoint a trustee. BB&T has raised allegations of mismanagement prior to the filing of the bankruptcy case. In response to the motion, the Debtor's principals recognized the need for outside assistance in restructuring and reorganizing the Debtor. Other creditors joined in objecting to the appointment of a trustee.

The Debtors sought to retain a Chief Restructuring Officer, Bill Short, who would oversee Plan approval, Plan consummation and the future operations of the Debtors and will replace all financial/accounting functions of Mike Carl and Marcus Carl. The terms of Mr. Short's employment were described in a separate motion filed for the purpose of retaining him in this case as a professional. The Debtors concluded that with the employment of a CRO this Plan should be able to move forward and avoid the huge expense of a trustee in these cases. It should also avoid the liquidation of the business.

Debtor and BB&T reached an agreement to appoint a Chief Restructuring Officer in lieu of the request for a Chapter 11 trustee, and entered into an agreed order on November 2, 2016 regarding the same.

Debtor does not have exact figures for any alleged deficiency claims claimed by secured creditors. As those numbers are sorted out the Debtors can provide such information to the creditors. The Debtor is reviewing claims and will continue to do so. Debtor does anticipate objecting to deficiency claims if they appear over stated but those issues can be handled through the claims objection process.

### **Explanation of Chapter 11**

**1.03** 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 its creditors and equity interest holders. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in the debtor. After a plan of reorganization 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 of reorganization. This Disclosure is presented to **Claimants** to satisfy the requirements of Section 1125 of the **Code**.

### **Explanation of the Process of Confirmation**

**1.04** 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** and **Equity Interest Holders** may not be less than such parties would receive if the debtor were liquidated under Chapter 7 of the **Code**.

**1.05** 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 one (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.

In this case the creditors will be voting by Debtor and class. Some Plans may be approved and others may fail approval. In the event any Plan fails approval the Debtor on the advice of the CRO if employed may elect to submit a further Plan or may seek to convert to Chapter 7. The Debtor achieving sufficient numbers of votes may still move forward with confirmation of its Plan even if the other Debtor has its plan denied confirmation.

**1.06** 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**.

**1.07 Confirmation** of the plan discharges the debtor from all of its 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**

**1.08 Unimpaired Class.** There are no unimpaired Classes under the **Plan**.

**1.09 Impaired Classes.** The Classes New Phoenix 1-14 **Claimants** are impaired as defined by Section 1124 of the **Code**. The **Debtor** is seeking the acceptance of the **Plan** by **Claimants** in their **Classes** New Phoenix 1-14. Each holder of an **Allowed Claim** in **Classes** New Phoenix 1-14 may vote on the **Plan** by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below. One ballot will be sent to each **Claimant** eligible to vote on the **Plan**. For all **Classes**, the ballot must be returned to **Debtor's** attorney, Joyce Lindauer, Attorney at Law, 12720 Hillcrest Suite 625, Dallas, TX 75230. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot.

**1.10 Acceptances.** Ballots that are signed and returned but fail to indicate either an acceptance or rejection will not be counted.

### **Best Interests of Creditors Test**

**1.11** 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 **Debtor** were liquidated under Chapter 7 of the Bankruptcy **Code**. If Section 1111(b)(2) of the **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 **Court** must determine that the **Plan** is in the best interest 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. Accordingly, since the **Plan** proposes to pay all secured creditors' allowed secured claims in full by sale of their collateral or cash payments based on the value of their collateral retained and pay the unsecured creditors a dividend, Debtor believes that the creditors are receiving more than they would receive in a Chapter 7 liquidation. Without the continued operation of the Debtor's businesses there would be no cash funds to pay unsecured creditors. A liquidation analysis is provided in Section IV. Accordingly, the Debtor contends that the **Plan** satisfies the requirements of Section 1129(a)(7).

### **Cramdown**

**1.12** 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**. Accordingly, **Debtor**, as plan proponent, requests the **Court** to determine that the **Plan** does not discriminate unfairly, and is fair and equitable with respect to any objecting creditor. A discussion of the specific requirements for Cramdown of a Plan are set forth starting below.

### **Definition of Impairment**

**1.13** As set forth in section 1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a plan of reorganization unless, with respect to each claim or equity interest of such class, the plan: leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or equity interest; or notwithstanding any contractual provision or applicable law that entitles the holder of a claim or equity interest to demand or receive accelerated payment of such claim or equity interest after the occurrence of a default: cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; reinstates the maturity of such claim or interest as it existed before such default; compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

### **Classification and Treatment of Claims and Interests**

**1.14** The Plan classifies Claims separately in accordance with the Bankruptcy Code and provides different treatment for different classes of Claims.

**1.15** Only holders of Allowed Claims are entitled to receive distributions under the Plan. Allowed Claims are Claims that are not in dispute, are not contingent, are liquidated in amount, and are not subject to objection or estimation. Initial distributions or other transfers of Cash or other consideration specified in the Plan otherwise available to the holders of Allowed Claims will be made on the Effective Date, or (b) the date on which such Claim becomes an Allowed Claim), as otherwise provided in the Plan, or as may be ordered by the Bankruptcy Court.

**1.16** In accordance with the Plan, unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim under the Plan will be in full satisfaction, settlement, release, and discharge of and in exchange for each and every Claim.

### **Requirements for Confirmation of the Plan**

**1.17** At the confirmation hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

The plan complies with the applicable provisions of the Bankruptcy Code.

The proponents of the plan comply with the applicable provisions of the Bankruptcy Code.

The plan has been proposed in good faith and not by any means forbidden by law.

Any payment made or promised by the Debtor, by the plan proponents, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.

- (A) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the Debtor under the plan; and
- (B) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider.

Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the Debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

With respect to each impaired class of claims or interests:

(I) each holder of a claim or interest of such class has (A) accepted the plan or (B) will 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 Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code on such date; or (ii) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the 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.

With respect to each class of claims or interests:

- (i) such class has accepted the plan; or
- (ii) such class is not impaired under the plan.

Except to the extent that the holder of a particular claim has agreed to a different treatment

of such claim, the plan provides that:

(i) with respect to a claim of a kind specified in section 507(a)(1) or 507(a)(2) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(ii) with respect to a class of claims of a kind specified in section 507(a)(3), 507(a)(4), 507(a)(5) or 507(a)(6) of the Bankruptcy Code, each holder of a claim of such class will receive: (i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(iii) with respect to a claim of a kind specified in section 507(a)(7) of the Bankruptcy Code, the holder of a claim will receive on account of such claim deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the plan, equal to the allowed amount of such claim.

If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

The Debtors believe that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied with or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Equity Interests would receive greater distributions under the Plan than they would receive in a liquidation under chapter 7.

The Debtors believe that the feasibility requirement for confirmation of the Plan is satisfied by the fact that the future operating revenues will be sufficient to satisfy the obligations under



the Plan in addition to supporting the operations of the enterprise. These facts demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

### **Cramdown**

**1.18** The bankruptcy court may confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not “discriminate unfairly” and that the plan is “fair and equitable” with respect to each impaired class of claims or interests that has not accepted the plan.

**1.19** “Fair and equitable” has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

With respect to a class of **secured claims**, the plan provides:

- (a)(i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of such claims; and
- (ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder’s interest in the estate’s interest in such property;
- (b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or
- (c) the realization by such holders of the “indubitable equivalent” of such claims.

With respect to a class of **unsecured claims**, the plan provides:

- (a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
- (b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property.

With respect to a class of **interests**, the plan provides:

- (a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

**1.20** In the event that one or more classes of impaired Claims reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired class of Claims. SO LONG AS THE CLASSES OF UNSECURED CREDITORS VOTE FOR THE PLAN THEN THE PLAN WILL NOT VIOLATE THE ABSOLUTE PRIORITY RULE. The absolute priority rule requires that prior to the equity interest holders in the Debtor retaining or receiving any property, the senior classes of claims must be paid in full or vote to accept the Plan.

The Debtor believes the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired class of Claims.

## **ARTICLE II** **REPRESENTATIONS**

**2.01** This Disclosure is provided pursuant to Section 1125 of the **Code** to all of the **Debtor's** known **Creditors** and other parties in interest in connection with the solicitation of acceptance of its **Plan** of reorganization, as amended or modified. The purpose of this Disclosure 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**.

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

**2.03** No representations concerning the **Debtor** is authorized by the **Debtor** other than those set forth in this Disclosure. 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 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 attorneys for **Debtor** who shall deliver such information to the **Court** for such action as may be appropriate.

**2.04** ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY IN 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 OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

**2.05** 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 DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

**2.06** 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.

**2.07** 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 ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN.

### **ARTICLE III** **FINANCIAL PICTURE OF THE DEBTOR**

#### **Financial History and Background of the Debtors**

##### **The Company**

**3.01** Established in 1998, New Phoenix Metals has grown into one of the residential and industrial recycling leaders in the Southwest, operating from a recycling facility and offices in Greenville, Texas (forty miles Northeast of Dallas). The industrial division services companies in a four- state region (Oklahoma, Texas, Arkansas, and Louisiana) and its facility in Greenville, Texas serves industrial businesses and small scrap dealers in Northeast & North Central Texas and Southern Oklahoma. New Phoenix Metals also has a residential division serving the public for recycling household scrap metals including aluminum, steel, copper and brass.

The current ownership of the Debtors is 99% by Carl Holding, LTD and 1% each by Mike Carl and Marcus Carl. Carl Holding, LTD. is owned 49.5% each by Mike Carl and Marcus Carl, with 1% owned by Carl Capital, LLC, in a multi-tiered organizational structure that was developed several years for tax and legal purposes. Carl Capital, LLC is owned 50% each by Mike Carl and Marcus Carl.

In connection with the Plan, the organizational structure of the Debtors will be simplified. Carl Equipment, LTD, will be dissolved following the distribution of its two remaining assets (an excavator and a shredder) to Mike Carl and Marcus Carl, who will then contribute those two assets to NPM. (Carl Equipment and NPM are co-debtors to BB&T on these two assets.) Carl Holding, LTD, which was merely a pass-through tax entity that holds no assets nor has any business activities, will also be dissolved.

The end result will be that New Phoenix Metals, a Debtor and the sole operating entity of the overall business enterprise, will be owned 49.5% each by Mike Carl and Marcus Carl and 1% by Carl Capital, LLC, with Carl Capital serving as the general partner of New Phoenix Metals, Ltd.

The Carls will not serve as officers or directors of New Phoenix Metals, Ltd after confirmation.

### **Management**

**3.02** Mike Carl and Marcus Carl are the principals of the Debtor.

**3.03** Bill Short, CPA, is the court appointed Chief Restructuring Officer, and will serve as the sole officer and general manager of the Debtor for the foreseeable future.

### **Financials**

**3.04** Currently the companies are under Chapter 11 bankruptcy reorganization and therefore an income report is filed monthly with the court. They can be obtained from the Debtor's counsel and online at [www.txnb.uscourts.gov](http://www.txnb.uscourts.gov) under the names of the Debtor's case.

#### **Future Income and Expenses Under the Plan**

**3.05** The projections of plan payments are set forth on **Exhibit "C"** attached hereto. Monies to fund the **Plan** will come from the future business operations of New Phoenix Metals.

#### **Future Management of the Debtor**

**3.06** Pursuant to an Agreed Order entered by the Court on November 10, 2016, Bill Short, a licensed CPA with management and operating experience, was appointed as the Chief Restructuring Officer ("CRO") of the Debtor and will serve as the general manager and sole officer. Mike Carl and Marcus Carl will remain as employees of the Debtor but have taken significant reductions in compensation. The Carl's will no longer serve as officers or directors of the Debtor, although they will retain their ownership of the Debtor. Mike Carl will be a sales representative and operations foreman for Debtor, and Marcus Carl will be the purchasing and dispatch rep. Another family member in an office administrative position with a historical high salary is being replaced at compensation level commensurate with the job description. The CRO and his employees will oversee and assure the continued operations of the Debtor. The CRO will have the sole authority to enter into contracts for the Debtor, make key management and business decisions (including hiring and firing), and manage the cash of the business.

### **ARTICLE IV ANALYSIS AND VALUATION OF PROPERTY**

**4.01** The Debtor New Phoenix Metals, Ltd. owns the real and personal property described as follows:

**Real Property**

Property	Value	Exemptions
20.311 acres	\$1,137,380.00	None
TOTAL:	\$1,137,380.00	

**Personal Property**

Property	Value	Exemptions
Cash on Hand	\$516.91	None
MidSouth DIP Account (as of 8/31/16)	\$26,716.55	None
Pilgrim Bank Account (as of 8/31/16)	\$40.25	None
Inventory	\$450,000.00	None
Office Equipment	\$300.00	None
Vehicles	\$40,000.00	None
Machinery & Equipment	\$3,400,472.00	None
TOTAL:	\$3,918,045.71	

**These values are historic book values on the equipment. The equipment is likely worth substantially less, so these figures should be discounted by as much as 70%.**

**4.02** The Debtor Carl Equipment owns the personal property described as follows

**Personal Property**

Property	Value	Exemptions
Cash on Hand	\$0.00	None
MidSouth DIP Account (as of 8/31/16)	\$85.00	None
BB&T Account (as of 8/31/2016)	\$415.86	None
Machinery & Equipment	\$576,223.70	None
TOTAL:	\$576,724.56	

**These values are historic book values on the equipment. The equipment is likely worth substantially less, so these figures should be discounted by as much as 70%.**

The Debtors may disagree with the current appraisals on the real and personal property conducted by secured creditors BB&T and Wells Fargo. The Debtors are aware that there are current appraisals by both of these secured lenders that show the following:

**BB&T Appraisal:**

<b><u>Property</u></b>	<b><u>Value</u></b>
Real Property - 20.311 acres	\$1,290,000.00
General Equipment	\$71,500
Mobile Equipment	106,500
Scrap equipment	1,028,000
Vehicles	\$207,000
Equipment at Tucson, AZ location	270,000
Total Forced Liquidation Value of Equipment and Vehicles	\$1,683,000.00

**Wells Fargo Appraisal Report**

<b><u>Property</u></b>	<b><u>Value</u></b>
Machinery and Equipment Forced Liquidation Value	\$406,250.00

**A Liquidation Analysis by Debtor is set forth as follows:**

Proceeds from Sale of Real Property <sup>1</sup>	\$1,290,000.00
Proceeds from Forced Liquidation of Machinery and Equipment <sup>2</sup>	\$2,089,250.00
Total Amount for Distribution to Creditors	\$3,379,250.00
Total Priority Claims	\$488,557.86
Total Secured Claims	\$3,983,200.52
Deficiency	(\$1,092,508.38)

Taking into account the priority and nonpriority unsecured claims in this case, and based on the above analysis, a Chapter 7 liquidation would not pay the unsecured claims. Debtor's plan pays the priority creditors 100%, thus Debtor's plan will pay the creditors more than in a Chapter 7 liquidation. The Debtor's values for the personal property are derived from the Debtor's opinion of the value of its assets based on the schedules.

The projected amount of unsecured debt is \$7,697,485.35 and the Plan proposes a payment to unsecured claims. The projected amount available to unsecured creditors in a Chapter 7 liquidation is \$0.00. The Debtor has prepared this Liquidation Analysis based on the appraisals prepared by the major secured creditors of the value of its assets. The major source of funding for

<sup>1</sup> Does not include any real estate or broker commissions.

<sup>2</sup> Does not include any broker or auctioneer commissions

the Plan will come from the continued operation of the Debtor's business, and the net cash flow derived therefrom, to the extent the Debtor's business generates net cash flow.

**ARTICLE V**  
**SUMMARY OF THE PLAN**

The Plan will be funded from the continuing operations of the Debtor, New Phoenix Metals, Ltd. The organizational structure of the Debtors will be simplified. Carl Equipment, LTD, will be dissolved following the distribution of its two remaining assets (an excavator and a shredder) to Mike Carl and Marcus Carl, who will then contribute those two assets to New Phoenix Metals. (Carl Equipment and New Phoenix Metals are co-debtors to BB&T on these two assets.) Carl Holding, LTD, which was merely a pass-through tax entity that holds no assets nor has any business activities, will also be dissolved.

The end result will be that New Phoenix Metals, a Debtor and the sole operating entity of the overall business enterprise, will be owned 49.5% each by Mike Carl and Marcus Carl and 1% by Carl Capital, LLC, with Carl Capital serving as the general partner of New Phoenix Metals, Ltd. The majority of the debts in Carl Equipment were already owed by New Phoenix Metals, Ltd., as a co-debtor on the equipment loans. The debts that are secured on Carl Equipment's assets will follow the assets into New Phoenix Metals, and will be treated as secured creditors in this Plan. New Phoenix Metals, Ltd. will assume the ad valorem taxes and priority claims of Carl Equipment as part of the Plan.

**DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

The Debtor designates the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1123. The Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor is otherwise released from such obligations by the Court.

The Claims and Interests classified herein shall be treated in the manner set forth in this Article V.

**Claims against New Phoenix Metals, Ltd., Case No. 16-32075**

- Class New Phoenix 1: Allowed Secured Claims of Ad Valorem Taxing Authorities
- Class New Phoenix 2: Allowed Priority Claim of the Internal Revenue Service
- Class New Phoenix 3: Allowed Priority Claim of Texas Comptroller
- Class New Phoenix 4: Allowed Priority Claim of James Pope
- Class New Phoenix 5: Allowed Secured Claim of Bank of the West
- Class New Phoenix 6: Allowed Secured Claim of CNH Industrial Capital America, LLC
- Class New Phoenix 7: Allowed Secured Claim of Wells Fargo Equipment Finance, Inc., Wells Fargo Financial Services, LLC, and Wells Fargo Financial Leasing, Inc.
- Class New Phoenix 8: Allowed Secured Claims of Ford Motor Credit Company, LLC

- Class New Phoenix 9: Allowed Secured Claims of Branch Banking & Trust Co. and BB&T Equipment Finance Corporation
- Class New Phoenix 10: Allowed Secured Claim of Manitou Finance
- Class New Phoenix 11: Allowed General Unsecured Claims Exceeding \$150,000.00
- Class New Phoenix 12: Allowed General Unsecured Claims Not Exceeding \$150,000.00, or Reduced to \$150,000.00.
- Class New Phoenix 13: Equity Interests

Administrative Expenses and Priority Tax Claims of the kinds specified in §§ 507(a)(1), 502(i) and 507(a)(8) of the Bankruptcy Code are excluded from the Debtor's respective classes below in accordance with § 1123(a)(1) and are not separately classified. Such expenses and claims shall be treated as specified in this Article. The estimate for attorney's fees for New Phoenix is \$50,000.00 and the estimate of attorney's fees for Carl Equipment is \$15,000.00. The attorney's fees will be paid from the future operations but such payments will not disturb the fixed returns projected to creditors. The fees of the Chief Restructuring Officer are to be paid according to the Order Granting Debtors' Application for Order Authorizing the Employment of Bill Short, CPA as Chief Restructuring Officer [Dkt. 172] entered on November 10, 2016.

#### **Treatment of Allowed Administrative Expenses**

Allowed Administrative Expenses will be paid in full once Allowed, on or before the Effective Date, or at a later date as set by the Court if the allowance process extends beyond the Effective Date; provided, however, that the holder of an Allowed Administrative Expense may agree to a different treatment.

#### **Treatment of Allowed Priority Claims**

Allowed Priority Claims will be paid by the Reorganized Debtor once Allowed over five (5) years with interest on such amounts at the rate of 12% per annum until paid in full. The payments shall be made in equal monthly payments on the first day of the month following the Effective Date and shall continue on the first day of each month thereafter until paid in full.

#### **Title 28 U.S.C. Section 1930 Fees**

Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor is otherwise released from such obligations by the Court.

#### **Claims against New Phoenix Metals, Ltd., Case No. 16-32075**

##### **Class New Phoenix 1: Allowed Secured Claims of Ad Valorem Taxing Authorities**

Class 1 shall consist of the Allowed Secured Claims of Ad Valorem Taxing Authorities on the Debtor's real and personal property which accrued on or prior to January 1, 2017 (the "**Class 1 Claims**") in the estimated amount of \$544,348.70 (2015 taxes of \$369,309.86 for



New Phoenix plus the assumption of Carl Equipment's 2015 tax obligations of \$48,627.84, and 2016 estimated taxes of \$126,411.00).

- a. The Class 1 Claims will be paid once Allowed over 60 months from the Confirmation Date on the fifteenth day of the month following the Effective Date. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 1 Claims shall be paid interest on the 2015 taxes from the Petition Date at the rate of 12% per annum until paid in full. Interest shall accrue and be paid on the 2016 taxes from the due date of the taxes of January 31, 2017. In the event that the Debtors dispute such claim, the payments will be applied to the undisputed amount of the claim as ultimately allowed. While resolution of any such objection is pending, payments pursuant to the Plan shall be applied to the undisputed portion of the claim as ultimately allowed. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the debtors. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 1 Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 1 Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default. These claims are secured claims. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The 2017 taxes shall be paid when due.
- b. Class 1 Claims are Impaired by the Plan. The holders of Class 1 Claims are entitled to vote to accept or reject the Plan.

### **Class New Phoenix 2: Allowed Priority Claim of the Internal Revenue Service**

Class 2 shall consist of the Allowed Priority Unsecured Claims of the Internal Revenue Service in the estimated amount of \$47,096.00.

- a. The Class 2 Claims shall be paid in full over 60 months at an interest rate of 4.25% per annum. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- b. Events of Default for IRS. The occurrence of any of the following shall constitute an event of default under the Plan:
  1. Failure to Make Payments. Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS's claim, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated

as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:

- (A) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtors or their successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.
  - (B) If the United States declares the Debtor or the successor in interest to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest.
  - (C) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default, the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: IRS, 1100 Commerce Street, Mail Code 5027 DAL, Dallas, Texas 75242 attn Leo Carey.
  - (D) The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.
- c. The Class 2 Claims are not Impaired and the holders of the Class 2 Claims are not entitled to vote to accept or reject the Plan.

**Class New Phoenix 3: Texas Comptroller of Public Accounts**

Class 3 shall consist of the Allowed Priority Unsecured Claims of the Texas Comptroller of Public Accounts

- a. The Class 3 Claims will be paid once Allowed over five (5) years from the date of the order for relief, with interest on such amounts at the rate of 4.5% per annum by New Phoenix, as required by 11 U.S.C §1129(a)(9)(C). The estimated amount in this Class is \$16,000.00 (this amount includes the Claims for both New Phoenix Metals and Carl Equipment). The Comptroller's claim in both cases is based on the estimated 2016 Franchise Tax. Texas Comptroller will not be subject to setoff rights of the Debtors. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter.
- b. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the debtors. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 3 Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 3 Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default. The 2017 taxes shall be paid when due.
- c. The Class 3 Claims are not Impaired and the holders of the Class 3 Claims are not entitled to vote to accept or reject the Plan.

**Class New Phoenix 4: Allowed Priority Claim of James Pope**

This Claim will be paid once Allowed as follows:

- a. This claim is an Allowed Priority Claim and shall be for the amount of \$13,900.00. The Allowed Claim shall be paid in full from the continued operations of the Reorganized Debtors over 12 months with interest on such Allowed Claims at the rate of 3.25% per annum. Payments shall commence on the fifth day of the month following the Effective Date and continue on the fifth day of the month thereafter until paid in full.
- b. There shall be no prepayment penalty if these Claims are paid early.
- c. This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan.

- d. Any unsecured claim of James Pope shall be treated in Debtor's Allowed General Unsecured Claims Class below.

**Class New Phoenix 5: Allowed Secured Claim of Bank of the West**

This claim shall be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be satisfied in full by the return of the equipment securing such claim to Bank of the West. The Debtor agreed to lift the stay to permit Bank of the West to recover its collateral.
- b. Should this Section of the Plan for treatment of Bank of the West's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- c. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 6: Allowed Secured Claim of CNH Industrial Capital America, LLC**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be satisfied in full by the return of the equipment securing such claim to CNH. The Debtor agrees to lift the stay to permit CNH to recover its collateral.
- b. Should this Section of the Plan for treatment of CNH Industrial Capital America's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- c. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 7: Allowed Secured Claim of Wells Fargo Equipment Finance, Wells Fargo Vendor Financial Services, LLC and Wells Fargo Financial Leasing, Inc ("Wells Fargo Entities")<sup>3</sup>**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be for an amount of \$646,300.00. This claim shall be paid out fully over a period of 84 months, with interest at a rate of 5% per annum, from and after the Confirmation Date. Payments (constituting

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<sup>3</sup> Debtor and the Wells Fargo entities entered into multiple Agreed Orders for Relief from Stay that allowed the Creditor to repossess and sell certain equipment. The amount in the Plan is therefore the appraised value of the remaining equipment, with an estimated deficiency claim in the unsecured.

payments of both principal and interest) shall be made in equal monthly payments based on a standard 7-year amortization. The first payment is due on the twentieth day of the first month following the Effective Date and all subsequent payments shall continue on the twentieth day of each month thereafter until the allowed amount of the claim is paid in full.

- b. Wells Fargo Entities shall be secured for an Allowed Secured Claim on the Debtor's personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$646,300.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from the adequate protection payments made by the Debtor. Any unsecured claim of Wells Fargo shall be treated in Debtor's Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Wells Fargo Entities' Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 8: Allowed Secured Claims Ford Motor Credit Company**

These Claims will be paid once Allowed as follows:

- a. These Claims are Allowed Secured Claim and shall be for an amount of \$30,424.10. This claim shall be paid out fully over a period of 60 months, with interest at a rate of 5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 5-year amortization. The first payment is due on the fifth day of the first month following the Effective Date and all subsequent payments shall continue on the fifth day of each month thereafter until the allowed amount of the claim is paid in full.
- b. Ford Motor Credit Company shall be secured for an Allowed Secured Claim on the Debtor's personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$30,424.10 as of Confirmation Date. This amount does not take into consideration any adequate protection payments. Any unsecured claim of Ford Motor Credit Company shall be treated in Debtor's Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.

- d. Should this Section of the Plan for treatment of Ford Motor Credit Company’s Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 9: Allowed Secured Claims of Branch Banking & Trust Co. and BB&T Equipment Finance Corporation**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be for an amount of approximately \$3,160,000.00. The secured claims of Branch Banking & Trust Co and BB&T Equipment Finance Corporation total \$3,160,000.00 (\$2,800,000.00 and \$360,000.00, respectively) and are combined into a single amortization schedule for principal and interest calculated at 5% per annum. Payments on the Secured Claim consists of equal payments of \$50,891.59 for both principal and interest (based upon a six year amortization) for the first seventeen months after the Effective Date, then payments are increased each month thereafter until the claim is paid in full in the forty-eighth month following the Effective Date, as reflected in the schedule below, and with each payment consisting of both principal and interest. The first payment is due on the fifteenth day of the first month following the Effective Date and all subsequent payments shall continue on the fifteenth day of each month thereafter until the allowed amount of the claim is paid in full.

Months 1-17	\$50,891.59
Months 18-23	\$70,891.59
Months 24-29	\$75,891.59
Months 30-35	\$85,891.59
Months 36-41	\$95,891.59
Months 42-47	\$100,891.59
Month 48	\$103,060.83

The payments summarized in the schedule above total \$3,544,965.xx through the forty-eight months following the Effective Date, including principal and interest. (See also Exhibit “C-2”)

- b. Branch Banking & Trust Co. shall be secured for an Allowed Secured Claim on the Debtor’s real and personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$2,800,000.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from the adequate protection payments made by the Debtor. Any unsecured claim of Branch Banking & Trust Co. shall be treated in Debtor’s Allowed General Unsecured Claims Class below.

- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Branch Banking & Trust Co.'s Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 10: Allowed Secured Claim of Manitou Finance**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be for an amount of \$11,505.76. This claim shall be paid out fully over a period of 60 months, with interest at a rate of 5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 5-year amortization. The first payment is due on the fifth day of the first month following the Effective Date and all subsequent payments shall continue on the fifth day of each month thereafter until the allowed amount of the claim is paid in full.
- b. Manitou Finance shall be secured for an Allowed Secured Claim on the Debtor's personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$11,505.76 as of Confirmation Date. This amount does not take into consideration the adequate protection payments. Any unsecured claim of Manitou finance shall be treated in Debtor's Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Manitou Finance's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 11: Allowed General Unsecured Claims Exceeding \$150,000.00**

- a. The Claims in this class will be paid by the Reorganized Debtor once Allowed at 35% of their Claims over 60 months. The payments shall commence on the twenty-fifth day of the month following the Effective Date and shall continue on the twenty-fifth day of each succeeding month thereafter until the end of the payment term as defined herein.
- b. The total of claims in this class is estimated at \$2,035,780.00.

- c. This class is Impaired and the holder of a Claim in this class is entitled to vote to accept or reject the Plan.
- d. Insider Unsecured Claims shall be paid nothing under this Plan.

**Class New Phoenix 12: Allowed General Unsecured Claims Not Exceeding of \$150,000.00, or Reduced to \$150,000.00.**

- a. The Claims in this class will be paid by the Reorganized Debtor once Allowed at 45% of their Claims over 36 months. The payments shall commence on the twenty-fifth day of the month following the Effective Date and shall continue on the twenty-fifth day of each succeeding month thereafter until the end of the payment term as defined herein.
- b. The total of claims in this class is estimated at \$568,923.72.
- c. This class is Impaired and the holder of a Claim in this class is entitled to vote to accept or reject the Plan.
- d. Insider Unsecured Claims shall be paid nothing under this Plan

**Class New Phoenix 13 - Equity Interests**

On the Confirmation Date, all Equity Interests shall be retained by Marcus and Michael Carl and Carl Capital; however, all rights to receive distributions of net income for the next 60 months following Confirmation shall be assigned to Class 11 and 12 creditors to ensure that they receive the percentages of their claims as called for by the Plan. Therefore, to the extent that there would be distributions available to equity holders above the ordinary operating and capital requirement needs of the business, those amounts shall be split equally between Classes 11 and 12 on a quarterly basis to increase the return to the unsecured creditor classes. After 60 months and completion of the Plan terms, Marcus and Michael Carl shall be entitled to the full benefits of the ownership of the Debtor entities.

The Equity Interest Holders are impaired under this Plan.

**ARTICLE VI**  
**MEANS FOR IMPLEMENTATION OF PLAN**

**6.01 Implementation of Plan.** This Plan will be implemented, pursuant to § 1123(a)(5) of the Code, by the commencement of payments as called for above.

**6.02 Claims and Causes of Action.** Any and all Avoidance Actions, claims, causes of action or enforceable rights of the Debtor against third parties, or assertable by the Debtor on behalf of Creditors, its Estate, or itself for recovery, turnover or avoidance of obligations, or preferential or fraudulent transfers of property or interests in property and other types or kinds of property or



interests in property recoverable or avoidable pursuant to Chapter 5 or other sections of the Bankruptcy Code or any applicable law including, without limitation, 11 U.S.C. §§ 502, 510, 522(f), 522(h), 542, 543, 544, 545, 547, 548, 549, 550, 551, or 553;

Any and all claims or causes of action of the Debtor or its Estate relating to any pre- or post-petition activities against any one or more of any entity or person related to, owned by or affiliated with any current or former professionals of the Debtor (including, without limitation, legal, accounting, tax advisors or consultants) including, without limitation, claims or causes of action for: (i) breaches of fiduciary duty; (ii) fraud or fraudulent inducement; (iii) negligence; (iv) fraudulent or negligent misrepresentations; (v) legal, accounting or other professional negligence or malpractice; (vi) illegal dividends or payments received; (vii) civil conspiracy; (viii) fraudulent insurance acts; (ix) violations of any consumer protection act or deceptive trade practice act; (x) unjust enrichment; (xi) breach of contract; (xii) tortious interference with contracts or prospective relations; (xiii) deceit by misrepresentation or concealment; (xiii) common law fraud; (xiv) corporate waste; (xv) deepening insolvency; (xvi) alter ego; and (xvii) embezzlement;

Any and all claims or causes of action of the Debtor or its Estate relating to any pre- or post-petition activities against the Debtor's former officers, directors, principals or advisors; and any current or former professionals of the Debtor (including, without limitation, legal, accounting, tax advisors or consultants) including, without limitation, claims or causes of action for: (i) breaches of fiduciary duty; (ii) fraud or fraudulent inducement; (iii) negligence; (iv) fraudulent or negligent misrepresentations; (v) legal, accounting or other professional negligence or malpractice; (vi) illegal dividends or payments received; (vii) civil conspiracy; (viii) fraudulent insurance acts; (ix) violations of any consumer protection act or deceptive trade practice act; (x) unjust enrichment; (xi) breach of contract; (xii) tortious interference with contracts or prospective relations; (xiii) deceit by misrepresentation or concealment; (xiii) common law fraud; (xiv) corporate waste; (xv) deepening insolvency; or (xvi) alter ego; and

Nothing shall estop the Debtor or Reorganized Debtor from asserting claims or causes of action just because they were not scheduled or described in detail in the Debtor's Schedules or Disclosure Statement. Debtors may have claims objections.

## ARTICLE VII

### **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**7.01 Rejection of Executory Contracts and Unexpired Leases.** Debtor may assume or reject pursuant to Bankruptcy Code Section 1123(b)(2), its unexpired leases of real property and executory contracts by separate motion and order prior to the Confirmation Date. The Debtor may do the same through the Plan.

**7.02 Reservation of Rights.** The Debtor shall have the right to assume or reject, pursuant to Bankruptcy Code Section 365, prior to the Confirmation Date, any executory contract or unexpired lease of real property (to the extent permitted under the Bankruptcy Code) and to the terms of this Plan.

**7.03 Bar Date for Claims Based on Rejection.** If the rejection of an executory contract or an unexpired lease by the Debtor results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtors or their properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors, within 60 days of the Confirmation Date. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract shall be treated as a General Unsecured Claim; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtor of any objections to such Claim if asserted.

## **ARTICLE VIII FEASIBILITY OF PLAN**

**8.01** Debtor asserts that the **Plan** is feasible based on **Exhibit “C”**.

### **Procedure for Filing Proofs of Claims and Proofs of Interests**

**8.02** All proofs of claims and proofs of interests must be filed by those **Claimants** and **Equity Interest Holder** who have not filed such instruments on or before the **Bar Date** fixed by the **Court**.

**8.03** If **Claimants** have already filed a proof of claim with the **Court** or are listed in the **Debtor’s** Schedules as holding non-contingent, liquidated and undisputed claims, a proof of claim need not be filed. The schedules and amendments thereto are on file with the **Court** and are open for inspection during regular **Court** hours. If the equity security interest of an **Equity Interest Holder** is properly reflected in the Debtor’s books and records, a proof of interest need not be filed.

## **ARTICLE IX ALTERNATIVES TO DEBTOR’S PLAN**

**9.01** If the **Debtor’s Plan** is not confirmed, the **Debtor’s** bankruptcy case may be converted to a case under Chapter 7 of the **Code**, in which case a trustee would be appointed to liquidate the assets of the **Debtor** for distribution to its **Creditors** in accordance with the priorities of the **Code**. Since the Debtor’s assets are subject to liens that there could be little or no distribution to unsecured creditors in Chapter 7.

**9.02** The Debtor is not aware of, or relying on, litigation claims which may be pursued.

## **ARTICLE X RISKS TO CREDITORS UNDER THE DEBTOR’S PLAN**

**10.01** **Claimants** should be aware that there are a number of substantial risks involved in consummation of the **Plan**. The **Plan** contemplates that the **Debtor’s** business will generate

revenue sufficient to pay the obligations accruing from its operations. The **Debtor** does not "guarantee" that the expenses will equal those in the projections; however, the **Debtor** believes that the projections are reasonable. The Debtor's operations do show the ability to propose a plan in this case.

## **ARTICLE XI**

### **TAX CONSEQUENCES TO THE DEBTOR**

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED OR RELIED UPON, AND CANNOT BE USED OR RELIED UPON, BY HOLDERS OF CLAIMS OR INTERESTS OR ANY OTHER PERSONS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS OR ANY OTHER PERSONS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF U.S. TREASURY DEPARTMENT CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

#### A. Introduction

The following discussion summarizes certain material U.S. federal income tax consequences of the Plan to the Debtor and holders of Claims and Interests. The summary is provided for general informational purposes only and is based on the United States Internal Revenue Code of 1986, as amended (the "Tax Code"), the treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all as in effect as of the date hereof (except as otherwise noted below with regard to the American Recovery and Reinvestment Act of 2009), and all of which are subject to change, possibly with retroactive effect. Changes in any of these authorities or in their interpretation could cause the United States federal income tax consequences of the Plan to differ materially from the consequences described below. The United States federal income tax consequences of the Plan are complex and in important respects uncertain. No ruling has been requested from the Internal Revenue Service (the "Service"); no opinion has been requested from Debtor's counsel concerning any tax consequence of the Plan; and no tax opinion is given by this Disclosure Statement.

The following discussion does not address all aspects of federal income taxation that may be relevant to a particular holder of a Claim or Interest in light of its particular facts and circumstances or to particular types of holders of Claims subject to special treatment under the Tax Code. For example, the discussion does not address issues of concern to broker-dealers or other dealers in securities, or foreign (non-U.S.) persons, nor does it address any aspects of state, local, or foreign (non-U.S.) taxation, or the taxation of holders of Interests in a Debtor. In addition, a substantial amount of time may elapse between the Confirmation Date and the receipt of a final distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as the enactment

of additional tax legislation, court decisions or administrative changes, could affect the federal income tax consequences of the Plan and the transactions contemplated hereunder.

**On February 13, 2009, the House of Representatives and the Senate passed H.R.1, the American Recovery and Reinvestment Act of 2009 (the Recovery Act), a stimulus bill that includes tax breaks for businesses and individuals. The President signed the Recovery Act on February 17, 2009. The following discussion does not address any aspects of the Recovery Act, some of which may be relevant to a particular holder of a Claim or an Interest.**

**THE DISCUSSION THAT FOLLOWS IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND PROFESSIONAL TAX ADVICE BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT WITH ITS TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.**

#### B. Certain Definitions

Except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein or in the Plan shall have the respective meanings assigned to them in this Article.

“*COD*” shall mean cancellation of indebtedness income.

“*NOL*” shall mean net operating loss.

#### C. Certain Material Federal Income Tax Consequences to the Debtor

Cancellation of a Debtor’s debt is generally taxable income to the Debtor. COD is the amount by which the indebtedness of a Debtor discharged exceeds any consideration given in exchange therefore. Cancellation of a debt may not necessarily be COD, however. To the extent that the Debtor is insolvent, or if the Debtor is in bankruptcy, as is the case here, the Tax Code permits the Debtor to exclude the COD from its gross income. The statutory exclusion for COD in a title 11 case generally excludes COD from gross income if the discharge is granted by a court to a Debtor under its jurisdiction in a title 11 case, as is sought herein.

The price for the bankruptcy COD exclusion (as well as the insolvency exclusion) is reduction of the Debtor’s tax attributes to the extent of the COD income, generally in the following order: NOLs for the year of the discharge and NOL carryovers from prior years; general business tax credit carryovers; minimum tax credit available as of the beginning of the year following the year of discharge; net capital loss for the year of discharge and capital loss carryovers from prior years; basis of the Debtor’s assets; passive activity loss and credit carryovers from the year of discharge; and foreign tax credit carryovers to or from the year of discharge. The reduction of attributes does not occur until after the end of the Debtor’s tax year in which the COD occurred, so they are available to the Debtor in determining the amount of its income, loss and tax liability for the year of discharge.

As a result of the implementation of the Plan, the Debtors will have COD and potential attribute reduction. Because any reduction in tax attributes does not effectively occur until the first day of the taxable year following the taxable year in which the COD is incurred, the resulting COD, on its own, should not impair the ability of the Debtor to use their tax attributes (to the extent otherwise available) to reduce their tax liability, if any, otherwise resulting from the implementation of the Plan.

Under section 382 of the Tax Code, if a corporation undergoes an “ownership shift,” the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. Although the Plan allows for an ownership change it is doubtful that one will occur and as such any owner of the Debtor should consult his own tax adviser concerning the effect of the Plan.

The United States federal income tax consequences of payment of Allowed Claims pursuant to the Plan will depend on, among other things, the consideration received, or deemed to have been received, by the holder of the Allowed Claim, whether such holder reports income on the accrual or cash method, whether such holder receives distributions under the Plan in more than one taxable year, whether such holder’s Claim is allowed or disputed at the Effective Date, whether such holder has taken a bad debt deduction or worthless security deduction with respect to its Claim.

In general, a holder of a Claim should recognize gain or loss equal to the amount realized under the Plan in respect of its Claim less the amount of such holder’s basis in its Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Claim and the holder, the length of time the holder held the Claim and whether the Claim was acquired at a market discount. If the holder realizes a capital loss, its deduction of the loss may be subject to limitations under the Tax Code. The holder’s aggregate tax basis for any property received under the Plan generally will equal the amount realized. The amount realized by a holder generally will equal the sum of the cash and the fair market value of any other property received (or deemed received) by the holder under the Plan on the Effective Date and/or any subsequent distribution date, less the amount (if any) allocable to Claims for interest. All holders of Allowed Claims are urged to consult their tax advisors. A holder of a Claim constituting an installment obligation for tax purposes may be required to recognize currently any gain remaining with respect to the obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of Section 453B of the Tax Code.

#### D. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The above discussion is for general information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a holder’s individual circumstances.

**HOLDERS OF CLAIMS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.**

**ARTICLE XII**  
**PENDING LITIGATION**

**12.01** As of the date of the filing of this Disclosure the significant matters pending are as follows: None as of the filing of this Disclosure Statement are pending in the Bankruptcy Court. There are litigation matters as discussed in Article XII above pending in other Courts.

**ARTICLE XIII**  
**SUMMARY OF SIGNIFICANT ORDERS ENTERED DURING THE CASE**

**13.01** As of the date of the filing of this Disclosure the significant orders in this case are:

**New Phoenix Metals, Ltd.:**

Employment of Professionals, Order Granting Motion to Pay Pre-Petition Payroll, Agreed Interim Orders for Use of Cash Collateral, Agreed Order Granting In Part Motion for Relief From Stay, Agreed Order Granting Application for Administrative Expenses, Agreed Order Granting In Part Motion for Relief From Stay and Granting Adequate Protection, Agreed Order For Chief Restructuring Officer, Agreed Orders for Relief from Stay and those relating to general administration of the case

Respectfully Submitted:

By: /s/ Joyce Lindauer

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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>IN RE:</b>	§	
	§	
<b>NEW PHOENIX METALS, LTD.,</b>	§	<b>CASE NO. 16-32075-sgj</b>
	§	
<b>CARL EQUIPMENT, LTD.,</b>	§	<b>CASE NO. 16-32076-sgj</b>
	§	
<b>Debtors.</b>	§	<b>(Jointly Administered Under</b>
	§	<b>Case No. 16-32075-sgj)</b>

**NEW PHOENIX METAL’S FIRST AMENDED PLAN OF REORGANIZATION**  
**DATED NOVEMBER 21, 2016**

New Phoenix Metals, Ltd. (the “Debtor”), proposes the following First Amended Plan of Reorganization (“Plan”) Dated November 21, 2016, pursuant to Chapter 11 of the United States Bankruptcy Code on behalf of the Debtor. The Debtor’s profitability to fund the Plan is based on the amount of money that it will earn through the continuation of its business. The Debtor shall file periodic financial reports with the Court, as required by the Code, covering the Debtor’s profitability, projections of cash receipts and disbursements for a reasonable period and a comparison of actual cash receipts and disbursements with projections in prior reports. These reports shall be available on the Court’s PACER site at [www.txnb.uscourts.gov](http://www.txnb.uscourts.gov) using the Debtor’s name and/or case number as referenced above.

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**ARTICLE I**  
**DEFINITIONS AND USE OF TERMS**

**1.01 Defined Terms.** Unless the context otherwise requires, capitalized terms shall have the meanings set forth in this section 1.01.

**1.01.01 Administrative Claim or Expense** means an administrative expense or Claim described in Section 503 of the Bankruptcy Code and entitled to administrative priority pursuant to Section 507(a)(1) of the Bankruptcy Code, including, but not limited to, Claims for compensation of professionals made pursuant to Sections 330 and 331 of the Bankruptcy Code, and all fees and charges assessed against the Debtor and Debtor's property under 28 U.S.C. Section 1930.

**1.01.02 Administrative Tax Claim** means an Unsecured Claim by any governmental unit for taxes (including interest or penalties related to such taxes) for any tax year or period, all or a portion of which occurs or falls within the period from and including the Petition Date through the Effective Date.

**1.01.03 Allowed Claim** means a Claim against the Debtor allowable under the Bankruptcy Code to the extent that (i) a proof of Claim, proof of Interest, or request for payment was timely Filed or, with leave of the Bankruptcy Court, late Filed, and as to which no objection has been timely Filed or, if Filed, is allowed by a Final Order, unless otherwise provided in this Plan or (ii) the Claim is scheduled and not listed as disputed, contingent, or unliquidated, and to which no objection has been timely Filed or, if Filed, is allowed by a Final Order.

**1.01.04 Allowed Secured Claim** means any Allowed Claim secured by a lien, security interest, or other charge or interest in property in which the Debtor has an interest, to the extent of the value thereof (determined in accordance with Bankruptcy Code Section 506(a)).

**1.01.05 Bankruptcy Code or Code** means the United States Bankruptcy Code, Title 11 of the United States Code Section 101 et seq., as amended.

**1.01.06 Bankruptcy Court** means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division or such other court that may have jurisdiction with respect to the reorganization of the Debtor pursuant to Chapter 11 of the Bankruptcy Code.

**1.01.07 Bankruptcy Rule** means the Federal Rules of Bankruptcy Procedure.

**1.01.08 Bar Date** means subsequent to which a proof of pre-petition Claim may not timely be Filed or the date by which proofs of claims held by governmental agencies must be filed.

**1.01.09 Case** means this Chapter 11 Bankruptcy Case in the Bankruptcy Court.

**1.01.10 Claim** shall have the meaning set forth in Bankruptcy Code Section 101(5).

**1.01.11 Claimant** means any person or entity having or asserting a Claim in the case.

**1.01.12 Class or Classes** mean all of the holders of Claims or Interests that the Debtor has designated pursuant to Section 1123(a)(1) of the Bankruptcy Code as having substantially similar characteristics as described in Article IV of this Plan.

**1.01.13 Confirmation** means the entry by the Bankruptcy Court of a Confirmation Order confirming this Plan.

**1.01.14 Confirmation Date** means the date on which the Confirmation Order is entered.

**1.01.15 Confirmation Hearing** means the hearing or hearings held before the Bankruptcy Court in which the Debtor will seek Confirmation of this Plan.

**1.01.16 Confirmation Order** means the Order of the Court confirming this Plan under Section 1129 of the Bankruptcy Code.

**1.01.17 Contested** when used with respect to a Claim, means a Claim against the Debtor (a) that is listed in the Debtor's Schedules of Assets and Liabilities as disputed, contingent, or unliquidated; (b) that is the subject of a pending action in a forum other than the Bankruptcy Court unless such Claim has been determined by Final Order in such other forum and Allowed by Final Order of the Bankruptcy Court; or (c) as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

**1.01.18 Creditor** shall have the meaning specified by Section 101(9) of the Code.

**1.01.19 Debtor** means New Phoenix Metals, Ltd.

**1.01.20 Disputed Claim** means any Claim that is not an Allowed Claim.

**1.01.21 Effective Date** means thirty days after the Confirmation Date.

**1.01.22 Estate** means the estate created pursuant to Bankruptcy Code Section 541 with respect to the Debtor.

**1.01.23 Fee Claim** means a Claim under Bankruptcy Code Sections 330 or 503 for allowance of compensation and reimbursement of expenses to professionals in the Debtor's Chapter 11 case.

**1.01.24 Filed** means delivered to the Clerk of the Bankruptcy Court.

**1.01.25 Final Order** means an Order as to which any appeal that has been taken has not been stayed following the expiration of the time for appeal or has been resolved, or as to which the time for appeal has expired.

**1.01.26 General Unsecured Claim** means Unsecured Claim that is not entitled to priority

under Section 507(a) of the Bankruptcy Code.

**1.01.27 Impaired** means the treatment of an Allowed Claim pursuant to the Plan unless, with respect to such Claim, either (i) the Plan leaves unaltered the legal, equitable and contractual rights to which such Claim entitles the holder of such Claim, or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after occurrence of a default, the Debtor (A) cures any default that occurred before or after the commencement of the Chapter 11 Case on the Petition Date, other than default of the kind specified in Section 365(b)(2) of the Bankruptcy Code; (B) reinstates the maturity of such Claim as such maturity existed before such default; (C) compensates the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (D) does not otherwise alter the legal, equitable or contractual rights to which such Claim entitles the holder of such Claim; or (iii) the Plan provides that on the Effective Date, the holder of such Claim receives, on account of such Claim, cash equal to the Allowed Amount of such Claim.

**1.01.28 Petition Date** means May 26, 2016, the date the Debtor's petition was filed commencing this bankruptcy case.

**1.01.29 Plan** means this Plan of Reorganization, as it may be amended or modified from time to time as permitted herein and by the Bankruptcy Court.

**1.01.30 Pre-petition** means prior to the Petition Date.

**1.01.31 Priority Tax Claim** means a Claim entitled to priority pursuant to Bankruptcy Code Section 507(a)(8).

**1.01.32 Pro Rata** means proportionately, based on the percentage that the amount of an Allowed Claim within a particular Class bears to the aggregate amount of all Allowed Claims in such Class.

**1.01.33 Property of the Estate** means all property in which the Debtor holds a legal or an equitable interest, including all property described in Bankruptcy Code Section 541.

**1.01.34 Rejection Claim** means any Claim arising pursuant to Bankruptcy Code Section 502(g) by reason of rejection by the Debtor of an executory contract or unexpired lease pursuant to Bankruptcy Code Sections 365 or 1123(b)(2).

**1.01.35 Secured Claim** means any Claim secured by a lien, security interest, or other charge or interest in property in which the Debtor has an interest, to the extent of the value thereof (determined in accordance with Bankruptcy Code Section 506(a)).

**1.01.36 Secured Tax Claim** means any Tax Claim which is secured by real or personal property.

**1.01.37 Secured Creditor or Secured Claimant** means any Claimant holding a Secured

Claim.

**1.01.38 Unimpaired** means not Impaired.

**1.01.39 Unsecured Claim** means any Claim not collateralized (or the extent not fully collateralized) by assets of the Debtor.

**1.01.40 Unsecured Claimants or Unsecured Creditors** means any holder of an Unsecured Claim.

**1.01.41 Voidable Transfer** means all transfers voidable under Sections 544, 545, 547, 548, 549 and/or 550 of the Code or any other state or federal transfer.

**1.02 Number and Gender of Words.** Whenever the singular number is used, it shall include the plural, and the plural shall include the singular, as appropriate to the context. Words of any gender shall include each other gender where appropriate.

**1.03 Terms Defined in the Bankruptcy Code.** Capitalized terms not specifically defined in section 1.01 of the Plan shall have the definitions given those terms, if applicable, in the Bankruptcy Code.

**1.04 Headings.** The headings and captions used in this Plan are for convenience only and shall not be deemed to limit, amplify or modify the terms of this Plan nor affect the meaning thereof.

**1.05 Time Computation.** In computing any period of time prescribed herein, the provisions of Federal Rule of Bankruptcy Procedure Rule 9006(a) shall apply.

## **ARTICLE II** **CONCEPT OF THE PLAN**

**2.01 Generally.** The Plan is a plan of reorganization. The Debtor shall continue its business after the Confirmation Date. The Debtor is a scrap metal recycling business that specializes in large commercial, industrial and residential scrap metal recycling in a four state region (Texas, Oklahoma, Arkansas and Louisiana). The Debtor has contracts for scrap metal recycling with both private and government military projects, and operates a full-service scrap metal recycling facility at its location in Greenville, Texas.

**2.02** The Plan will be funded from the continuing operations of the Debtor, New Phoenix Metals, Ltd. The organizational structure of the Debtors will be simplified. Carl Equipment, Ltd., will be dissolved following the distribution of its two remaining assets (an excavator and a shredder) to New Phoenix Metals. (Carl Equipment and New Phoenix Metals are co-debtors to BB&T on these two assets and there is no equity in the assets) Carl Holding, Ltd., which was merely a pass-through tax entity that holds no assets nor has any business activities, will also be dissolved.

**2.03** The end result will be that New Phoenix Metals, a Debtor and the sole operating entity of the overall business enterprise, will be owned 49.5% each by Mike Carl and Marcus Carl and 1% by Carl Capital, LLC, with Carl Capital serving as the general partner of New Phoenix Metals, Ltd. The majority of the debts in Carl Equipment were already owed by New Phoenix Metals, Ltd. The debts that are secured on Carl Equipment's assets will follow the assets into New Phoenix Metals, and will be treated as secured creditors in this Plan. New Phoenix Metals, Ltd. will assume the ad valorem taxes and priority claims of Carl Equipment as part of the Plan.

### **ARTICLE III**

#### **GENERAL TERMS AND CONDITIONS**

**3.01** **Treatment of Claims.** This Plan is intended to resolve all Claims against the Debtor and/or property of the Debtor of whatever character, whether contingent or liquidated, or whether allowed by the Bankruptcy Court pursuant to Bankruptcy Code Section 502(a). However, only Allowed Claims will receive treatment afforded by the Plan. The Plan is designed to insure that Claimants shall receive at least as much pursuant to this Plan as they would receive in a liquidation pursuant to Chapter 7 of the Bankruptcy Code.

**3.02** **Time for Filing Claims.** The holder of any Administrative Claim other than (i) a Fee Claim, (ii) a liability incurred and paid in the ordinary course of business by the Debtor, or (iii) an Allowed Administrative Claim, must file with the Bankruptcy Court and serve on the Debtor and its respective counsel, notice of such Administrative Claim within thirty (30) days after the Effective Date. At a minimum, such notice must identify (i) the name of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to file this notice timely and properly shall result in the Administrative Claim being forever barred and discharged.

Each Person asserting an Administrative Expense that is a Fee Claim incurred before the Effective Date shall be required to file with the Bankruptcy Court, and serve on the Debtor's counsel and the U. S. Trustee, a Fee Application within sixty (60) days after the Effective Date.

A person who is found to have received a voidable transfer shall have thirty (30) days following the date upon which the order ruling that such transfer is avoidable becomes a Final Order in which to file a Claim in the amount of such avoided transfer.

Liabilities incurred from the Petition Date through the Effective Date in the ordinary course of business shall be paid in the ordinary course of business by the Debtor.

**3.03** **Modification to the Plan.** In accordance with Bankruptcy Rule 3019, to the extent applicable, this Plan may be modified or amended upon application of the Debtor, or corrected prior to the Confirmation Date, provided that notice and an opportunity for hearing have been given to any affected party. The Plan may be modified at any time after Confirmation and before the Effective Date, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, the circumstances warrant such modification and Debtor consents thereto in writing. If the debtor is an individual the plan may be modified at any time after confirmation of the plan, but before the completion of

payments under the plan, whether or not the plan has been substantially consummated upon request of the debtor, the trustee, the United States Trustee, or the holder of an allowed unsecured claim, to - (1) increase or reduce the amount of payments on claims of a particular class provided for by the plan; (2) extend or reduce the time period for such payments; or (3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

**ARTICLE IV**  
**DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

The Debtor designates the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1123. The Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor is otherwise released from such obligations by the Court.

Class New Phoenix 1: Allowed Secured Claims of Ad Valorem Taxing Authorities	\$544,348.70
Class New Phoenix 2: Allowed Priority Claim of the Internal Revenue Service	\$47,096.00
Class New Phoenix 3: Allowed Priority Claim of Texas Comptroller	\$16,000.00
Class New Phoenix 4: Allowed Priority Claim of James Pope	\$13,900.00
Class New Phoenix 5: Allowed Secured Claim of Bank of the West	\$0.00
Class New Phoenix 6: Allowed Secured Claim of CNH Industrial Capital of America	\$0.00
Class New Phoenix 7: Allowed Secured Claims of Wells Fargo Equipment Finance, Inc; Wells Fargo Vendor Financial Services, LLC, and Wells Fargo Financial Leasing, Inc..	\$646,300.00
Class New Phoenix 8: Allowed Secured Claims of Ford Motor Credit Company, LLC	\$30,424.10
Class New Phoenix 9: Allowed Secured Claims of Branch Banking & Trust Co. and BB&T Equipment Finance Corporation	\$3,160,000.00
Class New Phoenix 10: Allowed Secured Claim of Manitou Finance	\$11,505.76
Class New Phoenix 11: Allowed General Unsecured Claims Exceeding \$150,000.00	\$2,035,780.00
Class New Phoenix 12: Allowed General Unsecured Claims Not Exceeding \$150,000.00, or Reduced to \$150,000.00	\$568,923.72
Class New Phoenix 13: Equity Interests	

**ARTICLE V**  
**PROVISIONS FOR SATISFACTION OF CLAIMS AND INTERESTS**

The Claims and Interests classified in Article IV hereof shall be treated in the manner set forth in this Article V.

**5.01 Administrative Claims.** Each holder of an Administrative Claim other than Professional Fee Administrative Claims shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such other treatment as to which the Debtor and such holder shall have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Bankruptcy Case shall be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto. On or before the Effective Date, the Debtor shall pay or have paid in full all Allowed Administrative Claims for the Effective Date shall be paid by the Reorganized Debtor when they are due until the Bankruptcy Case is closed pursuant to a final decree, order of dismissal, or order of conversion. Until entry of such an order, the Reorganized Debtor shall file with the Bankruptcy Court and serve upon the United States Trustee a quarterly financial report. Any administrative ad valorem tax claims shall be paid pursuant to otherwise applicable state law.

**5.02 Professional Fee Administrative Claims.** All persons that are awarded compensation or reimbursement of expenses by the Bankruptcy Court in accordance with sections 330 or 331 of the Bankruptcy Code or entitled to the priorities established pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code, shall be paid in full, in Cash, the amounts allowed by the Bankruptcy Court on or as soon as reasonably practicable following the later of the Effective Date or the date on which the order allowing such Claim becomes a Final Order, or upon such other terms as may be mutually agreed upon between such holder of an Allowed Professional Fee Claim and the Reorganized Debtor.

**Treatment of Allowed Administrative Expenses**

Allowed Administrative Expenses will be paid in full once Allowed, on or before the Effective Date, or at a later date as set by the Court if the allowance process extends beyond the Effective Date. Provided, however, that the holder of an Allowed Administrative Expense may agree to a different treatment.

**Treatment of Allowed Priority Claims**

Allowed Priority Claims will be paid by the Reorganized Debtor once Allowed over five (5) years with interest on such amounts at the rate of 12% per annum until paid in full. The payments shall be made in equal monthly payments on the first day of the month following the Effective Date and shall continue on the first day of each month thereafter until paid in full.

### **Title 28 U.S.C. Section 1930 Fees**

Debtors shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtors are otherwise released from such obligations by the Court.

### **Claims against New Phoenix Metals, Ltd., Case No. 16-32075**

#### **Class New Phoenix 1: Allowed Secured Claims of Ad Valorem Taxing Authorities**

Class 1 shall consist of the Allowed Secured Claims of Ad Valorem Taxing Authorities on the Debtor's real and personal property which accrued on or prior to January 1, 2017 (the "**Class 1 Claims**") in the estimated amount of \$544,348.70 (2015 taxes of \$369,309.86 for New Phoenix plus the assumption of Carl Equipment's 2015 tax obligations of \$48,627.84, and 2016 estimated taxes of \$126,411.00).

- a. The Class 1 Claims will be paid once Allowed over 60 months from the Confirmation Date on the fifteenth day of the month following the Effective Date. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The Class 1 Claims shall be paid interest on the 2015 taxes from the Petition Date at the rate of 12% per annum until paid in full. Interest shall accrue and be paid on the 2016 taxes from the due date of the taxes of January 31, 2017. In the event that the Debtors dispute such claim, the payments will be applied to the undisputed amount of the claim as ultimately allowed. While resolution of any such objection is pending, payments pursuant to the Plan shall be applied to the undisputed portion of the claim as ultimately allowed. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the debtors. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 1 Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 1 Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default. These claims are secured claims. These creditors shall retain their liens to secure their claims until paid in full under this Plan. The 2017 taxes shall be paid when due.
- b. Class 1 Claims are Impaired by the Plan. The holders of Class 1 Claims are entitled to vote to accept or reject the Plan.

#### **Class New Phoenix 2: Allowed Priority Claim of the Internal Revenue Service**

Class 2 shall consist of the Allowed Priority Unsecured Claims of the Internal Revenue Service in the estimated amount of \$47,096.00.

- a. The Class 2 Claims shall be paid in full over 60 months at an interest rate of 4.25%



per annum. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.

b. Events of Default for IRS. The occurrence of any of the following shall constitute an event of default under the Plan:

1. Failure to Make Payments. Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS's claim, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:

(A) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtors or their successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.

(B) If the United States declares the Debtor or the successor in interest to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest.

(C) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default, the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: IRS, 1100 Commerce Street, Mail Code 5027 DAL, Dallas, Texas 75242 attn Leo Carey.

(D) The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and

owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.

- c. The Class 2 Claims are not Impaired and the holders of the Class 2 Claims are not entitled to vote to accept or reject the Plan.

### **Class New Phoenix 3: Texas Comptroller of Public Accounts**

Class 3 shall consist of the Allowed Priority Unsecured Claims of the Texas Comptroller of Public Accounts

- a. The Class 3 Claims will be paid once Allowed over five (5) years from the date of the order for relief, with interest on such amounts at the rate of 4.5% per annum by New Phoenix, as required by 11 U.S.C §1129(a)(9)(C). The estimated amount in this Class is \$16,000.00 (this amount includes the Claims for both New Phoenix Metals and Carl Equipment). The Comptroller's claim in both cases is based on the estimated 2016 Franchise Tax. Texas Comptroller will not be subject to setoff rights of the Debtors. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter.
- b. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the debtors. Such default shall be cured within 10 business days of the date of transmission of such notice of default. In the event the default is not cured, the Class 3 Claimants shall be entitled to pursue all amounts owed pursuant to state law outside of the Bankruptcy Court. The Claimant shall only be required to provide two notices of default. Upon a third event of default, the Class 3 Claimants shall be entitled to collect all amounts owed pursuant to state law outside of the Bankruptcy Court without further notice. Failure to pay post-petition taxes prior to delinquency shall constitute an event of default. The 2017 taxes shall be paid when due.
- c. The Class 3 Claims are not Impaired and the holders of the Class 3 Claims are not entitled to vote to accept or reject the Plan.

### **Class New Phoenix 4: Allowed Priority Claim of James Pope**

This Claim will be paid once Allowed as follows:

- a. This claim is an Allowed Priority Claim and shall be for the amount of \$13,900.00. The Allowed Claim shall be paid in full from the continued operations of the Reorganized Debtors over 12 months with interest on such Allowed Claims at the

rate of 3.25% per annum. Payments shall commence on the fifth day of the month following the Effective Date and continue on the fifth day of the month thereafter until paid in full.

- b. There shall be no prepayment penalty if these Claims are paid early.
- c. This Class is Impaired and the holders of the Claims are entitled to vote to accept or reject the Plan.
- d. Any unsecured claim of James Pope shall be treated in Debtor's Allowed General Unsecured Claims Class below.

**Class New Phoenix 5: Allowed Secured Claim of Bank of the West**

This claim shall be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be satisfied in full by the return of the equipment securing such claim to Bank of the West. The Debtor agreed to lift the stay to permit Bank of the West to recover its collateral.
- b. Should this Section of the Plan for treatment of Bank of the West's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- c. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 6: Allowed Secured Claim of CNH Industrial Capital America, LLC**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be satisfied in full by the return of the equipment securing such claim to CNH. The Debtor agrees to lift the stay to permit CNH to recover its collateral.
- b. Should this Section of the Plan for treatment of CNH Industrial Capital America's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- c. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 7: Allowed Secured Claim of Wells Fargo Equipment Finance, Wells Fargo Vendor Financial Services, LLC and Wells Fargo Financial Leasing, Inc (“Wells Fargo Entities”)<sup>1</sup>**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be for an amount of \$646,300.00. This claim shall be paid out fully over a period of 84 months, with interest at a rate of 5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 7-year amortization. The first payment is due on the twentieth day of the first month following the Effective Date and all subsequent payments shall continue on the twentieth day of each month thereafter until the allowed amount of the claim is paid in full.
- b. Wells Fargo Entities shall be secured for an Allowed Secured Claim on the Debtor’s personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$646,300.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from the adequate protection payments made by the Debtor. Any unsecured claim of Wells Fargo shall be treated in Debtor’s Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Wells Fargo Entities’ Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 8: Allowed Secured Claim Ford Motor Credit Company**

These Claims will be paid once Allowed as follows:

- a. These Claims are Allowed Secured Claim and shall be for an amount of \$30,424.10. This claim shall be paid out fully over a period of 60 months, with interest at a rate of 5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 5-year amortization. The first payment is due on the fifth day of the first month following the Effective Date and all subsequent payments shall

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<sup>1</sup> Debtor and the Wells Fargo entities entered into multiple Agreed Orders for Relief from Stay that allowed the Creditor to repossess and sell certain equipment. The amount in the Plan is therefore the appraised value of the remaining equipment, with an estimated deficiency claim in the unsecured.

continue on the fifth day of each month thereafter until the allowed amount of the claim is paid in full.

- b. Ford Motor Credit Company shall be secured for an Allowed Secured Claim on the Debtor's personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$30,424.10 as of Confirmation Date. This amount does not take into consideration any adequate protection payments. Any unsecured claim of Ford Motor Credit Company shall be treated in Debtor's Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Ford Motor Credit Company's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 9: Allowed Secured Claims of Branch Banking & Trust Co. and BB&T Equipment Finance Corporation**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be for an amount of approximately \$3,160,000.00. The secured claims of Branch Banking & Trust Co and BB&T Equipment Finance Corporation total \$3,160,000 (\$2,800,000 and 360,000, respectively) are combined into a single amortization schedule for principal and interest calculated at 5% per annum and a level payment of \$50,892 for both principal and interest (using a six year amortization), beginning on the fifteen day of the month following the Effective Date and continuing for sixteen additional months, then making additional principal payments each month thereafter until paid in full in 48 months, with total principal and interest being paid on the schedule below. The first payment is due on the fifteenth day of the first month following the Effective Date and all subsequent payments shall continue on the fifteenth day of each month thereafter until the allowed amount of the claim is paid in full.

Months 1-17	\$50,892.00
Months 18-23	\$70,892.00
Months 24-29	\$75,892.00
Months 30-35	\$85,892.00
Months 36-41	\$95,892.00
Months 42-47	\$100,892.00
Month 48	\$103,061.00

- b. Branch Banking & Trust Co. shall be secured for an Allowed Secured Claim on the Debtor's real and personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$2,800,000.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from the adequate protection payments made by the Debtor. Any unsecured claim of Branch Banking & Trust Co. shall be treated in Debtor's Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Branch Banking & Trust Co.'s Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 10: Allowed Secured Claim of Manitou Finance**

This Claim will be paid once Allowed as follows:

- a. This Claim is an Allowed Secured Claim and shall be for an amount of \$11,505.76. This claim shall be paid out fully over a period of 60 months, with interest at a rate of 5% per annum, from and after the Confirmation Date. Payments (constituting payments of both principal and interest) shall be made in equal monthly payments based on a standard 5-year amortization. The first payment is due on the fifth day of the first month following the Effective Date and all subsequent payments shall continue on the fifth day of each month thereafter until the allowed amount of the claim is paid in full.
- b. Manitou Finance shall be secured for an Allowed Secured Claim on the Debtor's personal property described in its loan documents and financing statements (the "Collateral"), in the amount of \$11,505.76 as of Confirmation Date. This amount does not take into consideration the adequate protection payments. Any unsecured claim of Manitou finance shall be treated in Debtor's Allowed General Unsecured Claims Class below.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Should this Section of the Plan for treatment of Manitou Finance's Claim contradict any other provision in the Plan, the provisions of this Section shall control.
- e. This Claim is Impaired and the holder of this Claim is entitled to vote to accept or reject the Plan.

**Class New Phoenix 11: Allowed General Unsecured Claims Exceeding \$150,000.00**

- a. The Claims in this class will be paid by the Reorganized Debtor once Allowed at 35% of their Claims over 60 months. The payments shall commence on the twenty-fifth day of the month following the Effective Date and shall continue on the twenty-fifth day of each succeeding month thereafter until the end of the payment term as defined herein.
- b. The total of claims in this class is estimated at \$2,035,780.00.
- c. This class is Impaired and the holder of a Claim in this class is entitled to vote to accept or reject the Plan.
- d. Insider Unsecured Claims shall be paid nothing under this Plan.

**Class New Phoenix 12: Allowed General Unsecured Claims Not Exceeding of \$150,000.00, or Reduced to \$150,000.00.**

- a. The Claims in this class will be paid by the Reorganized Debtor once Allowed at 45% of their Claims over 36 months. The payments shall commence on the twenty-fifth day of the month following the Effective Date and shall continue on the twenty-fifth day of each succeeding month thereafter until the end of the payment term as defined herein.
- b. The total of claims in this class is estimated at \$568,923.72.
- c. This class is Impaired and the holder of a Claim in this class is entitled to vote to accept or reject the Plan.
- d. Insider Unsecured Claims shall be paid nothing under this Plan

**Class New Phoenix 13 - Equity Interests**

On the Confirmation Date, all Equity Interests shall be retained by Marcus and Michael Carl and Carl Capital; however, all rights to receive distributions of net income for the next 60 months following Confirmation shall be assigned to Class 11 and 12 creditors to ensure that they receive the percentages of their claims as called for by the Plan. Therefore, to the extent that there would be distributions available to equity holders above the ordinary operating and capital requirement needs of the business, those amounts shall be split equally between Classes 11 and 12 on a quarterly basis to increase the return to the unsecured creditor classes. After 60 months and completion of the Plan terms, Marcus and Michael Carl shall be entitled to the full benefits of the ownership of the Debtor entities.

The Equity Interest Holders are impaired under this Plan.

**ARTICLE VI**  
**MEANS FOR IMPLEMENTATION OF PLAN**

**6.01 Implementation of Plan.** This Plan will be implemented, pursuant to Section 1123(a)(5) of the Code, by the commencement of payments as called for above. Projections for this Plan are attached to the Disclosure Statement and incorporated herein by this reference as if set forth in full for all purposes.

Upon the Effective Date, all property of the Debtor and its Estate shall vest in the Debtor, subject to the Allowed Secured Claims in this Plan.

The funds necessary for the satisfaction of the creditors' claims shall be generated from Debtor's income from continued operation of the business.

**ARTICLE VII**  
**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**7.01 Rejection of Executory Contracts and Unexpired Leases.** Debtor shall assume, pursuant to Bankruptcy Code Section 1123(b)(2), all by separate Motions unexpired leases of non-residential real property and executory contracts prior to the Confirmation Date. All contracts not assumed shall be rejected.

**7.02 Reservation of Rights.** The Debtor shall have the right to assume or reject, pursuant to Bankruptcy Code Section 365, prior to the Confirmation Date, any executory contract or unexpired lease of real property (to the extent permitted under the Bankruptcy Code).

**7.03 Bar Date for Claims Based on Rejection.** If the rejection of an executory contract or an unexpired lease by the Debtor results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtor or their properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtor, by the earlier of (a) the end of the month following the period in which the Effective Date occurs or (b) such other deadline as the Court may set for asserting a Claim for such damages. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract shall be treated as a General Unsecured Claim; *provided, however,* that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtor of any objections to such Claim if asserted.



**ARTICLE VIII**  
**ENFORCEMENT, SETTLEMENT, OR ADJUSTMENT OF CLAIMS**

**8.01 The Debtor's Causes of Action.** Except as otherwise released pursuant to the Plan, all Claims recoverable under Section 550 of the Bankruptcy Code, all Claims against third parties on account of an indebtedness, and all other Claims of any kind or character whatsoever owed to or in favor of the Debtor or the Estate to the extent not specifically compromised and released pursuant to this Plan or any agreement referred to and incorporated herein, are hereby preserved and retained for enforcement by the Debtor for the benefit of the Creditors subsequent to the Effective Date. This Plan shall not estop the Debtor from asserting any claim or cause of action whether disclosed or not.

**8.02 Objections to Claims.** Any party authorized by the Bankruptcy Code may object to the allowance of Pre-petition Claims at any time prior to sixty (60) days after the Effective Date and, as to Rejection Claims, at any time prior to sixty (60) days after the filing of any such Rejection Claim. Any proof of Claim filed after the Court sets bar dates shall be of no force and effect and shall be deemed disallowed. All Contested Claims shall be litigated to Final Order; *provided, however,* that the Debtor may compromise and settle any Contested Claim, subject to the approval of the Bankruptcy Court. Notwithstanding the foregoing, a person who is found to have received a voidable transfer shall have thirty (30) days following the date upon which the order ruling that such transfer is avoidable becomes a Final Order in which to file a Claim in the amount of such avoided transfer.

No distributions under this Plan shall be made to the holder of a Claim that is in dispute, unless and until such Claim becomes an Allowed Claim. If a Claim is disputed in whole or in part because the Debtor asserts a right of offset against such Claim or recoupment against the holder of such Claim, then, if and to the extent the Claim giving rise to the offset or recoupment is sustained by Final Order, the Claim in dispute shall be reduced or eliminated and, if applicable, the holder of such Claim shall be required to pay the amount of such offset or recoupment, less the amount of its Allowed Claim. In addition, any party authorized by the Bankruptcy Code, at any time, may request that the Court estimate any contingent, disputed or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code, regardless of any prior objections.

**ARTICLE IX**  
**EFFECT OF CONFIRMATION**

**9.01 Discharge and Release of Debtor.** Pursuant to Bankruptcy Code Section 1141(d), confirmation of this Plan does discharge the Debtor.

**9.02 Released Entities.** None of the officers, financial advisors, attorneys, or employees of the Debtor (collectively the "Released Entities") shall have any liability for actions taken or omitted to be taken in good faith under or in connection with the Plan.

**9.03 Legal Binding Effect.** The provisions of this Plan, pursuant to the Bankruptcy Code Section 1141 shall bind the Debtor and all Creditors, whether or not they accept this Plan. The distributions provided for Claimants shall not be subject to any Claim by another creditor or

interest holder by reason of any assertion of a contractual right of subordination.

**9.04 Discharge.** Confirmation of the Plan shall result in the inability to commence or continue any judicial, administrative, or other action or proceeding on account of any Pre-Petition Date Claims against the Debtor.

Except as provided in the Plan, from and after the Confirmation Date, all holders of Claims against the Debtor are restrained and enjoined (a) from commencing or continuing in any manner, any action or other proceeding of any kind with respect to any such Claim against the Debtor, or its property; (b) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against the Assets or the Debtor on account of such Claims; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Assets, or the Debtor on account of such Claims; (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtor on account of such Claims; and (e) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan on account of such Claims; provided, however, that each holder of a Contested Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims shall be entitled to enforce its rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan. Creditors shall not pursue claims against non-debtor third parties at the same time as their claims are being paid in full through the Plan; however, nothing herein shall bar First Bank from pursuing non-debtor third parties, including guarantors, against which it holds claims. Such restraint shall be consistent with the discharge granted to the Debtor in connection with confirming its Plan as called for by the Code.

## **ARTICLE X**

### **MISCELLANEOUS PROVISIONS**

**10.01 Request for Relief Under Bankruptcy Code Section 1129.** In the event any Impaired Class shall fail to accept this Plan in accordance with Bankruptcy Code Section 1129(a), the Debtor reserves the right to, and does hereby request the Bankruptcy Court to confirm the Plan in accordance with Bankruptcy Code Section 1129(b).

**10.02 Revocation.** The Debtor reserves the right to revoke and withdraw this Plan at any time prior to the Confirmation Date.

**10.03 Effect of Withdrawal or Revocation.** If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

**10.04 Due Authorization by Creditors.** Each and every Claimant who elects to participate in the distributions provided herein warrants that it is authorized to accept in consideration of its Claim against the Debtor the distributions provided in the Plan and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or

can in any way defeat or modify the rights conveyed or obligations undertaken by it under this Plan.

**10.05 Entire Agreement.** This Plan, as described herein, the Confirmation Order, and all other documents and instruments to effectuate this Plan provided for herein, constitute the entire agreement and understanding among the parties hereto relating to the subject matter hereof and supersedes all prior discussions and documents.

**10.06 Section 1146 Exemption.** Pursuant to Section 1146 of the Bankruptcy Code, the issuance, transfer or exchange or any security under this Plan or the making or delivery of any instrument or transfer pursuant to, in implementation of or as contemplated by this Plan or the transfer of any property pursuant to this Plan shall not be taxed under any federal, state or local law imposing a stamp, transfer or similar tax or fee.

**10.07 Provisions Governing Distributions.** All payments and distributions under the Plan shall be made by the Debtor as indicated. Any payments or distributions to be made by the Debtor pursuant to the Plan shall be made as soon as reasonably practicable after the Effective Date, except as otherwise provided for in the Plan, or as may be ordered by the Bankruptcy Court. Any payment or distribution by the Debtor pursuant to the Plan, to the extent delivered by the United States Mail, shall be deemed made when deposited into the United States Mail.

Payments of Cash to be made by the Debtor pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

Distributions and deliveries to holders of Allowed Claims shall be made at the addresses set forth on the proofs of Claim or proofs of interest filed by such holders (or at the last known addresses of such holders if no proof of Claim or proof of interest is filed). All Claims for undeliverable distributions shall be made on or before the second anniversary of the Effective Date. After such date, all unclaimed property shall remain the property of the Debtor and the Claim of any other holder with respect to such unclaimed property shall be discharged and forever barred.

Checks issued by the Debtor in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of delivery thereof. Requests for reissuance of any check shall be made directly to the Debtor by the holder of the Allowed Claim to whom such check originally was issued. Any claim in respect of such a voided check within ninety (90) days after the date of delivery of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred, and the amount of such checks shall become Unclaimed Property and returned to the Debtor.

No interest shall be paid on any Claim unless, and only to the extent that, the Plan specifically provides otherwise.

**10.08 Governing Law.** Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, or a specific choice of law provision is provided, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

**10.09 Default.** Unless otherwise stated in this Plan, if the Debtor fails to satisfy any of the obligations under this Plan and such default is not cured within 30 business days of the date of transmission of notice of the default to the Debtor, then the defaulted party may pursue all of its remedies outside of the Bankruptcy Court, including, but not limited to, foreclosure on its lien(s) on property. For purposes of this provision, notice shall be provided to the Debtor, c/o Joyce Lindauer, Esq. at (972) 503-4034.

## **ARTICLE XI MODIFICATION OF THE PLAN**

**11.01** The Debtor may propose amendments to or modifications of this Plan at any time prior to Confirmation, upon notice to all parties-in-interest. After Confirmation, the Debtor may, with approval of the Court and so long as it does not materially or adversely affect the interest of creditors, modify to remedy any defect or omission or reconcile any inconsistencies in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of this Plan.

## **ARTICLE XII RETENTION OF JURISDICTION**

Notwithstanding confirmation of the Plan or the Effective Date having occurred, the Court will retain jurisdiction for the following purposes:

**12.01 Allowance of Claims.** To hear and determine the allowability of all Claims upon objections to such Claims.

**12.02 Executory Contracts and Unexpired Leases Proceedings.** To act with respect to proceedings regarding the assumption of any executory contract or unexpired lease of the Debtor pursuant to Section 365 and 1123 of the Code and Article VII of the Plan.

**12.03 Plan Interpretation.** To resolve controversies and disputes regarding the interpretation of the Plan.

**12.04 Plan Implementation.** To implement and enforce the provisions of the Plan and enter orders in aid of confirmation and implementation of the Plan.

**12.05 Plan Modification.** To modify the Plan pursuant to Section 1127 of the Code and applicable Bankruptcy Rules.

**12.06 Adjudication of Controversies.** To adjudicate such contested matters and

adversary proceedings as may be pending or subsequently initiated in the Court against the Debtor.

**12.07 Injunctive Relief.** To issue any injunction or other relief as appropriate to implement the intent of the Plan, and to enter such further orders enforcing any injunctions or other relief issued under the Plan or in the Confirmation Order.

**12.08 Interpleader Action.** To entertain interpleader actions concerning assets to be distributed or other assets of the Estate.

**12.09 Correct Minor Defects.** To correct any defect, cure any omission or reconcile any inconsistency or ambiguity in the Plan, the Confirmation Order or any document executed or to be executed in connection therewith, as may be necessary to carry out the purposes and intent of the Plan, provided that the rights of any holder or an Allowed Claim are not materially and adversely affected thereby.

**12.10 Authorization of Fees and Expenses.** To review and authorize payment of professional fees incurred prior to the Effective Date.

**12.11 Post-Confirmation Orders Regarding Confirmation.** To enter and implement such orders as may be appropriate in the event the Confirmation Order is, for any reason, stayed, reversed, revoked, modified, or vacated.

**12.12 Final Decree.** To enter a final decree closing the Case pursuant to Bankruptcy Rule 3022.

Respectfully Submitted,

/s/ Joyce W. Lindauer

Joyce W. Lindauer  
State Bar No. 21555700  
Sarah Cox  
California State Bar No. 245475  
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ATTORNEYS FOR DEBTOR

/s/ Mike Carl

Mike Carl, Manager  
New Phoenix Metals, Ltd.

**New Phoenix Metals**

Case No. 16-32075-sgj

<u>Class</u>	<u>Number</u>	<u>Proof of Claim #</u>	<u>Creditor</u>	<u>Total Amount</u>	<u>Class Type</u>
	1	POC 1	City of Greenville	\$ 95,407.22	Priority
	1	POC 2	Greenville ISD	\$ 184,028.49	Priority
	1	POC 3	Hunt County - ad valorem taxes	\$ 89,874.15	Priority
	2	POC 26	Department of the Treasury - IRS	\$ 24,720.16	Priority
	3	POC 39	Texas Comptroller of Public Accounts	\$ 16,000.00	Priority
	4	POC 42	James Pope	\$ 19,305.00	Priority
	5	POC 7	Bank of the West	\$ 77,834.62	Secured
	6	POC 9	CNH Industrial Capital America LLC	\$ 58,316.30	Secured
	7	POC 14	Wells Fargo Equipment Finance, Inc.	\$ 459,774.27	Secured
	7	POC 16	Wells Fargo Vendor Financial Services, LLC	\$ 672,156.94	Secured
	7	POC 17	Wells Fargo Financial Leasing, Inc.	\$ 592,188.53	Secured
	8	POC 21	Ford Motor Credit Company LLC	\$ 15,095.86	Secured
	8	POC 22	Ford Motor Credit Company LLC	\$ 15,328.24	Secured
	9	POC 36	Branch Banking & Trust Co.	\$ 1,300,000.00	Secured
	9	POC 6	Branch Banking & Trust Company	\$ 150,705.15	Unsecured
	10	no POC on file	Manitou Finance	\$ 11,505.76	Secured
	11	POC 15	International Aluminum Corporation	\$ 190,711.71	Unsecured
	11	POC 31	BB&T Equipment Finance Corporation	\$ 579,192.55	Unsecured
	12	POC 8	Ascend Custom Extrusins, LLC	\$ 99,367.87	Unsecured
	12	POC 10	Blacklands Railroad, Inc.	\$ 24,525.00	Unsecured
	12	POC 11	Airgas USA, LLC	\$ 12,812.63	Unsecured
	12	POC 12	Airgas USA, LLC	\$ 3,411.67	Unsecured
	12	POC 13	TR and Associates	\$ 2,263.53	Unsecured
	12	POC 18	United Rentals, inc.	\$ 2,692.17	Unsecured
	12	POC 19	Ryder Truck Rental, Inc.	\$ 40,842.49	Unsecured
	12	POC 20	Ryder Truck Rental, Inc.	\$ 90,702.11	Unsecured
	12	POC 23	Outdoor Direct Corporation	\$ 7,035.00	Unsecured
	12	POC 24	Explorer Pipeline Company	\$ 1,932.00	Unsecured
	12	POC 25	Raco Interiors	\$ 13,093.00	Unsecured
	12	POC 27	All Seasons Commercial	\$ 19,477.70	Unsecured
	12	POC 28	All Seasons Window & Door	\$ 11,914.48	Unsecured
	12	POC 29	De Lage Landen Financial Services, Inc.	\$ 3,502.49	Unsecured
	12	POC 30	C.H. Robinson Worldwide, Inc.	\$ 29,724.28	Unsecured
	12	POC 32	Fisher Controls International Inc.	\$ 17,173.30	Unsecured
	12	POC 33	Desert Dump Truck Rental, Inc. dba Desert Trucking	\$ 39,673.22	Unsecured

**EXHIBIT "1"**

12	POC 34	American Express Bank, FSB	\$	76,263.45	Unsecured
12	POC 35	Penske Truck Leasing Co., L.P.	\$	5,746.48	Unsecured
12	POC 37	Acton Mobile	\$	1,237.57	Unsecured
12	POC 38	R.B. Everett & Company	\$	10,662.88	Unsecured
12	POC 40	Surplus Assets Management	\$	19,370.40	Unsecured
12	POC 41	L-3 Communications, Integrated Systems	\$	35,500.00	Unsecured
	POC 4	WITHDRAWN			
	POC 5	WITHDRAWN			
<b>TOTAL CLAIMS</b>				<b>\$4,711,038.65</b>	

**Monthly Operating Report**  
**CASH BASIS-1**

CASE NA New Phoenix Metals, Ltd
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CASE NU 16-32075-SGJ11
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CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH
	Jun-16	Jul-16	Aug-16	Sep-16
1. CASH - BEGINNING OF MONTH	\$ 48,360.70	\$ 63,818.75	\$ 26,226.55	\$ 18,790.44
<b>RECEIPTS</b>				
2. CASH SALES	\$ -	\$ -	\$ -	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$ 405,632.70	\$ 347,366.71	\$ 357,019.95	\$ 399,936.24
4. LOANS AND ADVANCES	\$ -			
5. SALE OF ASSETS	\$ -			
6. LEASE & RENTAL INCOME	\$ -			
7. WAGES	\$ -			
8. OTHER (ATTACH LIST)	\$ 275.01	\$ 2,410.00	\$ 3,157.80	\$ 106.96
9. TOTAL RECEIPTS	\$ 405,907.71	\$ 349,776.71	\$ 360,177.75	\$ 400,043.20
<b>DISBURSEMENTS</b>				
10. NET PAYROLL	\$ 56,297.46	\$ 49,595.74	\$ 45,089.89	\$ 55,995.79
11. PAYROLL TAXES PAID	\$ 21,373.86	\$ 17,148.62	\$ 17,178.18	\$ 21,709.02
12. SALES, USE & OTHER TAXES PAID		\$ 456.66		\$ 13.11
13. INVENTORY PURCHASES	\$ 195,012.82	\$ 228,276.27	\$ 190,979.45	\$ 187,402.34
14. CHILD SUPPORT ATTY GENERAL			\$ 514.38	\$ 685.84
15. ADEQUATE PROTECTION PAYMENT	\$ 30,000.00	\$ 30,000.00	\$ 45,000.00	\$ 73,000.00
16. RENTAL & LEASE PAYMENTS	\$ 2,611.23	\$ 2,611.23	\$ 2,552.47	\$ 2,765.02
17. UTILITIES	\$ 3,790.28	\$ 2,105.40	\$ 2,057.06	\$ 2,827.80
18. INSURANCE	\$ 32,663.16	\$ 13,574.39	\$ 15,353.97	\$ 12,120.06
19. VEHICLE EXPENSES	\$ -			
20. TRAVEL	\$ -			
21. FREIGHT THIRD PARTY	\$ 14,631.00	\$ 18,524.25	\$ 14,814.00	\$ 16,131.00
22. REPAIRS & MAINTENANCE	\$ 2,732.43	\$ 6,572.02	\$ 9,858.03	\$ 13,876.13
23. SUPPLIES (Wearhouse/Office)	\$ 6,683.12	\$ 643.24	\$ 7,239.09	\$ 834.27
24. ADVERTISING	\$ -			
25. MidSouth Bank Wire fees/Charges	\$ 435.00		\$ 542.00	\$ 737.00
26. CHARITABLE CONTRIBUTIONS	\$ 52.20			
27. FUEL	\$ 23,561.18	\$ 12,986.09	\$ 13,391.39	\$ 5,480.00
28. OTHER (ATTACH LIST)	\$ 605.92		\$ 553.00	\$ 600.00
29. TOTAL ORDINARY DISBURSEMENTS	\$ 390,449.66	\$ 382,493.91	\$ 365,122.91	\$ 394,177.38
<b>REORGANIZATION EXPENSES</b>				
30. PROFESSIONAL FEES			\$ 2,490.95	\$ 3,200.00
31. U.S. TRUSTEE FEES		\$ 4,875.00		
32. OTHER (ATTACH LIST)				\$ 7,500.00
33. TOTAL REORGANIZATION EXPENSES	\$ -	\$ 4,875.00	\$ 2,490.95	\$ 10,700.00
34. TOTAL DISBURSEMENTS	\$ 390,449.66	\$ 387,368.91	\$ 367,613.86	\$ 404,877.38
35. NET CASH FLOW	\$ 15,458.05	\$ (37,592.20)	\$ (7,436.11)	\$ (4,834.18)
36. CASH - END OF MONTH	\$ 63,818.75	\$ 26,226.55	\$ 18,790.44	\$ 13,956.26

**EXHIBIT "B"**



**NEW PHOENIX METALS, LTD**

**CASE NO. 16-32075-SGJ**

**EXHIBIT "C"**

**FINANCIAL PROJECTIONS - 5 Years**

Exhibit "C-1" - Annual Financial Projections

Exhibit "C-2" - Plan Payments Summary

Exhibit "C-3" - Monthly Financial Projections

rev. Nov 15, 2016 CASH BASIS	Mo 1 (Fcst)	Mo 2 (Fcst)	Nov-16 to					Total Ch. 11 Plan Payments		
	Nov-16	Dec-16	2017	2018	2019	2020	2021	Dec-21	Beyond Dec-21	2017 - 2024
Revenue										
Sales - Scrap Metal	450,000	450,000	6,198,000	6,452,000	6,778,000	7,120,000	7,472,000	34,920,000	T	
Other Receipts (for MOR Purposes)	-	-	-	-	-	-	-	-		
<b>Total Revenue</b>	<b>450,000</b>	<b>450,000</b>	<b>6,198,000</b>	<b>6,452,000</b>	<b>6,778,000</b>	<b>7,120,000</b>	<b>7,472,000</b>	<b>34,920,000</b>		
<i>% Mat'l Purchases to Sales</i>	<i>49.4%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.1%</i>		
Cost of Goods Sold										
Material Purchases	222,500	202,500	2,789,100	2,903,400	3,050,100	3,204,000	3,362,400	15,734,000		
Freight / Hauling-Equip, Other	959	959	18,137	13,743	14,437	15,166	15,915	79,315		
Freight & Hauling - Outbound	18,212	18,212	250,833	261,112	274,306	288,146	302,392	1,413,212		
Payroll-Salry & ST Wages (CoGS)	28,280	35,350	359,900	364,520	364,520	364,520	371,530	1,888,620		
Payroll-OT Wages (CoGS)	6,264	7,830	87,750	89,856	89,856	89,856	91,584	462,996		
Payroll Taxes (CoGS)	2,988	3,735	42,239	43,218	43,480	43,480	44,324	223,464		
Payroll Costs-Benefits (COGS)	-	-	-	-	-	-	-	-		
Boots	80	80	960	960	960	960	960	4,960		
Uniforms	-	-	450	600	600	600	600	2,850		
Equipment Rental-Short Term	-	-	4,500	6,000	6,000	6,000	6,000	28,500		
Equipment Repair & Maint										
Oil & Hydraulic Fluid	1,200	1,200	14,760	16,236	17,860	19,646	21,083	91,984		
Outside Services-R&M	8,000	8,000	106,800	120,960	145,152	174,182	209,019	772,113		
Parts & Supplies-R&M	1,200	1,200	14,760	16,236	17,860	19,646	21,610	92,511		
<b>Total Equipment Repair &amp; Maint</b>	<b>10,400</b>	<b>10,400</b>	<b>136,320</b>	<b>153,432</b>	<b>180,871</b>	<b>213,474</b>	<b>251,712</b>	<b>956,609</b>		
Fuel										
Diesel - Off-road (Dyed)	7,000	7,000	113,423	118,072	124,037	130,296	136,738	636,566		
Diesel - On-road	6,000	6,000	96,689	100,651	105,737	111,072	116,563	542,712		
Gasoline	1,200	1,200	7,400	6,000	6,000	6,000	6,000	33,800		
Propane - Equipment	150	150	1,800	1,800	1,800	1,800	1,800	9,300		
<b>Total Fuel</b>	<b>14,350</b>	<b>14,350</b>	<b>219,312</b>	<b>226,523</b>	<b>237,574</b>	<b>249,168</b>	<b>261,101</b>	<b>1,222,378</b>		
Lease - Truck/Tractor	2,600	2,600	31,200	31,200	31,200	31,200	31,200	161,200		
Licenses, Permits, Tolls	200	200	2,400	2,400	2,400	2,400	2,400	12,400		
Offsite Job Cost	2,500	2,500	4,500	-	-	-	-	9,500		
Shop Bldg / Yard-Repair & Maint	250	5,000	29,000	25,000	25,000	25,000	25,000	134,250		
Supplies-Warehouse / Yard	2,100	2,100	25,830	28,413	31,254	34,380	36,895	160,972		
Truck (Hvy)/ Trlr Repair& Maint										
Outside Repair Truck / Trailer	2,200	2,200	27,390	31,499	36,223	41,657	47,905	189,074		
Parts & Supplies-Trk / Trlr R&M	300	300	3,600	3,600	3,735	4,295	4,940	20,770		
Tires & Flat Repair	1,000	1,000	21,600	21,600	21,600	21,600	21,600	110,000		
<b>Total Truck (Hvy)/ Trlr Repair&amp; Maint</b>	<b>3,500</b>	<b>3,500</b>	<b>52,590</b>	<b>56,699</b>	<b>61,558</b>	<b>67,552</b>	<b>74,445</b>	<b>319,844</b>		
Waste Disposal Services	500	500	6,000	6,000	6,000	6,000	6,000	31,000		
Welding Supplies	125	125	4,800	4,800	4,800	4,800	4,800	24,250		
<b>Total COGS</b>	<b>315,807</b>	<b>309,940</b>	<b>4,065,821</b>	<b>4,217,876</b>	<b>4,424,917</b>	<b>4,646,702</b>	<b>4,889,258</b>	<b>22,870,320</b>		
<b>Gross Profit</b>	<b>134,193</b>	<b>140,060</b>	<b>2,132,179</b>	<b>2,234,124</b>	<b>2,353,083</b>	<b>2,473,298</b>	<b>2,582,742</b>	<b>12,049,680</b>		
	<i>29.8%</i>	<i>31.1%</i>	<i>34.4%</i>	<i>34.6%</i>	<i>34.7%</i>	<i>34.7%</i>	<i>34.6%</i>	<i>34.5%</i>		
S,G & A Expenses										
Bank Service Charges	700	700	7,350	3,750	2,400	2,400	2,400	19,700		
Computer Service & Maint	150	150	1,800	1,800	1,800	1,800	1,800	9,300		
Computer System-Scrap Purchases	400	1,364	8,656	8,656	8,656	8,656	8,656	45,044		
Copier / Printer Svc & Maint	75	75	900	900	900	900	900	4,650		
Employment Services	50	50	600	600	600	600	600	3,100		
Insurance										
Equipment (renews 1/15)	4,002	2,000	50,000	50,000	50,000	50,000	50,000	256,002		
Trucks & Auto (renews 4/14)	2,805	2,671	35,092	35,000	35,000	35,000	35,000	180,568		
Workman's Comp (renews 8/6)	2,755	2,170	28,866	28,486	29,626	29,626	29,626	151,154		
Property (renews 2/4)			5,000	5,000	5,000	5,000	5,000	25,000		

Exhibit "C-1"

rev. Nov 15, 2016

CASH BASIS	Mo 1 (Fcst)	Mo 2 (Fcst)	2017	2018	2019	2020	2021	Nov-16 to	Total Ch. 11 Plan Payments	
	Nov-16	Dec-16						Dec-21	Beyond Dec-21	2017 - 2024
Liability - G/L & Excess (renews 1/15)	n/a	n/a	18,000	18,900	19,845	20,837	21,879	99,461		
Total Insurance	9,562	6,841	136,958	137,386	139,471	140,463	141,505	712,186		
Interest Expense (See prin & int Sch below)	-	-	-	-	-	-	-	-		
Internet Service	172	172	2,064	2,064	2,064	2,064	2,064	10,664		
Lease, Office Equipment	150	150	1,800	1,800	1,800	1,800	1,800	9,300		
Licenses & Permits, Business	167	167	2,000	2,000	2,000	2,000	2,000	10,333		
Management Fees-CRO			208,000	216,000	216,000	216,000	216,000	1,072,000		
Mileage Reimbursement-Auto (CRO)	1,200	1,200	10,800	7,200	7,200	7,200	7,200	42,000		
Medical	50	50	600	600	600	600	600	3,100		
Office Supplies & Expense	500	500	6,000	6,000	6,000	6,000	6,000	31,000		
Payroll, Salaries & Wages	15,769	19,712	205,000	205,000	205,000	205,000	208,942	1,064,423		
Payroll Taxes	1,206	1,508	16,471	16,471	16,471	16,471	16,970	85,568		
Payroll Costs-Benefits, etc	-	-	-	-	-	-	-	-		
Postage and Delivery	50	50	600	600	600	600	600	3,100		
Professional Fees - Tax, Eng, Environ			30,000	30,000	30,000	30,000	7,500	127,500		
Reconciliation Discrepancies	-	-	-	-	-	-	-	-		
Repair & Maint, Building	250	250	3,000	3,000	3,000	3,000	3,000	15,500		
Security & Monitoring	150	150	1,800	1,800	1,800	1,800	1,800	9,300		
Subscriptions/ Industry Publica	25	25	2,640	2,877	3,137	3,423	3,738	15,864		
Taxes, Property	-	-	47,584	97,547	102,424	107,545	112,922	468,022		
Taxes, State Margin / Franchise	-	-	-	21,322	22,341	23,531	24,733	91,927		
Telephone	1,200	1,200	14,400	14,400	14,400	14,400	14,400	74,400		
Utilities										
Gas and Electric	1,000	1,000	12,000	12,000	12,000	12,000	12,000	62,000		
Water and Sewer	350	350	4,200	4,200	4,200	4,200	4,200	21,700		
Total Utilities	1,350	1,350	16,200	16,200	16,200	16,200	16,200	83,700		
Total S, G & A Expense	33,177	35,664	725,223	797,972	804,863	812,453	802,330	4,011,680		
Net Operating Cash Flow	101,016	104,396	1,406,957	1,436,152	1,548,220	1,660,846	1,780,413	8,038,000		
Bankruptcy Proceeding Payments:										
BB&T Adequate Protection Pymt	45,000	45,000	45,000	-	-	-	-	135,000		
BB&T Adequate Protect Pymt-Add'l (in arrears)	1,479	14,037	18,082	-	-	-	-	33,599		
Wells Fargo Adequate Prot Pymt	15,000	15,000	15,000	-	-	-	-	45,000		
PJ Trailers-Admin Claim (61,973, as corrected)	7,500	7,500	31,973	-	-	-	-	46,973		
Atty Fees in Ch.11-Admin Claim	3,000	5,000	15,000	-	-	-	-	23,000		
US Trustee Fees			19,500	-	-	-	-	19,500		
Other Admin Expenses			-	-	-	-	-	-		
CRO Fees in Ch.11-Admin Claim	15,000	20,000	20,000	-	-	-	-	55,000		
Reorg Plan Payments - Prin & Int (see Schedule):										
BB&T Scheduled Secured Pymt			559,807	610,699	610,699	610,699	50,892	2,442,796	-	2,442,796
Additional BB&T Secured Payments			-	120,000	360,000	570,000	52,169	1,102,169	-	1,102,169
BB&T Unsecured Pymt			49,232	53,707	53,707	53,707	53,707	264,062	4,476	268,537
Wells Fargo Secured Pymt			100,482	109,617	109,617	109,617	109,617	538,950	228,369	767,319
Wells Fargo Unsecured Pymt			69,160	75,447	75,447	75,447	75,447	370,950	6,287	377,237
All Other Secured Pymts			175,820	178,837	177,658	177,658	177,658	887,631	14,805	902,436
All Other Unsecured Pymts			59,174	64,553	64,553	64,553	64,553	317,385	5,379	322,765
Total Bankruptcy Proceeding Payments	86,979	106,537	1,178,231	1,212,861	1,451,682	1,661,682	584,044	6,282,015	259,316	6,183,259
MEMO: Cumulative Plan Pymts thru Dec-2021 >>>			1,013,675	2,226,536	3,678,218	5,339,900	5,923,943		6,183,259	T
Other Cash Expenditures / (Receipts)										
CapEx (see Equip Assumptions)			93,000	108,500	60,000	10,000	25,000	296,500		
Net Cash Flow (Deficit)	14,037	(2,140)	135,726	114,792	36,538	(10,836)	1,171,369	1,459,485		T
Cash Balance - Beginning	17,666									
Projected Ending Cash Balance	31,703	29,563	165,288	280,080	316,617	305,782	1,477,151	1,477,151		T

Exhibit "C-1"

rev. Nov 15, 2016  
 CASH BASIS

	Mo 1 (Fcst)	Mo 2 (Fcst)	2017	2018	2019	2020	2021	Nov-16 to	Total Ch. 11 Plan Payments	
	Nov-16	Dec-16						Dec-21	Beyond Dec-21	2017 - 2024
<b>BB&amp;T SECURED PAYOFF SCHEDULE</b>										
Scheduled Secured Payment	-	-	559,807	610,699	610,699	610,699	50,892	2,442,796		
Additional Secured Pymnt on Principal	-	-	-	120,000	360,000	570,000	52,169	1,102,169		
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>			<b>559,807</b>	<b>730,699</b>	<b>970,699</b>	<b>1,180,699</b>	<b>103,061</b>	<b>3,544,965</b>		T
Principal Portion-Total Secured Pymts			423,728	606,155	883,509	1,143,974	102,633	3,160,000		
Interest Portion-Total BB&T Pymts			136,079	124,544	87,190	36,725	428	384,965		
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>			<b>559,807</b>	<b>730,699</b>	<b>970,699</b>	<b>1,180,699</b>	<b>103,061</b>	<b>3,544,965</b>		T
BEGIN PRINCIPAL BALANCE-SECURED			3,160,000	2,736,272	2,130,117	1,246,608	102,633			
ENDING PRINCIPAL BALANCE-SECURED			2,736,272	2,130,117	1,246,608	102,633	(0)			T

MEMO ONLY: Working Capital Acct Balances	
Accts Receivable	30,000
Inventory	470,000
Accts Payable	20,000

Exhibit "C-1"

**New Phoenix Metals, Ltd. -- Ch. 11 Plan Payments on Claims**

Rev. 11/21/16

<u>Creditor Class</u>	<u>Claim/Principal Amount</u>	<u>% Int Rate, Term (mos)</u>	<u>Total Plan Payments</u>	
<b><u>PAYMENTS TO SECURED CREDITORS</u></b>				
Class 1	Hunt County Appraisal District	576,947.84 (a)	12% Int, 60 mos	770,033.16
Class 2	Internal Revenue Service	47,096.16	4.25% Int, 60 mos	52,360.26
Class 3	Texas Comptroller of Public Accounts	16,468.00 (a)	4.5% Int, 60 mos	18,420.79
Class 4	James Pope	13,900.00	3.25% Int, 12 mos	14,145.91
Class 5	Bank of the West	-	5% Int, 60 mos	-
Class 6	CNH Industrial Capital America LLC	-	5% Int, 60 mos	-
Class 7	Wells Fargo Equip Finance, et al	646,300.00 (b)	5% Int, 84 mos	767,318.62
Class 8	Ford Motor Credit Company #1	30,424.10	5% Int, 60 mos	34,448.42
Class 9	Branch Banking & Trust Co.	3,160,000.00 (b)(c)	5% Int, 48 mos**	2,442,796.19
Class 9	BB&T Additional Principal Payments	(c)		1,102,169.24
Class 10	Manitou Finance	11,505.76	5% Int, 60 mos	13,027.67
<b>TOTAL PAYMENTS TO SECURED</b>		<b>4,502,641.86</b>		<b>5,214,720.26</b>
<b><u>PAYMENTS TO UNSECURED CREDITORS</u></b>				
Unsecured Exceeding \$150,000:				
Class 11	BB&T Unsecured Portion	767,249.14	35.0%	268,537.20
Class 11	Wells Fargo Unsecured Portion	1,077,819.74	35.0%	377,236.91
Class 11	All Other Unsecured > \$150,000	190,711.71	35.0%	66,749.10
Class 11	Total Pmts to Unsecured > \$150,000 (60 mos)	2,035,780.59	35.0%	712,523.21
Class 12	Pmts to Unsecured < \$150,000 (60 mos)	568,923.72	45.0%	256,015.67
<b>TOTAL PAYMENTS TO UNSECURED</b>		<b>2,604,704.31</b>	37.2%	<b>968,538.88</b>
<b>GRAND TOTAL - ALL PLAN PAYMENTS</b>		<b>7,107,346.17</b>		<b>6,183,259.14</b>

(a) Tax claim amounts include accrued interest from the date of filing for relief to the Effective Date

(b) Wells Fargo & BB&T secured payment amounts do not reflect any adjustments, if required, for Adequate Protection Payments made by Debtor

(c) BB&T Loan Amortization: Mos 1 - 17 is based on 6 Year amortization, and Mos 18 - 48 assume additional principal payments as per schedule below.

<b>BB&amp;T Plan Payments Summary</b>	
Total principal payments on Secured claims	3,160,000
Total interest payments on Secured claims	384,965
Total principal & interest pymts on Secured claims	3,544,965
Total payments on Unsecured claims	268,537
Total payments to be made	3,813,503
Total secured & unsecured claims	3,927,249
% Deficiency on Secured claims	0.0%
% Deficiency - Secured / Unsecured after interest	-2.9%
% Deficiency - Secured / Unsecured before interest	-12.7%

<b>Plan Payment Schedule on BB&amp;T Secured Claims</b>		
	Per Month	Total
Months 1-17	50,892	865,164
Months 18-23	70,892	425,352
Months 24-29	75,892	455,352
Months 30-35	85,892	515,352
Months 36-41	95,892	575,352
Months 42-47	100,892	605,352
Month 48	103,061	103,061
Rounding		(20)
Total P&I pymts on Secured Claims		3,544,965

**EXHIBIT "C-2"**



Nov, 2016 to Dec, 2021

rev. Nov 15, 2016

CASH BASIS	Factors	Actual	Actual	Actual	Actual	Actual-Prelim	Mo 1 (Fcst)	Mo 2 (Fcst)	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8
		Jun 16	Jul 16	Aug 16	Sep 16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Paydates / Mo >>>		4 / 5	5 / 4	4	5	4	4	5	4	4	5	4	4	5
Head Count >>>		11	11	11	11	11	12	12	12	11	11	12	12	12
<b>Insurance</b>														
Equipment (renews 1/15)		12,213	4,002	4,002	4,002	4,002	4,002	2,000	12,500	3,750	3,750	3,750	3,750	3,750
Trucks & Auto (renews 4/14)		5,611	2,805	2,558	2,682	2,805	2,805	2,671	2,671	n/a	8,750	2,625	2,625	2,625
Workman's Comp (renews 8/6)		7,708	3,670	5,697	3,234	3,234	2,755	2,170	2,170	2,170	2,170	2,170	2,170	2,170
Property (renews 2/4)									1,250	375	375	375	375	375
Liability - G/L & Excess (renews 1/15)		7,132	3,096	3,096	2,202	n/a	n/a	n/a	4,500	1,350	1,350	1,350	1,350	1,350
<b>Total Insurance</b>		<b>32,663</b>	<b>13,574</b>	<b>15,354</b>	<b>12,120</b>	<b>10,041</b>	<b>9,562</b>	<b>6,841</b>	<b>23,091</b>	<b>10,316</b>	<b>7,645</b>	<b>16,395</b>	<b>10,270</b>	<b>10,270</b>
Interest Expense (See prin & int Sch below)		-	-	-	-	-	-	-	-	-	-	-	-	-
Internet Service		172	172	172	172	237	172	172	172	172	172	172	172	172
Lease, Office Equipment		-	-	472	154	-	150	150	150	150	150	150	150	150
Licenses & Permits, Business		435	993	-	-	49	167	167	167	167	167	167	167	167
Management Fees-CRO		-	-	-	-	-	-	-	20,000	20,000	20,000	20,000	20,000	20,000
Mileage Reimbursement-Auto (CRO)		-	-	-	-	-	1,200	1,200	1,200	1,200	1,200	1,200	800	800
Medical		-	-	-	-	50	50	50	50	50	50	50	50	50
Office Supplies & Expense		909	-	314	28	132	500	500	500	500	500	500	500	500
Payroll, Salaries & Wages		28,783	27,000	27,000	33,750	15,769	15,769	19,712	15,769	15,769	19,712	15,769	15,769	19,712
Payroll Taxes		2,697	719	2,066	2,582	1,206	1,206	1,508	1,206	1,206	1,508	1,995	1,206	1,508
Payroll Costs-Benefits, etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery		45	62	-	-	82	50	50	50	50	50	50	50	50
Professional Fees - Tax, Eng, Environ		-	-	-	-	-	-	-	7,500	-	-	-	7,500	-
Reconciliation Discrepancies		367	-	-	-	-	-	-	-	-	-	-	-	-
Repair & Maint, Building		-	-	-	-	-	250	250	250	250	250	250	250	250
Security & Monitoring		194	-	-	-	60	150	150	150	150	150	150	150	150
Subscriptions/ Industry Publica		2,150	-	-	-	-	25	25	25	25	25	25	25	2,365
Taxes, Property		-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes, State Margin / Franchise	1.0%	-	-	-	-	508	-	-	-	-	-	-	-	-
Telephone		2,640	1,487	753	1,807	1,226	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Utilities</b>														
Gas and Electric		1,150	618	1,131	1,021	956	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water and Sewer		320	-	-	-	-	350	350	350	350	350	350	350	350
<b>Total Utilities</b>		<b>1,470</b>	<b>618</b>	<b>1,131</b>	<b>1,021</b>	<b>956</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>
<b>Total S, G &amp; A Expense</b>		<b>74,955</b>	<b>44,889</b>	<b>49,735</b>	<b>52,876</b>	<b>31,463</b>	<b>33,177</b>	<b>35,664</b>	<b>46,706</b>	<b>61,431</b>	<b>56,468</b>	<b>60,798</b>	<b>60,985</b>	<b>61,033</b>
<b>Net Operating Cash Flow</b>		<b>45,558</b>	<b>(2,392)</b>	<b>40,055</b>	<b>81,096</b>	<b>75,804</b>	<b>101,016</b>	<b>104,396</b>	<b>117,082</b>	<b>111,030</b>	<b>126,734</b>	<b>126,136</b>	<b>126,177</b>	<b>113,153</b>

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CASH BASIS	Factors	Actual	Actual	Actual	Actual	Actual-Prelim	Mo 1 (Fcst)	Mo 2 (Fcst)	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8
		Jun 16	Jul 16	Aug 16	Sep 16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Paydates / Mo >>>		4 / 5	5 / 4	4	5	4	4	5	4	4	5	4	4	5
Head Count >>>		11	11	11	11	11	12	12	12	11	11	12	12	12
<b>Bankruptcy Proceeding Payments:</b>														
BB&T Adequate Protection Pymt		30,000	30,000	45,000	45,000	45,000	45,000	45,000	45,000					
BB&T Adequate Protection Pymt-Add'l (paid monthly in arrears)							1,479	14,037	-	18,082				
Wells Fargo Adequate Prot Pymt		-	-	-	28,000	15,000	15,000	15,000	15,000					
PJ Trailers-Admin Claim (61,973, as corrected)		-	-	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500		1,973	
Atty Fees in Ch.11-Admin Claim		-	-	2,491	3,200	-	3,000	5,000	5,000	5,000	5,000			
US Trustee Fees		-	5,200	-	-	6,825			6,500			6,500		
Other Admin Expenses		100	-	-	-	-								
CRO Fees in Ch.11-Admin Claim							15,000	20,000	20,000					
<b>Reorg Plan Payments - Prin &amp; Int (see Schedule):</b>														
BB&T Scheduled Secured Pymt										50,892	50,892	50,892	50,892	50,892
Additional BB&T Secured Payments										-	-	-	-	-
BB&T Unsecured Pymt										4,476	4,476	4,476	4,476	4,476
Wells Fargo Secured Pymt										9,135	9,135	9,135	9,135	9,135
Wells Fargo Unsecured Pymt										6,287	6,287	6,287	6,287	6,287
All Other Secured Pymts										15,984	15,984	15,984	15,984	15,984
All Other Unsecured Pymts										5,379	5,379	5,379	5,379	5,379
<b>Total Bankruptcy Proceeding Payments</b>		<b>30,100</b>	<b>35,200</b>	<b>47,491</b>	<b>83,700</b>	<b>74,325</b>	<b>86,979</b>	<b>106,537</b>	<b>99,000</b>	<b>122,735</b>	<b>104,652</b>	<b>106,152</b>	<b>94,126</b>	<b>92,152</b>
<i>MEMO: Cumulative Plan Pymts thru Dec-2021 &gt;&gt;&gt;</i>										<i>92,152</i>	<i>184,305</i>	<i>276,457</i>	<i>368,609</i>	<i>460,762</i>
<b>Other Cash Expenditures / (Receipts)</b>														
CapEx (see Equip Assumptions)											3,500		9,000	3,500
<b>Net Cash Flow (Deficit)</b>		<b>15,458</b>	<b>(37,592)</b>	<b>(7,436)</b>	<b>(2,604)</b>	<b>1,479</b>	<b>14,037</b>	<b>(2,140)</b>	<b>18,082</b>	<b>(11,705)</b>	<b>18,582</b>	<b>19,984</b>	<b>23,051</b>	<b>17,501</b>
Cash Balance - Beginning		48,361												
<b>Projected Ending Cash Balance</b>		<b>63,819</b>	<b>26,227</b>	<b>18,790</b>	<b>16,187</b>	<b>17,666</b>	<b>31,703</b>	<b>29,563</b>	<b>47,645</b>	<b>35,940</b>	<b>54,522</b>	<b>74,506</b>	<b>97,557</b>	<b>115,057</b>
<b>BB&amp;T TOTAL SECURED PAYOFF SCHEDULE</b>														
Scheduled Secured Payment		-	-	-	-	-	-	-	-	50,892	50,892	50,892	50,892	50,892
Additional Secured Pymnt on Principal		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>										<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>
Principal Portion-Total Secured Pymts										37,725	37,882	38,040	38,198	38,358
Interest Portion-Total BB&T Pymts										13,167	13,009	12,852	12,693	12,534
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>										<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>
BEGIN PRINCIPAL BALANCE-SECURED										3,160,000	3,122,275	3,084,393	3,046,353	3,008,155
ENDING PRINCIPAL BALANCE-SECURED										3,122,275	3,084,393	3,046,353	3,008,155	2,969,797



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CASH BASIS		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
	Paydates / Mo >>>	4	4	5	4	4	5	4	4	5	4	4	5
	Head Count >>>	12	12	12	12	12	12	12	12	13	13	13	13
<b>Revenue</b>													
	Sales - Scrap Metal	525,000	525,000	525,000	525,000	499,000	499,000	499,000	499,000	551,000	551,000	551,000	551,000
	Other Receipts (for MOR Purposes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		525,000	525,000	525,000	525,000	499,000	499,000	499,000	499,000	551,000	551,000	551,000	551,000
	<i>% Mat'l Purchases to Sales</i>	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
<b>Cost of Goods Sold</b>													
	Material Purchases	236,250	236,250	236,250	236,250	224,550	224,550	224,550	224,550	247,950	247,950	247,950	247,950
	Freight / Hauling-Equip, Other	1,118	1,118	1,118	1,118	1,063	1,063	1,063	1,063	1,174	1,174	1,174	1,174
	Freight & Hauling - Outbound	21,247	21,247	21,247	21,247	20,195	20,195	20,195	20,195	22,299	22,299	22,299	22,299
	Payroll-Salry & ST Wages (CoGS)	28,040	28,040	35,050	28,040	28,040	35,050	28,040	28,040	35,050	28,040	28,040	35,050
	Payroll-OT Wages (CoGS)	6,912	6,912	8,640	6,912	6,912	8,640	6,912	6,912	8,640	6,912	6,912	8,640
	Payroll Taxes (CoGS)	3,146	3,146	3,932	3,146	3,146	3,932	3,146	3,146	3,932	4,421	4,194	3,932
	Payroll Costs-Benefits (COGS)	-	-	-	-	-	-	-	-	-	-	-	-
	Boots	80	80	80	80	80	80	80	80	80	80	80	80
	Uniforms	50	50	50	50	50	50	50	50	50	50	50	50
	Equipment Rental-Short Term	500	500	500	500	500	500	500	500	500	500	500	500
<b>Equipment Repair &amp; Maint</b>													
	Oil & Hydraulic Fluid	1,200	1,200	1,200	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
	Outside Services-R&M	8,000	8,000	8,000	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
	Parts & Supplies-R&M	1,200	1,200	1,200	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
<b>Total Equipment Repair &amp; Maint</b>		10,400	10,400	10,400	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240
<b>Fuel</b>													
	Diesel - Off-road (Dyed)	9,608	9,608	9,608	9,608	9,132	9,132	9,132	9,132	10,083	10,083	10,083	10,083
	Diesel - On-road	8,190	8,190	8,190	8,190	7,784	7,784	7,784	7,784	8,596	8,596	8,596	8,596
	Gasoline	500	500	500	500	500	500	500	500	500	500	500	500
	Propane - Equipment	150	150	150	150	150	150	150	150	150	150	150	150
<b>Total Fuel</b>		18,448	18,448	18,448	18,448	17,566	17,566	17,566	17,566	19,329	19,329	19,329	19,329
	Lease - Truck/Tractor	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
	Licenses, Permits, Tolls	200	200	200	200	200	200	200	200	200	200	200	200
<b>Offsite Job Cost</b>													
	Shop Bldg / Yard-Repair & Maint	500	500	5,000	500	10,000	500	500	500	500	500	10,000	500
	Supplies-Warehouse / Yard	2,100	2,100	2,100	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310
<b>Truck (Hvy)/ Trlr Repair&amp; Maint</b>													
	Outside Repair Truck / Trailer	2,200	2,200	2,200	2,530	2,530	2,530	2,530	2,530	2,530	2,530	2,530	2,530
	Parts & Supplies-Trk / Trlr R&M	300	300	300	300	300	300	300	300	300	300	300	300
	Tires & Flat Repair	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
<b>Total Truck (Hvy)/ Trlr Repair&amp; Maint</b>		4,300	4,300	4,300	4,630	4,630	4,630	4,630	4,630	4,630	4,630	4,630	4,630
	Waste Disposal Services	500	500	500	500	500	500	500	500	500	500	500	500
	Welding Supplies	400	400	400	400	400	400	400	400	400	400	400	400
<b>Total COGS</b>		336,790	336,790	350,815	339,170	334,981	335,006	325,481	325,481	362,384	354,135	363,408	362,384
<b>Gross Profit</b>		188,210	188,210	174,185	185,830	164,019	163,994	173,519	173,519	188,616	196,865	187,592	188,616
		35.8%	35.8%	33.2%	35.4%	32.9%	32.9%	34.8%	34.8%	34.2%	35.7%	34.0%	34.2%
<b>S,G &amp; A Expenses</b>		9,300											
	Bank Service Charges	700	700	700	350	350	350	350	350	350	350	350	350
	Computer Service & Maint	150	150	150	150	150	150	150	150	150	150	150	150
	Computer System-Scrap Purchases	400	400	1,364	400	400	1,364	400	400	1,364	400	400	1,364
	Copier / Printer Svc & Maint	75	75	75	75	75	75	75	75	75	75	75	75
	Employment Services	50	50	50	50	50	50	50	50	50	50	50	50

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CASH BASIS	Factors	Mo 9	Mo 10	Mo 11	Mo 12	Mo 13	Mo 14	Mo 15	Mo 16	Mo 17	Mo 18	Mo 19	Mo 20
		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Paydates / Mo >>>		4	4	5	4	4	5	4	4	5	4	4	5
Head Count >>>		12	12	12	12	12	12	12	12	13	13	13	13
<b>Insurance</b>													
Equipment (renews 1/15)		3,750	3,750	3,750	3,750	3,750	n/a	12,500	3,750	3,750	3,750	3,750	3,750
Trucks & Auto (renews 4/14)		2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	n/a	8,750	2,625	2,625
Workman's Comp (renews 8/6)		2,170	4,558	2,279	2,279	2,279	2,279	2,279	2,279	2,279	2,279	2,279	2,279
Property (renews 2/4)		375	375	375	375	375	n/a	1,250	375	375	375	375	375
Liability - G/L & Excess (renews 1/15)		1,350	1,350	1,350	1,350	1,350	n/a	4,725	1,418	1,418	1,418	1,418	1,418
<b>Total Insurance</b>		<b>10,270</b>	<b>12,658</b>	<b>10,379</b>	<b>10,379</b>	<b>10,379</b>	<b>4,904</b>	<b>23,379</b>	<b>10,446</b>	<b>7,821</b>	<b>16,571</b>	<b>10,446</b>	<b>10,446</b>
Interest Expense (See prin & int Sch below)		-	-	-	-	-	-	-	-	-	-	-	-
Internet Service		172	172	172	172	172	172	172	172	172	172	172	172
Lease, Office Equipment		150	150	150	150	150	150	150	150	150	150	150	150
Licenses & Permits, Business		167	167	167	167	167	167	167	167	167	167	167	167
Management Fees-CRO		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Mileage Reimbursement-Auto (CRO)		800	800	800	800	600	600	600	600	600	600	600	600
Medical		50	50	50	50	50	50	50	50	50	50	50	50
Office Supplies & Expense		500	500	500	500	500	500	500	500	500	500	500	500
Payroll, Salaries & Wages		15,769	15,769	19,712	15,769	15,769	19,712	15,769	15,769	19,712	15,769	15,769	19,712
Payroll Taxes		1,206	1,206	1,508	1,206	1,206	1,508	1,206	1,206	1,508	1,995	1,206	1,508
Payroll Costs-Benefits, etc		-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery		50	50	50	50	50	50	50	50	50	50	50	50
Professional Fees - Tax, Eng, Environ		-	7,500	-	-	7,500	-	-	7,500	-	-	7,500	-
Reconciliation Discrepancies		-	-	-	-	-	-	-	-	-	-	-	-
Repair & Maint, Building		250	250	250	250	250	250	250	250	250	250	250	250
Security & Monitoring		150	150	150	150	150	150	150	150	150	150	150	150
Subscriptions/ Industry Publica		25	25	25	25	25	25	25	25	25	25	25	2,602
Taxes, Property		-	-	-	-	-	47,584	47,584	-	-	-	-	-
Taxes, State Margin / Franchise	1.0%	-	-	-	-	-	-	-	-	-	-	21,322	-
Telephone		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Utilities</b>													
Gas and Electric		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water and Sewer		350	350	350	350	350	350	350	350	350	350	350	350
<b>Total Utilities</b>		<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>
<b>Total S, G &amp; A Expense</b>		<b>51,485</b>	<b>61,372</b>	<b>56,801</b>	<b>51,243</b>	<b>58,543</b>	<b>98,360</b>	<b>111,627</b>	<b>58,611</b>	<b>53,694</b>	<b>58,024</b>	<b>79,932</b>	<b>58,895</b>
<b>Net Operating Cash Flow</b>		<b>136,725</b>	<b>126,838</b>	<b>117,384</b>	<b>134,587</b>	<b>105,476</b>	<b>65,635</b>	<b>61,892</b>	<b>114,908</b>	<b>134,923</b>	<b>138,841</b>	<b>107,660</b>	<b>129,721</b>

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CASH BASIS	Factors	Mo 9	Mo 10	Mo 11	Mo 12	Mo 13	Mo 14	Mo 15	Mo 16	Mo 17	Mo 18	Mo 19	Mo 20
		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Paydates / Mo >>>		4	4	5	4	4	5	4	4	5	4	4	5
Head Count >>>		12	12	12	12	12	12	12	12	13	13	13	13
<b>Bankruptcy Proceeding Payments:</b>													
BB&T Adequate Protection Pymt													
BB&T Adequate Protection Pymt-Add'l (paid monthly in arrear)													
Wells Fargo Adequate Prot Pymt													
PJ Trailers-Admin Claim (61,973, as corrected)													
Atty Fees in Ch.11-Admin Claim													
US Trustee Fees	6,500												
Other Admin Expenses													
CRO Fees in Ch.11-Admin Claim													
<b>Reorg Plan Payments - Prin &amp; Int (see Schedule):</b>													
BB&T Scheduled Secured Pymt		50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892
Additional BB&T Secured Payments		-	-	-	-	-	-	-	-	-	-	-	-
BB&T Unsecured Pymt		4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476
Wells Fargo Secured Pymt		9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135
Wells Fargo Unsecured Pymt		6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287
All Other Secured Pymts		15,984	15,984	15,984	15,984	15,984	15,984	15,984	14,805	14,805	14,805	14,805	14,805
All Other Unsecured Pymts		5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379
<b>Total Bankruptcy Proceeding Payments</b>		<b>98,652</b>	<b>92,152</b>	<b>92,152</b>	<b>92,152</b>	<b>92,152</b>	<b>92,152</b>	<b>92,152</b>	<b>90,973</b>	<b>90,973</b>	<b>90,973</b>	<b>90,973</b>	<b>90,973</b>
<i>MEMO: Cumulative Plan Pymts thru Dec-2021 &gt;&gt;&gt;</i>		<i>552,914</i>	<i>645,066</i>	<i>737,218</i>	<i>829,371</i>	<i>921,523</i>	<i>1,013,675</i>	<i>1,105,828</i>	<i>1,196,801</i>	<i>1,287,775</i>	<i>1,378,748</i>	<i>1,469,722</i>	<i>1,560,695</i>
<b>Other Cash Expenditures / (Receipts)</b>													
CapEx (see Equip Assumptions)		25,000	21,000	10,000		21,000					19,250		60,000
<b>Net Cash Flow (Deficit)</b>		<b>13,073</b>	<b>13,685</b>	<b>15,232</b>	<b>42,434</b>	<b>(7,677)</b>	<b>(26,518)</b>	<b>(30,260)</b>	<b>23,935</b>	<b>43,949</b>	<b>28,617</b>	<b>16,686</b>	<b>(21,252)</b>
<b>Cash Balance - Beginning</b>													
<b>Projected Ending Cash Balance</b>		<b>128,130</b>	<b>141,816</b>	<b>157,048</b>	<b>199,482</b>	<b>191,806</b>	<b>165,288</b>	<b>135,028</b>	<b>158,962</b>	<b>202,912</b>	<b>231,529</b>	<b>248,216</b>	<b>226,964</b>
<b>BB&amp;T TOTAL SECURED PAYOFF SCHEDULE</b>													
Scheduled Secured Payment		50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892
Additional Secured Pymnt on Principal		-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>
Principal Portion-Total Secured Pymts		38,517	38,678	38,839	39,001	39,163	39,327	39,490	39,655	39,820	39,986	40,153	40,320
Interest Portion-Total BB&T Pymts		12,374	12,214	12,053	11,891	11,728	11,565	11,401	11,237	11,071	10,905	10,739	10,572
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>	<b>50,892</b>
BEGIN PRINCIPAL BALANCE-SECURED		2,969,797	2,931,280	2,892,602	2,853,763	2,814,762	2,775,598	2,736,272	2,696,781	2,657,126	2,617,306	2,577,320	2,537,167
ENDING PRINCIPAL BALANCE-SECURED		2,931,280	2,892,602	2,853,763	2,814,762	2,775,598	2,736,272	2,696,781	2,657,126	2,617,306	2,577,320	2,537,167	2,496,847

rev. Nov 15, 2016		Mo 21	Mo 22	Mo 23	Mo 24	Mo 25	Mo 26	Mo 27	Mo 28	Mo 29	Mo 30	Mo 31	Mo 32
CASH BASIS		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
	Paydates / Mo >>>	4	5	4	4	5	4	4	4	5	4	5	4
	Head Count >>>	13	13	13	13	13	13	13	13	13	13	13	13
<b>Revenue</b>													
	Sales - Scrap Metal	551,000	551,000	551,000	551,000	523,000	523,000	523,000	523,000	579,000	579,000	579,000	579,000
	Other Receipts (for MOR Purposes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		551,000	551,000	551,000	551,000	523,000	523,000	523,000	523,000	579,000	579,000	579,000	579,000
	<i>% Mat'l Purchases to Sales</i>	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
<b>Cost of Goods Sold</b>													
	Material Purchases	247,950	247,950	247,950	247,950	235,350	235,350	235,350	235,350	260,550	260,550	260,550	260,550
	Freight / Hauling-Equip, Other	1,174	1,174	1,174	1,174	1,114	1,114	1,114	1,114	1,233	1,233	1,233	1,233
	Freight & Hauling - Outbound	22,299	22,299	22,299	22,299	21,166	21,166	21,166	21,166	23,432	23,432	23,432	23,432
	Payroll-Salry & ST Wages (CoGS)	28,040	35,050	28,040	28,040	35,050	28,040	28,040	28,040	35,050	28,040	35,050	28,040
	Payroll-OT Wages (CoGS)	6,912	8,640	6,912	6,912	8,640	6,912	6,912	6,912	8,640	6,912	8,640	6,912
	Payroll Taxes (CoGS)	3,146	3,932	3,146	3,146	3,932	3,146	3,146	3,146	3,932	4,421	5,243	3,146
	Payroll Costs-Benefits (COGS)	-	-	-	-	-	-	-	-	-	-	-	-
	Boots	80	80	80	80	80	80	80	80	80	80	80	80
	Uniforms	50	50	50	50	50	50	50	50	50	50	50	50
	Equipment Rental-Short Term	500	500	500	500	500	500	500	500	500	500	500	500
<b>Equipment Repair &amp; Maint</b>													
	Oil & Hydraulic Fluid	1,320	1,320	1,320	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452
	Outside Services-R&M	9,600	9,600	9,600	11,520	11,520	11,520	11,520	11,520	11,520	11,520	11,520	11,520
	Parts & Supplies-R&M	1,320	1,320	1,320	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452
<b>Total Equipment Repair &amp; Maint</b>		12,240	12,240	12,240	14,424	14,424	14,424	14,424	14,424	14,424	14,424	14,424	14,424
<b>Fuel</b>													
	Diesel - Off-road (Dyed)	10,083	10,083	10,083	10,083	9,571	9,571	9,571	9,571	10,596	10,596	10,596	10,596
	Diesel - On-road	8,596	8,596	8,596	8,596	8,159	8,159	8,159	8,159	9,032	9,032	9,032	9,032
	Gasoline	500	500	500	500	500	500	500	500	500	500	500	500
	Propane - Equipment	150	150	150	150	150	150	150	150	150	150	150	150
<b>Total Fuel</b>		19,329	19,329	19,329	19,329	18,380	18,380	18,380	18,380	20,278	20,278	20,278	20,278
	Lease - Truck/Tractor	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
	Licenses, Permits, Tolls	200	200	200	200	200	200	200	200	200	200	200	200
<b>Offsite Job Cost</b>													
	Shop Bldg / Yard-Repair & Maint	500	500	500	500	10,000	500	500	500	500	500	10,000	500
	Supplies-Warehouse / Yard	2,310	2,310	2,310	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541
<b>Truck (Hvy)/ Trlr Repair&amp; Maint</b>													
	Outside Repair Truck / Trailer	2,530	2,530	2,530	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910
	Parts & Supplies-Trk / Trlr R&M	300	300	300	300	300	300	300	300	300	300	300	300
	Tires & Flat Repair	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
<b>Total Truck (Hvy)/ Trlr Repair&amp; Maint</b>		4,630	4,630	4,630	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010
	Waste Disposal Services	500	500	500	500	500	500	500	500	500	500	500	500
	Welding Supplies	400	400	400	400	400	400	400	400	400	400	400	400
<b>Total COGS</b>		352,859	362,384	352,859	355,654	359,936	340,912	340,912	340,912	379,920	371,671	390,731	370,396
<b>Gross Profit</b>		198,141	188,616	198,141	195,346	163,064	182,088	182,088	182,088	199,080	207,329	188,269	208,604
		36.0%	34.2%	36.0%	35.5%	31.2%	34.8%	34.8%	34.8%	34.4%	35.8%	32.5%	36.0%
<b>S,G &amp; A Expenses</b>		9,300											
	Bank Service Charges	350	350	350	200	200	200	200	200	200	200	200	200
	Computer Service & Maint	150	150	150	150	150	150	150	150	150	150	150	150
	Computer System-Scrap Purchases	400	400	1,364	400	400	1,364	400	400	1,364	400	400	1,364
	Copier / Printer Svc & Maint	75	75	75	75	75	75	75	75	75	75	75	75
	Employment Services	50	50	50	50	50	50	50	50	50	50	50	50

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CASH BASIS	Factors	Mo 21	Mo 22	Mo 23	Mo 24	Mo 25	Mo 26	Mo 27	Mo 28	Mo 29	Mo 30	Mo 31	Mo 32
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Paydates / Mo >>>		4	5	4	4	5	4	4	4	5	4	5	4
Head Count >>>		13	13	13	13	13	13	13	13	13	13	13	13
<b>Insurance</b>													
Equipment (renews 1/15)		3,750	3,750	3,750	3,750	3,750	n/a	12,500	3,750	3,750	3,750	3,750	3,750
Trucks & Auto (renews 4/14)		2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	n/a	8,750	2,625	2,625
Workman's Comp (renews 8/6)		n/a	4,938	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Property (renews 2/4)		375	375	375	375	375	n/a	1,250	375	375	375	375	375
Liability - G/L & Excess (renews 1/15)		1,418	1,418	1,418	1,418	1,418	n/a	4,961	1,488	1,488	1,488	1,488	1,488
<b>Total Insurance</b>		<b>8,168</b>	<b>13,105</b>	<b>10,636</b>	<b>10,636</b>	<b>10,636</b>	<b>5,094</b>	<b>23,805</b>	<b>10,707</b>	<b>8,082</b>	<b>16,832</b>	<b>10,707</b>	<b>10,707</b>
Interest Expense (See prin & int Sch below)		-	-	-	-	-	-	-	-	-	-	-	-
Internet Service		172	172	172	172	172	172	172	172	172	172	172	172
Lease, Office Equipment		150	150	150	150	150	150	150	150	150	150	150	150
Licenses & Permits, Business		167	167	167	167	167	167	167	167	167	167	167	167
Management Fees-CRO		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Mileage Reimbursement-Auto (CRO)		600	600	600	600	600	600	600	600	600	600	600	600
Medical		50	50	50	50	50	50	50	50	50	50	50	50
Office Supplies & Expense		500	500	500	500	500	500	500	500	500	500	500	500
Payroll, Salaries & Wages		15,769	19,712	15,769	15,769	19,712	15,769	15,769	15,769	19,712	15,769	19,712	15,769
Payroll Taxes		1,206	1,508	1,206	1,206	1,508	1,206	1,206	1,206	1,508	1,995	1,508	1,206
Payroll Costs-Benefits, etc		-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery		50	50	50	50	50	50	50	50	50	50	50	50
Professional Fees - Tax, Eng, Environ		-	7,500	-	-	7,500	-	-	7,500	-	-	7,500	-
Reconciliation Discrepancies		-	-	-	-	-	-	-	-	-	-	-	-
Repair & Maint, Building		250	250	250	250	250	250	250	250	250	250	250	250
Security & Monitoring		150	150	150	150	150	150	150	150	150	150	150	150
Subscriptions/ Industry Publica		25	25	25	25	25	25	25	25	25	25	25	2,862
Taxes, Property		-	-	-	-	-	49,963	49,963	-	-	-	-	-
Taxes, State Margin / Franchise	1.0%	-	-	-	-	-	-	-	-	-	-	22,341	-
Telephone		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Utilities</b>													
Gas and Electric		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water and Sewer		350	350	350	350	350	350	350	350	350	350	350	350
<b>Total Utilities</b>		<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>
<b>Total S, G &amp; A Expense</b>		<b>48,832</b>	<b>65,513</b>	<b>52,265</b>	<b>51,151</b>	<b>62,894</b>	<b>96,535</b>	<b>114,282</b>	<b>58,721</b>	<b>53,804</b>	<b>58,135</b>	<b>85,307</b>	<b>55,022</b>
<b>Net Operating Cash Flow</b>		<b>149,309</b>	<b>123,103</b>	<b>145,876</b>	<b>144,196</b>	<b>100,169</b>	<b>85,553</b>	<b>67,806</b>	<b>123,367</b>	<b>145,276</b>	<b>149,194</b>	<b>102,963</b>	<b>153,582</b>

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CASH BASIS	Factors	Mo 21	Mo 22	Mo 23	Mo 24	Mo 25	Mo 26	Mo 27	Mo 28	Mo 29	Mo 30	Mo 31	Mo 32
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Paydates / Mo >>>		4	5	4	4	5	4	4	4	5	4	5	4
Head Count >>>		13	13	13	13	13	13	13	13	13	13	13	13
<b>Bankruptcy Proceeding Payments:</b>													
BB&T Adequate Protection Pymt													
BB&T Adequate Protection Pymt-Add'l (paid monthly in arrear)													
Wells Fargo Adequate Prot Pymt													
PJ Trailers-Admin Claim (61,973, as corrected)													
Atty Fees in Ch.11-Admin Claim													
US Trustee Fees													
Other Admin Expenses													
CRO Fees in Ch.11-Admin Claim													
<b>Reorg Plan Payments - Prin &amp; Int (see Schedule):</b>													
BB&T Scheduled Secured Pymt		50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892
Additional BB&T Secured Payments		20,000	20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000
BB&T Unsecured Pymt		4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476
Wells Fargo Secured Pymt		9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135
Wells Fargo Unsecured Pymt		6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287
All Other Secured Pymts		14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805
All Other Unsecured Pymts		5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379
<b>Total Bankruptcy Proceeding Payments</b>		<b>110,973</b>	<b>110,973</b>	<b>110,973</b>	<b>110,973</b>	<b>110,973</b>	<b>110,973</b>	<b>115,973</b>	<b>115,973</b>	<b>115,973</b>	<b>115,973</b>	<b>115,973</b>	<b>115,973</b>
<i>MEMO: Cumulative Plan Pymts thru Dec-2021 &gt;&gt;&gt;</i>		<i>1,671,669</i>	<i>1,782,642</i>	<i>1,893,616</i>	<i>2,004,589</i>	<i>2,115,563</i>	<i>2,226,536</i>	<i>2,342,510</i>	<i>2,458,483</i>	<i>2,574,457</i>	<i>2,690,430</i>	<i>2,806,404</i>	<i>2,922,377</i>
<b>Other Cash Expenditures / (Receipts)</b>													
CapEx (see Equip Assumptions)		10,000			19,250						60,000		
<b>Net Cash Flow (Deficit)</b>		<b>28,336</b>	<b>12,130</b>	<b>34,903</b>	<b>13,972</b>	<b>(10,804)</b>	<b>(25,420)</b>	<b>(48,167)</b>	<b>7,393</b>	<b>29,302</b>	<b>(26,780)</b>	<b>(13,011)</b>	<b>37,609</b>
<b>Cash Balance - Beginning</b>													
<b>Projected Ending Cash Balance</b>		<b>255,299</b>	<b>267,429</b>	<b>302,332</b>	<b>316,304</b>	<b>305,500</b>	<b>280,080</b>	<b>231,912</b>	<b>239,306</b>	<b>268,608</b>	<b>241,828</b>	<b>228,817</b>	<b>266,426</b>
<b>BB&amp;T TOTAL SECURED PAYOFF SCHEDULE</b>													
Scheduled Secured Payment		50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892
Additional Secured Pymnt on Principal		20,000	20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>
Principal Portion-Total Secured Pymts		60,488	60,740	60,993	61,247	61,503	61,759	67,016	67,295	67,576	67,857	68,140	68,424
Interest Portion-Total BB&T Pymts		10,404	10,151	9,898	9,644	9,389	9,133	8,875	8,596	8,316	8,034	7,752	7,468
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>70,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>
BEGIN PRINCIPAL BALANCE-SECURED		2,496,847	2,436,359	2,375,619	2,314,626	2,253,378	2,191,876	2,130,117	2,063,101	1,995,806	1,928,230	1,860,373	1,792,233
ENDING PRINCIPAL BALANCE-SECURED		2,436,359	2,375,619	2,314,626	2,253,378	2,191,876	2,130,117	2,063,101	1,995,806	1,928,230	1,860,373	1,792,233	1,723,809

rev. Nov 15, 2016		Mo 33	Mo 34	Mo 35	Mo 36	Mo 37	Mo 38	Mo 39	Mo 40	Mo 41	Mo 42	Mo 43	Mo 44
CASH BASIS		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
	Paydates / Mo >>>	4	5	4	4	5	4	5	4	4	4	5	4
	Head Count >>>	13	13	13	13	13	13	13	13	13	13	13	13
<b>Revenue</b>													
	Sales - Scrap Metal	579,000	579,000	579,000	579,000	550,000	550,000	550,000	550,000	608,000	608,000	608,000	608,000
	Other Receipts (for MOR Purposes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		579,000	579,000	579,000	579,000	550,000	550,000	550,000	550,000	608,000	608,000	608,000	608,000
	<i>% Mat'l Purchases to Sales</i>	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
<b>Cost of Goods Sold</b>													
	Material Purchases	260,550	260,550	260,550	260,550	247,500	247,500	247,500	247,500	273,600	273,600	273,600	273,600
	Freight / Hauling-Equip, Other	1,233	1,233	1,233	1,233	1,172	1,172	1,172	1,172	1,295	1,295	1,295	1,295
	Freight & Hauling - Outbound	23,432	23,432	23,432	23,432	22,259	22,259	22,259	22,259	24,606	24,606	24,606	24,606
	Payroll-Salry & ST Wages (CoGS)	28,040	35,050	28,040	28,040	35,050	28,040	35,050	28,040	28,040	28,040	35,050	28,040
	Payroll-OT Wages (CoGS)	6,912	8,640	6,912	6,912	8,640	6,912	8,640	6,912	6,912	6,912	8,640	6,912
	Payroll Taxes (CoGS)	3,146	3,932	3,146	3,146	3,932	3,146	3,932	3,146	3,146	4,421	5,243	3,146
	Payroll Costs-Benefits (COGS)	-	-	-	-	-	-	-	-	-	-	-	-
	Boots	80	80	80	80	80	80	80	80	80	80	80	80
	Uniforms	50	50	50	50	50	50	50	50	50	50	50	50
	Equipment Rental-Short Term	500	500	500	500	500	500	500	500	500	500	500	500
<b>Equipment Repair &amp; Maint</b>													
	Oil & Hydraulic Fluid	1,452	1,452	1,452	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
	Outside Services-R&M	11,520	11,520	11,520	13,824	13,824	13,824	13,824	13,824	13,824	13,824	13,824	13,824
	Parts & Supplies-R&M	1,452	1,452	1,452	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
<b>Total Equipment Repair &amp; Maint</b>		14,424	14,424	14,424	17,018	17,018	17,018	17,018	17,018	17,018	17,018	17,018	17,018
<b>Fuel</b>													
	Diesel - Off-road (Dyed)	10,596	10,596	10,596	10,596	10,065	10,065	10,065	10,065	11,126	11,126	11,126	11,126
	Diesel - On-road	9,032	9,032	9,032	9,032	8,580	8,580	8,580	8,580	9,485	9,485	9,485	9,485
	Gasoline	500	500	500	500	500	500	500	500	500	500	500	500
	Propane - Equipment	150	150	150	150	150	150	150	150	150	150	150	150
<b>Total Fuel</b>		20,278	20,278	20,278	20,278	19,295	19,295	19,295	19,295	21,261	21,261	21,261	21,261
	Lease - Truck/Tractor	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
	Licenses, Permits, Tolls	200	200	200	200	200	200	200	200	200	200	200	200
<b>Offsite Job Cost</b>													
	Shop Bldg / Yard-Repair & Maint	500	500	500	500	10,000	500	500	500	500	500	10,000	500
	Supplies-Warehouse / Yard	2,541	2,541	2,541	2,795	2,795	2,795	2,795	2,795	2,795	2,795	2,795	2,795
<b>Truck (Hvy)/ Trlr Repair&amp; Maint</b>													
	Outside Repair Truck / Trailer	2,910	2,910	2,910	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346
	Parts & Supplies-Trk / Trlr R&M	300	300	300	345	345	345	345	345	345	345	345	345
	Tires & Flat Repair	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
<b>Total Truck (Hvy)/ Trlr Repair&amp; Maint</b>		5,010	5,010	5,010	5,491	5,491	5,491	5,491	5,491	5,491	5,491	5,491	5,491
	Waste Disposal Services	500	500	500	500	500	500	500	500	500	500	500	500
	Welding Supplies	400	400	400	400	400	400	400	400	400	400	400	400
<b>Total COGS</b>		370,396	379,920	370,396	373,726	377,482	358,457	367,982	358,457	388,994	390,270	409,329	388,994
<b>Gross Profit</b>		208,604	199,080	208,604	205,274	172,518	191,543	182,018	191,543	219,006	217,730	198,671	219,006
		36.0%	34.4%	36.0%	35.5%	31.4%	34.8%	33.1%	34.8%	36.0%	35.8%	32.7%	36.0%
<b>S,G &amp; A Expenses</b>		9,300											
	Bank Service Charges	200	200	200	200	200	200	200	200	200	200	200	200
	Computer Service & Maint	150	150	150	150	150	150	150	150	150	150	150	150
	Computer System-Scrap Purchases	400	400	1,364	400	400	1,364	400	400	1,364	400	400	1,364
	Copier / Printer Svc & Maint	75	75	75	75	75	75	75	75	75	75	75	75
	Employment Services	50	50	50	50	50	50	50	50	50	50	50	50

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CASH BASIS	Factors	Mo 33	Mo 34	Mo 35	Mo 36	Mo 37	Mo 38	Mo 39	Mo 40	Mo 41	Mo 42	Mo 43	Mo 44
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Paydates / Mo >>>		4	5	4	4	5	4	5	4	4	4	5	4
Head Count >>>		13	13	13	13	13	13	13	13	13	13	13	13
<b>Insurance</b>													
Equipment (renews 1/15)		3,750	3,750	3,750	3,750	3,750	n/a	12,500	3,750	3,750	3,750	3,750	3,750
Trucks & Auto (renews 4/14)		2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	n/a	8,750	2,625	2,625
Workman's Comp (renews 8/6)		n/a	4,938	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Property (renews 2/4)		375	375	375	375	375	n/a	1,250	375	375	375	375	375
Liability - G/L & Excess (renews 1/15)		1,488	1,488	1,488	1,488	1,488	n/a	5,209	1,563	1,563	1,563	1,563	1,563
<b>Total Insurance</b>		<b>8,238</b>	<b>13,176</b>	<b>10,707</b>	<b>10,707</b>	<b>10,707</b>	<b>5,094</b>	<b>24,053</b>	<b>10,782</b>	<b>8,157</b>	<b>16,907</b>	<b>10,782</b>	<b>10,782</b>
Interest Expense (See prin & int Sch below)		-	-	-	-	-	-	-	-	-	-	-	-
Internet Service		172	172	172	172	172	172	172	172	172	172	172	172
Lease, Office Equipment		150	150	150	150	150	150	150	150	150	150	150	150
Licenses & Permits, Business		167	167	167	167	167	167	167	167	167	167	167	167
Management Fees-CRO		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Mileage Reimbursement-Auto (CRO)		600	600	600	600	600	600	600	600	600	600	600	600
Medical		50	50	50	50	50	50	50	50	50	50	50	50
Office Supplies & Expense		500	500	500	500	500	500	500	500	500	500	500	500
Payroll, Salaries & Wages		15,769	19,712	15,769	15,769	19,712	15,769	19,712	15,769	15,769	15,769	19,712	15,769
Payroll Taxes		1,206	1,508	1,206	1,206	1,508	1,206	1,508	1,206	1,206	1,995	1,508	1,206
Payroll Costs-Benefits, etc		-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery		50	50	50	50	50	50	50	50	50	50	50	50
Professional Fees - Tax, Eng, Environ		-	7,500	-	-	7,500	-	7,500	-	7,500	-	7,500	-
Reconciliation Discrepancies		-	-	-	-	-	-	-	-	-	-	-	-
Repair & Maint, Building		250	250	250	250	250	250	250	250	250	250	250	250
Security & Monitoring		150	150	150	150	150	150	150	150	150	150	150	150
Subscriptions/ Industry Publica		25	25	25	25	25	25	25	25	25	25	25	3,148
Taxes, Property		-	-	-	-	-	52,461	52,461	-	-	-	-	-
Taxes, State Margin / Franchise	1.0%	-	-	-	-	-	-	-	-	-	-	23,531	-
Telephone		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Utilities</b>													
Gas and Electric		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water and Sewer		350	350	350	350	350	350	350	350	350	350	350	350
<b>Total Utilities</b>		<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>
<b>Total S, G &amp; A Expense</b>		<b>48,753</b>	<b>65,434</b>	<b>52,185</b>	<b>51,221</b>	<b>62,965</b>	<b>99,033</b>	<b>121,272</b>	<b>58,796</b>	<b>49,635</b>	<b>58,209</b>	<b>86,571</b>	<b>55,383</b>
<b>Net Operating Cash Flow</b>		<b>159,852</b>	<b>133,646</b>	<b>156,419</b>	<b>154,053</b>	<b>109,553</b>	<b>92,510</b>	<b>60,746</b>	<b>132,747</b>	<b>169,371</b>	<b>159,521</b>	<b>112,100</b>	<b>163,623</b>



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CASH BASIS	Factors	Mo 33	Mo 34	Mo 35	Mo 36	Mo 37	Mo 38	Mo 39	Mo 40	Mo 41	Mo 42	Mo 43	Mo 44
		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Paydates / Mo >>>		4	5	4	4	5	4	5	4	4	4	5	4
Head Count >>>		13	13	13	13	13	13	13	13	13	13	13	13
<b>Bankruptcy Proceeding Payments:</b>													
BB&T Adequate Protection Pymt													
BB&T Adequate Protection Pymt-Add'l (paid monthly in arrear)													
Wells Fargo Adequate Prot Pymt													
PJ Trailers-Admin Claim (61,973, as corrected)													
Atty Fees in Ch.11-Admin Claim													
US Trustee Fees													
Other Admin Expenses													
CRO Fees in Ch.11-Admin Claim													
<b>Reorg Plan Payments - Prin &amp; Int (see Schedule):</b>													
BB&T Scheduled Secured Pymt		50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892
Additional BB&T Secured Payments		35,000	35,000	35,000	35,000	35,000	35,000	45,000	45,000	45,000	45,000	45,000	45,000
BB&T Unsecured Pymt		4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476
Wells Fargo Secured Pymt		9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135
Wells Fargo Unsecured Pymt		6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287
All Other Secured Pymts		14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805
All Other Unsecured Pymts		5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379
<b>Total Bankruptcy Proceeding Payments</b>		<b>125,973</b>	<b>125,973</b>	<b>125,973</b>	<b>125,973</b>	<b>125,973</b>	<b>125,973</b>	<b>135,973</b>	<b>135,973</b>	<b>135,973</b>	<b>135,973</b>	<b>135,973</b>	<b>135,973</b>
<i>MEMO: Cumulative Plan Pymts thru Dec-2021 &gt;&gt;&gt;</i>		<i>3,048,350</i>	<i>3,174,324</i>	<i>3,300,297</i>	<i>3,426,271</i>	<i>3,552,244</i>	<i>3,678,218</i>	<i>3,814,191</i>	<i>3,950,165</i>	<i>4,086,138</i>	<i>4,222,112</i>	<i>4,358,085</i>	<i>4,494,059</i>
<b>Other Cash Expenditures / (Receipts)</b>													
CapEx (see Equip Assumptions)													10,000
<b>Net Cash Flow (Deficit)</b>		<b>33,878</b>	<b>7,672</b>	<b>30,445</b>	<b>28,079</b>	<b>(16,420)</b>	<b>(33,464)</b>	<b>(75,227)</b>	<b>(3,226)</b>	<b>33,398</b>	<b>13,547</b>	<b>(23,873)</b>	<b>27,650</b>
<b>Cash Balance - Beginning</b>													
<b>Projected Ending Cash Balance</b>		<b>300,304</b>	<b>307,977</b>	<b>338,422</b>	<b>366,501</b>	<b>350,081</b>	<b>316,617</b>	<b>241,390</b>	<b>238,164</b>	<b>271,561</b>	<b>285,109</b>	<b>261,235</b>	<b>288,885</b>
<b>BB&amp;T TOTAL SECURED PAYOFF SCHEDULE</b>													
Scheduled Secured Payment		50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892	50,892
Additional Secured Pymnt on Principal		35,000	35,000	35,000	35,000	35,000	35,000	45,000	45,000	45,000	45,000	45,000	45,000
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>
Principal Portion-Total Secured Pymts		78,709	79,037	79,366	79,697	80,029	80,363	90,697	91,075	91,455	91,836	92,218	92,603
Interest Portion-Total BB&T Pymts		7,183	6,855	6,525	6,195	5,862	5,529	5,194	4,816	4,437	4,056	3,673	3,289
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>85,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>	<b>95,892</b>
BEGIN PRINCIPAL BALANCE-SECURED		1,723,809	1,645,100	1,566,063	1,486,696	1,406,999	1,326,970	1,246,608	1,155,910	1,064,835	973,380	881,544	789,326
ENDING PRINCIPAL BALANCE-SECURED		1,645,100	1,566,063	1,486,696	1,406,999	1,326,970	1,246,608	1,155,910	1,064,835	973,380	881,544	789,326	696,723

<b>rev. Nov 15, 2016</b>		Mo 45	Mo 46	Mo 47	Mo 48	Mo 49	Mo 50	Mo 51	Mo 52	Mo 53	Mo 54	Mo 55	Mo 56
<b>CASH BASIS</b>		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
	<b>Factors</b>												
	Paydates / Mo >>>	5	4	4	5	4	4	5	4	4	5	4	4
	Head Count >>>	13	13	13	13	13	13	13	13	13	13	13	13
<b>Revenue</b>													
	Sales - Scrap Metal	608,000	608,000	608,000	608,000	578,000	578,000	578,000	578,000	638,000	638,000	638,000	638,000
	Other Receipts (for MOR Purposes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		608,000	608,000	608,000	608,000	578,000	578,000	578,000	578,000	638,000	638,000	638,000	638,000
	<b>% Mat'l Purchases to Sales</b>	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
<b>Cost of Goods Sold</b>													
	Material Purchases	273,600	273,600	273,600	273,600	260,100	260,100	260,100	260,100	287,100	287,100	287,100	287,100
	Freight / Hauling-Equip, Other	1,295	1,295	1,295	1,295	1,231	1,231	1,231	1,231	1,359	1,359	1,359	1,359
	Freight & Hauling - Outbound	24,606	24,606	24,606	24,606	23,392	23,392	23,392	23,392	25,820	25,820	25,820	25,820
	Payroll-Salry & ST Wages (CoGS)	35,050	28,040	28,040	35,050	28,040	28,040	35,050	28,040	28,040	35,050	28,040	28,040
	Payroll-OT Wages (CoGS)	8,640	6,912	6,912	8,640	6,912	6,912	8,640	6,912	6,912	8,640	6,912	6,912
	Payroll Taxes (CoGS)	3,932	3,146	3,146	3,932	3,146	3,146	3,932	3,146	3,146	5,527	4,194	3,146
	Payroll Costs-Benefits (COGS)	-	-	-	-	-	-	-	-	-	-	-	-
	Boots	80	80	80	80	80	80	80	80	80	80	80	80
	Uniforms	50	50	50	50	50	50	50	50	50	50	50	50
	Equipment Rental-Short Term	500	500	500	500	500	500	500	500	500	500	500	500
<b>Equipment Repair &amp; Maint</b>													
	Oil & Hydraulic Fluid	1,597	1,597	1,597	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757
	Outside Services-R&M	13,824	13,824	13,824	16,589	16,589	16,589	16,589	16,589	16,589	16,589	16,589	16,589
	Parts & Supplies-R&M	1,597	1,597	1,597	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757	1,757
<b>Total Equipment Repair &amp; Maint</b>		17,018	17,018	17,018	20,103	20,103	20,103	20,103	20,103	20,103	20,103	20,103	20,103
<b>Fuel</b>													
	Diesel - Off-road (Dyed)	11,126	11,126	11,126	11,126	10,577	10,577	10,577	10,577	11,675	11,675	11,675	11,675
	Diesel - On-road	9,485	9,485	9,485	9,485	9,017	9,017	9,017	9,017	9,953	9,953	9,953	9,953
	Gasoline	500	500	500	500	500	500	500	500	500	500	500	500
	Propane - Equipment	150	150	150	150	150	150	150	150	150	150	150	150
<b>Total Fuel</b>		21,261	21,261	21,261	21,261	20,244	20,244	20,244	20,244	22,278	22,278	22,278	22,278
	Lease - Truck/Tractor	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
	Licenses, Permits, Tolls	200	200	200	200	200	200	200	200	200	200	200	200
<b>Offsite Job Cost</b>													
	Shop Bldg / Yard-Repair & Maint	500	500	500	500	10,000	500	500	500	500	500	10,000	500
	Supplies-Warehouse / Yard	2,795	2,795	2,795	3,075	3,075	3,075	3,075	3,075	3,075	3,075	3,075	3,075
<b>Truck (Hvy)/ Trlr Repair&amp; Maint</b>													
	Outside Repair Truck / Trailer	3,346	3,346	3,346	3,848	3,848	3,848	3,848	3,848	3,848	3,848	3,848	3,848
	Parts & Supplies-Trk / Trlr R&M	345	345	345	397	397	397	397	397	397	397	397	397
	Tires & Flat Repair	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
<b>Total Truck (Hvy)/ Trlr Repair&amp; Maint</b>		5,491	5,491	5,491	6,045	6,045	6,045	6,045	6,045	6,045	6,045	6,045	6,045
	Waste Disposal Services	500	500	500	500	500	500	500	500	500	500	500	500
	Welding Supplies	400	400	400	400	400	400	400	400	400	400	400	400
<b>Total COGS</b>		398,519	388,994	388,994	402,436	386,616	377,116	386,641	377,116	408,706	419,826	419,255	408,706
<b>Gross Profit</b>		209,481	219,006	219,006	205,564	191,384	200,884	191,359	200,884	229,294	218,174	218,745	229,294
		34.5%	36.0%	36.0%	33.8%	33.1%	34.8%	33.1%	34.8%	35.9%	34.2%	34.3%	35.9%
<b>S,G &amp; A Expenses</b>		9,300											
	Bank Service Charges	200	200	200	200	200	200	200	200	200	200	200	200
	Computer Service & Maint	150	150	150	150	150	150	150	150	150	150	150	150
	Computer System-Scrap Purchases	400	400	1,364	400	400	1,364	400	400	1,364	400	400	1,364
	Copier / Printer Svc & Maint	75	75	75	75	75	75	75	75	75	75	75	75
	Employment Services	50	50	50	50	50	50	50	50	50	50	50	50

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CASH BASIS	Factors	Mo 45	Mo 46	Mo 47	Mo 48	Mo 49	Mo 50	Mo 51	Mo 52	Mo 53	Mo 54	Mo 55	Mo 56
		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Paydates / Mo >>>		5	4	4	5	4	4	5	4	4	5	4	4
Head Count >>>		13	13	13	13	13	13	13	13	13	13	13	13
<b>Insurance</b>													
Equipment (renews 1/15)		3,750	3,750	3,750	3,750	3,750	n/a	12,500	3,750	3,750	3,750	3,750	3,750
Trucks & Auto (renews 4/14)		2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	n/a	8,750	2,625	2,625
Workman's Comp (renews 8/6)		n/a	4,938	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Property (renews 2/4)		375	375	375	375	375	n/a	1,250	375	375	375	375	375
Liability - G/L & Excess (renews 1/15)		1,563	1,563	1,563	1,563	1,563	n/a	5,470	1,641	1,641	1,641	1,641	1,641
<b>Total Insurance</b>		<b>8,313</b>	<b>13,250</b>	<b>10,782</b>	<b>10,782</b>	<b>10,782</b>	<b>5,094</b>	<b>24,314</b>	<b>10,860</b>	<b>8,235</b>	<b>16,985</b>	<b>10,860</b>	<b>10,860</b>
Interest Expense (See prin & int Sch below)		-	-	-	-	-	-	-	-	-	-	-	-
Internet Service		172	172	172	172	172	172	172	172	172	172	172	172
Lease, Office Equipment		150	150	150	150	150	150	150	150	150	150	150	150
Licenses & Permits, Business		167	167	167	167	167	167	167	167	167	167	167	167
Management Fees-CRO		18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Mileage Reimbursement-Auto (CRO)		600	600	600	600	600	600	600	600	600	600	600	600
Medical		50	50	50	50	50	50	50	50	50	50	50	50
Office Supplies & Expense		500	500	500	500	500	500	500	500	500	500	500	500
Payroll, Salaries & Wages		19,712	15,769	15,769	19,712	15,769	15,769	19,712	15,769	15,769	19,712	15,769	15,769
Payroll Taxes		1,508	1,206	1,206	1,508	1,206	1,206	1,508	1,206	1,206	2,494	1,206	1,206
Payroll Costs-Benefits, etc		-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery		50	50	50	50	50	50	50	50	50	50	50	50
Professional Fees - Tax, Eng, Environ		-	7,500	-	-	7,500	-	-	7,500	-	-	-	-
Reconciliation Discrepancies		-	-	-	-	-	-	-	-	-	-	-	-
Repair & Maint, Building		250	250	250	250	250	250	250	250	250	250	250	250
Security & Monitoring		150	150	150	150	150	150	150	150	150	150	150	150
Subscriptions/ Industry Publica		25	25	25	25	25	25	25	25	25	25	25	3,463
Taxes, Property		-	-	-	-	-	55,084	55,084	-	-	-	-	-
Taxes, State Margin / Franchise	1.0%	-	-	-	-	-	-	-	-	-	-	24,733	-
Telephone		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Utilities</b>													
Gas and Electric		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water and Sewer		350	350	350	350	350	350	350	350	350	350	350	350
<b>Total Utilities</b>		<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>
<b>Total S, G &amp; A Expense</b>		<b>53,071</b>	<b>61,265</b>	<b>52,260</b>	<b>55,540</b>	<b>58,796</b>	<b>101,656</b>	<b>124,156</b>	<b>58,874</b>	<b>49,713</b>	<b>62,728</b>	<b>76,107</b>	<b>55,776</b>
<b>Net Operating Cash Flow</b>		<b>156,411</b>	<b>157,741</b>	<b>166,746</b>	<b>150,024</b>	<b>132,588</b>	<b>99,227</b>	<b>67,203</b>	<b>142,010</b>	<b>179,581</b>	<b>155,446</b>	<b>142,638</b>	<b>173,518</b>

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CASH BASIS	Factors	Mo 45	Mo 46	Mo 47	Mo 48	Mo 49	Mo 50	Mo 51	Mo 52	Mo 53	Mo 54	Mo 55	Mo 56
		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Paydates / Mo >>>		5	4	4	5	4	4	5	4	4	5	4	4
Head Count >>>		13	13	13	13	13	13	13	13	13	13	13	13
<b>Bankruptcy Proceeding Payments:</b>													
BB&T Adequate Protection Pymt													
BB&T Adequate Protection Pymt-Add'l (paid monthly in arrear)													
Wells Fargo Adequate Prot Pymt													
PJ Trailers-Admin Claim (61,973, as corrected)													
Atty Fees in Ch.11-Admin Claim													
US Trustee Fees													
Other Admin Expenses													
CRO Fees in Ch.11-Admin Claim													
<b>Reorg Plan Payments - Prin &amp; Int (see Schedule):</b>													
BB&T Scheduled Secured Pymt		50,892	50,892	50,892	50,892	50,892	50,892	50,892	-	-	-	-	-
Additional BB&T Secured Payments		50,000	50,000	50,000	50,000	50,000	50,000	52,169	-	-	-	-	-
BB&T Unsecured Pymt		4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476
Wells Fargo Secured Pymt		9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135
Wells Fargo Unsecured Pymt		6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287
All Other Secured Pymts		14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805	14,805
All Other Unsecured Pymts		5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379
<b>Total Bankruptcy Proceeding Payments</b>		<b>140,973</b>	<b>140,973</b>	<b>140,973</b>	<b>140,973</b>	<b>140,973</b>	<b>140,973</b>	<b>143,143</b>	<b>40,082</b>	<b>40,082</b>	<b>40,082</b>	<b>40,082</b>	<b>40,082</b>
<i>MEMO: Cumulative Plan Pymts thru Dec-2021 &gt;&gt;&gt;</i>		<i>4,635,032</i>	<i>4,776,006</i>	<i>4,916,979</i>	<i>5,057,953</i>	<i>5,198,926</i>	<i>5,339,900</i>	<i>5,483,042</i>	<i>5,523,124</i>	<i>5,563,206</i>	<i>5,603,288</i>	<i>5,643,370</i>	<i>5,683,452</i>
<b>Other Cash Expenditures / (Receipts)</b>													
CapEx (see Equip Assumptions)													25,000
<b>Net Cash Flow (Deficit)</b>		<b>15,437</b>	<b>16,768</b>	<b>25,773</b>	<b>9,051</b>	<b>(8,386)</b>	<b>(41,746)</b>	<b>(75,939)</b>	<b>101,928</b>	<b>139,499</b>	<b>90,364</b>	<b>102,556</b>	<b>133,436</b>
<b>Cash Balance - Beginning</b>													
<b>Projected Ending Cash Balance</b>		<b>304,322</b>	<b>321,090</b>	<b>346,863</b>	<b>355,913</b>	<b>347,528</b>	<b>305,782</b>	<b>229,842</b>	<b>331,770</b>	<b>471,268</b>	<b>561,632</b>	<b>664,189</b>	<b>797,625</b>
<b>BB&amp;T TOTAL SECURED PAYOFF SCHEDULE</b>													
Scheduled Secured Payment		50,892	50,892	50,892	50,892	50,892	50,892	50,892	-	-	-	-	-
Additional Secured Pymnt on Principal		50,000	50,000	50,000	50,000	50,000	50,000	52,169	-	-	-	-	-
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>103,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Principal Portion-Total Secured Pymts		97,989	98,397	98,807	99,219	99,632	100,047	102,633	-	-	-	-	-
Interest Portion-Total BB&T Pymts		2,903	2,495	2,085	1,673	1,260	845	428	-	-	-	-	-
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>100,892</b>	<b>103,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
BEGIN PRINCIPAL BALANCE-SECURED		696,723	598,734	500,338	401,531	302,312	202,680	102,633	(0)	(0)	(0)	(0)	(0)
ENDING PRINCIPAL BALANCE-SECURED		598,734	500,338	401,531	302,312	202,680	102,633	(0)	(0)	(0)	(0)	(0)	(0)

<b>rev. Nov 15, 2016</b>		Mo 57	Mo 58	Mo 59	Mo 60	Mo 61	Mo 62	Totals Nov-16	Total Ch. 11 Plan Payments
<b>CASH BASIS</b>		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	to Dec-21	Beyond Dec-21
<b>Factors</b>									2017 - 2024
	Paydates / Mo >>>	5	4	4	5	4	5		
	Head Count >>>	13	13	13	13	13	13		
<b>Revenue</b>									
	Sales - Scrap Metal	638,000	638,000	638,000	638,000	606,000	606,000	34,920,000	
	Other Receipts (for MOR Purposes)	-	-	-	-	-	-	-	
<b>Total Revenue</b>		<b>638,000</b>	<b>638,000</b>	<b>638,000</b>	<b>638,000</b>	<b>606,000</b>	<b>606,000</b>	<b>34,920,000</b>	
	<i>% Mat'l Purchases to Sales</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.0%</i>	<i>45.1%</i>	
<b>Cost of Goods Sold</b>									
	Material Purchases	45.0% 287,100	287,100	287,100	287,100	272,700	272,700	15,734,000	
	Freight / Hauling-Equip, Other	0.21% 1,359	1,359	1,359	1,359	1,291	1,291	79,315	
	Freight & Hauling - Outbound	4.05% 25,820	25,820	25,820	25,820	24,525	24,525	1,413,212	
	Payroll-Salry & ST Wages (CoGS)	35,050	28,040	28,040	35,050	28,040	35,050	1,888,620	
	Payroll-OT Wages (CoGS)	8,640	6,912	6,912	8,640	6,912	8,640	462,996	
	Payroll Taxes (CoGS)	3,932	3,146	3,146	3,932	3,146	3,932	223,464	
	Payroll Costs-Benefits (COGS)	-	-	-	-	-	-	-	
	Boots	80	80	80	80	80	80	4,960	
	Uniforms	50	50	50	50	50	50	2,850	
	Equipment Rental-Short Term	500	500	500	500	500	500	28,500	
	Equipment Repair & Maint							-	
	Oil & Hydraulic Fluid	1,757	1,757	1,757	1,757	1,757	1,757	91,984	
	Outside Services-R&M	16,589	16,589	16,589	19,907	19,907	19,907	772,113	
	Parts & Supplies-R&M	1,757	1,757	1,757	1,933	1,933	1,933	92,511	
<b>Total Equipment Repair &amp; Maint</b>		<b>20,103</b>	<b>20,103</b>	<b>20,103</b>	<b>23,596</b>	<b>23,596</b>	<b>23,596</b>	<b>956,609</b>	
<b>Fuel</b>									
	Diesel - Off-road (Dyed)	1.83% 11,675	11,675	11,675	11,675	11,090	11,090	636,566	
	Diesel - On-road	1.56% 9,953	9,953	9,953	9,953	9,454	9,454	542,712	
	Gasoline	500	500	500	500	500	500	33,800	
	Propane - Equipment	150	150	150	150	150	150	9,300	
<b>Total Fuel</b>		<b>22,278</b>	<b>22,278</b>	<b>22,278</b>	<b>22,278</b>	<b>21,193</b>	<b>21,193</b>	<b>1,222,378</b>	
	Lease - Truck/Tractor	2,600	2,600	2,600	2,600	2,600	2,600	161,200	
	Licenses, Permits, Tolls	200	200	200	200	200	200	12,400	
	Offsite Job Cost							9,500	
	Shop Bldg / Yard-Repair & Maint	500	500	500	500	10,000	500	134,250	
	Supplies-Warehouse / Yard	3,075	3,075	3,075	3,075	3,075	3,075	160,972	
	Truck (Hvy)/ Trlr Repair& Maint							-	
	Outside Repair Truck / Trailer	3,848	3,848	3,848	4,425	4,425	4,425	189,074	
	Parts & Supplies-Trk / Trlr R&M	397	397	397	456	456	456	20,770	
	Tires & Flat Repair	1,800	1,800	1,800	1,800	1,800	1,800	110,000	
<b>Total Truck (Hvy)/ Trlr Repair&amp; Maint</b>		<b>6,045</b>	<b>6,045</b>	<b>6,045</b>	<b>6,681</b>	<b>6,681</b>	<b>6,681</b>	<b>319,844</b>	
	Waste Disposal Services	500	500	500	500	500	500	31,000	
	Welding Supplies	400	400	400	400	400	400	24,250	
<b>Total COGS</b>		<b>418,231</b>	<b>408,706</b>	<b>408,706</b>	<b>422,361</b>	<b>405,489</b>	<b>405,513</b>	<b>22,870,320</b>	
<b>Gross Profit</b>		<b>219,769</b>	<b>229,294</b>	<b>229,294</b>	<b>215,639</b>	<b>200,511</b>	<b>200,487</b>	<b>12,049,680</b>	
		<i>34.4%</i>	<i>35.9%</i>	<i>35.9%</i>	<i>33.8%</i>	<i>33.1%</i>	<i>33.1%</i>	<i>34.5%</i>	
<b>S,G &amp; A Expenses</b>		<b>9,300</b>							
	Bank Service Charges	200	200	200	200	200	200	19,700	
	Computer Service & Maint	150	150	150	150	150	150	9,300	
	Computer System-Scrap Purchases	400	400	1,364	400	400	1,364	45,044	
	Copier / Printer Svc & Maint	75	75	75	75	75	75	4,650	
	Employment Services	50	50	50	50	50	50	3,100	

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CASH BASIS	Factors	Mo 57	Mo 58	Mo 59	Mo 60	Mo 61	Mo 62	Totals Nov-16	Total Ch. 11 Plan Payments	
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	to Dec-21	Beyond Dec-21	2017 - 2024
Paydates / Mo >>>		5	4	4	5	4	5			
Head Count >>>		13	13	13	13	13	13			
<b>Insurance</b>										
Equipment (renews 1/15)		3,750	3,750	3,750	3,750	3,750	n/a	256,002		
Trucks & Auto (renews 4/14)		2,625	2,625	2,625	2,625	2,625	2,625	180,568		
Workman's Comp (renews 8/6)		n/a	4,938	2,469	2,469	2,469	2,469	151,154		
Property (renews 2/4)		375	375	375	375	375	n/a	25,000		
Liability - G/L & Excess (renews 1/15)		1,641	1,641	1,641	1,641	1,641	n/a	99,461		
<b>Total Insurance</b>		<b>8,391</b>	<b>13,329</b>	<b>10,860</b>	<b>10,860</b>	<b>10,860</b>	<b>5,094</b>	<b>712,186</b>		
Interest Expense (See prin & int Sch below)		-	-	-	-	-	-			
Internet Service		172	172	172	172	172	172	10,664		
Lease, Office Equipment		150	150	150	150	150	150	9,300		
Licenses & Permits, Business		167	167	167	167	167	167	10,333		
Management Fees-CRO		18,000	18,000	18,000	18,000	18,000	18,000	1,072,000		
Mileage Reimbursement-Auto (CRO)		600	600	600	600	600	600	42,000		
Medical		50	50	50	50	50	50	3,100		
Office Supplies & Expense		500	500	500	500	500	500	31,000		
Payroll, Salaries & Wages		19,712	15,769	15,769	19,712	15,769	19,712	1,064,423		
Payroll Taxes		1,508	1,206	1,206	1,508	1,206	1,508	85,568		
Payroll Costs-Benefits, etc		-	-	-	-	-	-			
Postage and Delivery		50	50	50	50	50	50	3,100		
Professional Fees - Tax, Eng, Environ								127,500		
Reconciliation Discrepancies		-	-	-	-	-	-			
Repair & Maint, Building		250	250	250	250	250	250	15,500		
Security & Monitoring		150	150	150	150	150	150	9,300		
Subscriptions/ Industry Publica		25	25	25	25	25	25	15,864		
Taxes, Property							57,838	468,022		
Taxes, State Margin / Franchise	1.0%	-	-	-	-	-	-	91,927		
Telephone		1,200	1,200	1,200	1,200	1,200	1,200	74,400		
Utilities										
Gas and Electric		1,000	1,000	1,000	1,000	1,000	1,000	62,000		
Water and Sewer		350	350	350	350	350	350	21,700		
<b>Total Utilities</b>		<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>83,700</b>		
<b>Total S, G &amp; A Expense</b>		<b>53,149</b>	<b>53,843</b>	<b>52,338</b>	<b>55,618</b>	<b>51,374</b>	<b>108,654</b>	<b>4,011,680</b>		
<b>Net Operating Cash Flow</b>		<b>166,620</b>	<b>175,451</b>	<b>176,956</b>	<b>160,021</b>	<b>149,137</b>	<b>91,833</b>	<b>8,038,000</b>		



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CASH BASIS	Factors	Mo 57	Mo 58	Mo 59	Mo 60	Mo 61	Mo 62	Totals Nov-16	Total Ch. 11 Plan Payments	
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	to Dec-21	Beyond Dec-21	2017 - 2024
Paydates / Mo >>>		5	4	4	5	4	5			
Head Count >>>		13	13	13	13	13	13			
Bankruptcy Proceeding Payments:										Plan Pymts Beyond Dec-2021
BB&T Adequate Protection Pymt								135,000		
BB&T Adequate Protection Pymt-Add'l (paid monthly in arrear)								33,599		
Wells Fargo Adequate Prot Pymt								45,000		
PJ Trailers-Admin Claim (61,973, as corrected)								46,973		
Atty Fees in Ch.11-Admin Claim								23,000		
US Trustee Fees								19,500		
Other Admin Expenses								-		
CRO Fees in Ch.11-Admin Claim								55,000		
Reorg Plan Payments - Prin & Int (see Schedule):										
BB&T Scheduled Secured Pymt		-	-	-	-	-	-	2,442,796	-	2,442,796
Additional BB&T Secured Payments		-	-	-	-	-	-	1,102,169	-	1,102,169
BB&T Unsecured Pymt		4,476	4,476	4,476	4,476	4,476	4,476	264,062	4,476	268,537
Wells Fargo Secured Pymt		9,135	9,135	9,135	9,135	9,135	9,135	538,950	228,369	767,319
Wells Fargo Unsecured Pymt		6,287	6,287	6,287	6,287	6,287	6,287	370,950	6,287	377,237
All Other Secured Pymts		14,805	14,805	14,805	14,805	14,805	14,805	887,631	14,805	902,436
All Other Unsecured Pymts		5,379	5,379	5,379	5,379	5,379	5,379	317,385	5,379	322,765
Total Bankruptcy Proceeding Payments		40,082	40,082	40,082	40,082	40,082	40,082	6,282,015	259,316	6,183,259
MEMO: Cumulative Plan Pymts thru Dec-2021 >>>		5,723,534	5,763,616	5,803,698	5,843,780	5,883,861	5,923,943		6,183,259	T
Other Cash Expenditures / (Receipts)										
CapEx (see Equip Assumptions)								296,500		
<b>Net Cash Flow (Deficit)</b>		<b>126,538</b>	<b>135,369</b>	<b>136,874</b>	<b>119,939</b>	<b>109,055</b>	<b>51,751</b>	<b>1,459,485</b>		
Cash Balance - Beginning										
<b>Projected Ending Cash Balance</b>		<b>924,163</b>	<b>1,059,532</b>	<b>1,196,405</b>	<b>1,316,344</b>	<b>1,425,400</b>	<b>1,477,151</b>	<b>1,477,151</b>	T	
<b>BB&amp;T TOTAL SECURED PAYOFF SCHEDULE</b>										
Scheduled Secured Payment		-	-	-	-	-	-	2,442,796		
Additional Secured Pymnt on Principal		-	-	-	-	-	-	1,102,169		
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,544,965</b>	T	
Principal Portion-Total Secured Pymts		-	-	-	-	-	-	3,160,000		
Interest Portion-Total BB&T Pymts		-	-	-	-	-	-	384,965		
<b>TOTAL BB&amp;T SECURED PAYMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,544,965</b>	T	
BEGIN PRINCIPAL BALANCE-SECURED		(0)	(0)	(0)	(0)	(0)	(0)			
ENDING PRINCIPAL BALANCE-SECURED		(0)	(0)	(0)	(0)	(0)	(0)			