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ATTORNEYS FOR DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION

IN RE:

DIAMOND TANK RENTAL, INC	§	CASE NO.16 41547-11
	§	(Chapter 11)
DEBTOR.	§	(Jointly Administered)

**AMENDED JOINT DISCLOSURE STATEMENT OF DIAMOND TANK RENTAL, INC., DIAMOND T. INDUSTRIES, LLC AND TNT FORKLIFTS, INC. PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DATED OCTOBER 20, 2016**

TO: ALL PARTIES-IN-INTEREST, THEIR ATTORNEYS OF RECORD AND TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

I  
INTRODUCTION

Identity of the Debtors

Diamond Tank Rentals, Inc., (DTR”), Diamond T. Industries, LLC (“Diamond”) and TNT Forklifts, Inc., (“TNT”) filed their voluntary Chapter 11 cases in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division ("Court") on April 15, 2016. The Debtors operate companies providing equipment and services to the oil field industry in and around Odessa, Texas. The Debtors propose to restructure its current indebtedness and continue its operations to provide a dividend to the creditors of Debtors.

### **Purpose of Disclosure Statement; Source of Information**

Debtors, DTR, Diamond and TNT (collectively hereinafter “Debtors”) submit this Disclosure Statement (“Disclosure Statement”) pursuant to Section 1125 of the Code to all known Claimants of Debtors for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of Debtors in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtors’ Plan of Reorganization dated September 20, 2016 (“Plan”). This Disclosure Statement describes the operations of the Debtors contemplated under the Plan. You are urged to study the Plan in full and to consult with your counsel about the Plan and its impact upon your legal rights. Any accounting information contained herein has been provided by the Debtors.

### **Explanation of Chapter 11**

Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of 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 Statement is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

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

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

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

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

Confirmation of the plan discharges the debtor from all 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 debtors and all claimants, equity interest holders and other parties-in-interest, regardless of whether or not they have accepted the plan.

### **Voting Procedures**

**Unimpaired Class.** Claimants in Classes 1 and 10 are not impaired under the Plan. Such Classes are deemed to have accepted the Plan.

**Impaired Classes.** The Class 2 through 9 Claimants are impaired as defined by Section 1124 of the Code. The Debtor is seeking the acceptance of the Plan by Claimants in Classes 2 through 9. Each holder of an Allowed Claim in Classes 2 through 9 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below.

For all Classes, the ballot must be returned to Eric A. Liepins, 12770 Coit Road, Suite 1100, Dallas, Texas 75251. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot.

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

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

### Cramdown

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

## II REPRESENTATIONS

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

[This Disclosure Statement is provided pursuant to Section 1125 of the Code to all of the Debtors' 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 Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan. A copy of the Plan is attached hereto as Exhibit "A".]

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

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

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

**ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT**

**GOVERNMENTAL AUTHORITY 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 STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

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

**THE DEBTORS BELIEVE THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTORS' ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTORS URGE THAT CLAIMANTS VOTE FOR THE PLAN.**

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

### **III**

#### **FINANCIAL PICTURE OF THE DEBTORS**

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

Diamond Tank Rental, Inc. ("DTR") was founded in 1964 by Marvin Turner, father to Bobby & Roger Turner. Over the past 50 years, the Company has established itself as the premier frac tank rental and oilfield services transportation company within the Permian Basin. Headquartered in Odessa, TX, DTR also operates a satellite office out of Bridgeport, Texas which provides the Company with access to jobs in the Barnett Shale. The Debtors currently have

65 acres of land, with an office and a shop to maintain the equipment and vehicles, a 25 acre ranch and house. The Debtors also own over 57 trucks including Heavy Haul, Over The Road (OTR) Highway Trucks, Winch Trucks, Gin Pole Trucks and Hotshots, along with a wide variety of trailers available to accommodate the diversified needs of customers, including Floats, Drop Decks, Double Drops, and Rolling Tailboards. The Debtors also own cranes, forklifts, road construction equipment, frac tanks, pipe racks and 155 pieces of other rental equipment.

In 2014 the Debtor has revenues of \$34,800,000. In 2015 those revenues fell to \$26,000,000 and the Debtor estimates the total revenues for 2016 will be approximately \$11,000,000.

The drop in oil prices significantly impacted the companies' business operations. This coupled by the failure of other companies in the region that owed Debtors money for services rendered and the pressure imposed by the bank to repay loans under unacceptable terms based on current economic conditions created the need to seek relief from the Bankruptcy Court.

### **Post Petition Operations**

Since the filing of the bankruptcy, the Debtors have worked with its primary secured lender, to continue its operations and propose this Plan. The Debtors have filed motions to sell certain real estate and possibly to sell excess equipment. The Debtors have operated within their proposed budget and are current on their post-petition obligations.

The Debtors' revenues have steadily increased since the filing of the Bankruptcy. In May 2016, the Debtor has revenues of \$607,000, in June 2016 of \$714,000, in July 2016 of \$847,000 and in August of 2016 of \$1,104,000. During the bankruptcy the Debtor has been making payments of \$50,000 per month to its secured lender and paying additional payments of approximately \$5,000 per month to other secured creditors. At the start of September 2016, the Debtor had more than \$100,000 available cash on hand to pay any Allowed Administrative Claims.

The Debtor's Monthly Operating Report for the Month of September 2016 is attached hereto as Exhibit "B". Creditors are encouraged to review this report and all other filed by the Debtor.

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

The Debtors' current business operations consist of the income derived from its various services to the oil industry. A projection of income and expenses for the next five (5) years is attached hereto as Exhibit "C". The projections were prepared by the Debtors in-house accounting department and were based upon the Debtor's current house sales and current work the Debtor has been told it can expect.

### **Post-Confirmation Management**

Upon Confirmation of the Debtors' Plan, current ownership will maintain its status.

IV.

**ANALYSIS AND VALUATION OF PROPERTY**

The Debtors own real property and equipment. The value of the assets of the Debtors, if liquidated, might not cover the secured creditors. The Debtors believes there is very little likelihood of any dividend to the unsecured creditors in the event of a forced liquidation of the assets of the Debtor.

A liquidation analysis of the Debtors assets is attached hereto as **Exhibit "D"**.

V.

**SUMMARY OF PLAN OF REORGANIZATION**

The Debtors will continue in business. The Debtors' Plan will break the existing claims into 10 categories of Claimants. These claimants will receive cash payments over a period of time beginning on the Effective Date.

**Satisfaction of Claims and Debts:** The treatment of and consideration to be received by holders of Allowed Claims or interests pursuant to this Articles 5 and 6 of this Plan shall be the sole an exclusive means for full settlement, release and discharge of their respective Claims, Debts, or interests. On the Confirmation Date, the Reorganized Debtors shall assume all duties, responsibilities and obligations for the implementation of this Plan. Any class of Claimants failing to vote on this Plan shall be deemed to have accepted this Plan in its present form or as modified or amended as permitted herein.

**Class 1 Claimants (Allowed Administrative Claims of Professionals , Richie Bros. and US Trustee)** are unimpaired and will be paid in cash and in full on the Effective Date of this Plan. Professional fees are subject to approval by the Court as reasonable. This case will not be closed until all allowed Administrative Claims are paid in full. Ritchie Bros. has received an Order allowing an Administrative Claim in the amount of \$12,228. The Debtor has filed a Motion to Reconsider this amount, however, in the event the Ritchie Bros claim has not been set aside, the Debtor will pay this Administrative Claim in full prior to the Effective Date. No Administrative Claim will be paid until the Motion to Reconsider is decided by final Order. Class 1 Creditor Allowed Claims are estimated as of the date of the filing of this Plan to not exceed the amount of \$35,000 including Section 1930 fees. Section 1930 fees shall be paid in full prior to the Effective Date. The Debtor is required to continue to make quarterly payments to the U.S. Trustee and shall be required to file post-confirmation operating reports until this case is closed. The Class 1 Claimants are not impaired under this Plan.

**Class 2 Claimants (Allowed Priority Tax Claims)** are impaired and shall be satisfied as follows: The Allowed Priority Amount of all Tax Creditor Claims shall be paid out of the revenue

from the continued operations of the business or upon sale of assets of the Debtors. Ector County, Wise CAD, Wise County, Midland County and Ector CAD (collectively hereinafter "Ad Valorem Taxes") for unpaid real and business property taxes shall be treated as secured claims. The Debtor believes the tax liability for Ad Valorem Taxes for unpaid Ad Valorem taxes to Ector CAD to be \$47,241.53, to Wise CAD to be \$5,928.56, to Wise County to be \$2,279.01 and to Midland County to be \$448.30. The Ad Valorem Taxes will receive post-petition pre-confirmation interest at the state statutory rate of 12% per annum and post-confirmation interest at the rate of 12% per annum. The Debtors will pay the Ad Valorem Taxes over a period of 60 months from the Petition Date, commencing on the Effective Date. The Debtors may pre-pay these taxes at any time without penalty. The Taxing Authorities shall retain their statutory senior lien position regardless of other Plan provisions, if any, to secure their Tax Claims until paid in full as called for by this Plan.

Class 2 Claimants are impaired under this Plan

**Class 3 Claimants (Allowed Secured Claim of Security Bank)** are impaired and shall be satisfied as follows: the Debtors executed<sup>1</sup> that certain Promissory Note dated April 15, 2014 in the original principal amount of \$2,367,430.63 in favor of Security Bank ("Note #1"). Debtors executed that certain Promissory Note dated May 11, 2007 in the original principal amount of \$340,000 in favor of Security Bank ("Note #2"). Debtors executed that certain Promissory Note dated September 18, 2012 in the original principal amount of \$2,064,000 in favor of Security Bank ("Note #3"). Debtors executed that certain Promissory Note dated October 17, 2011 in the original principal amount of \$520,000 in favor of Security Bank ("Note #4"). Debtors executed that certain Promissory Note dated March 9, 2015 in the original principal amount of \$6,508,899.04 in favor of Security Bank ("Note #5"). The Debtors have executed Security Agreements, Deed of Trust and Financing Statements in connections with the above described Notes. Security Bank has properly perfected its Security Interests in the assets of the Debtors. As of the Petition Date the balances on the Notes were believed to be: Note #1, \$1,818,386.07; Note #2, \$319,142.38; Note #3, \$1,728,052.97; Note #4, \$187,345.80; and Note #5, \$6,027,002.10. After the bankruptcy was filed, Security Bank received a payment on Note #5 in the amount of \$382,844.84 making the balance on Note 5 \$5,644,157.26. The Debtors shall repay the Security Notes as follows:

Note #1 shall be restructured and the Debtors shall pay the amount of the Note #1 indebtedness in full based upon a 120 month amortization. The Debtor shall make 47 equal monthly payments with interest at the rate of 5.5% per annum commencing on the Effective Date, and one payment on the 48<sup>th</sup> month following the Effective Date of all outstanding principal and interest. Based upon the Proof of Claim filed by Security Bank on Note #1 the monthly payment will be approximately \$19,739.70.

Note #2 shall be restructured and the Debtors shall pay the amount of the Note #2 indebtedness in full on or before the Effective Date through the sale of the real property which secures Note #2.

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<sup>1</sup>The Debtor Diamond Tank Rental, Inc., executed three notes with Security Bank. The Debtor T-N-T Forklifts, Inc., executed two notes with Security Bank. All Debtors guaranteed all notes with Security Bank.



Note #3 shall be restructured and the Debtors shall pay the amount of the Note #3 indebtedness in full based upon a 300 month amortization. The Debtor shall make 47 equal monthly payments with interest at the rate of 5.9% per annum commencing on the Effective Date, and one payment on the 48<sup>th</sup> month following the Effective Date of all outstanding principal and interest. Based upon the Proof of Claim filed by Security Bank on Note #3 the monthly payment will be approximately \$11,029.74.

Note #4 shall be restructured and the Debtors shall pay the amount of the Note #4 indebtedness in full based upon a 300 month amortization. The Debtor shall make 47 equal monthly payments with interest at the rate of 5.66% per annum commencing on the Effective Date, and one payment on the 48<sup>th</sup> month following the Effective Date of all outstanding principal and interest. Based upon the Proof of Claim filed by Security Bank of Note #4 the monthly payment will be approximately \$1,169.75.

Note #5 shall be restructured and the Debtors shall pay the amount of the Note #5 indebtedness in full based upon a 120 month amortization. The Debtor shall make 47 equal monthly payments with interest at the rate of 5.04% per annum commencing on the Effective Date, and one payment on the 48<sup>th</sup> month following the Effective Date of all outstanding principal and interest. Based upon the Proof of Claim filed by Security Bank on Note #5 and the payments received post-petition, the monthly payment will be approximately \$59,981.02.

Security Bank shall maintain its current liens on the property of the Debtors' except as to the collateral securing Note #2. Upon the sale of the real property securing Note #2, Security Bank upon payment of the amount outstanding on Note #2, shall consent to the disposition of its collateral with respect to the real property secured by Note #2. The Debtor may also sell any of the Collateral securing Note #5 pursuant to that certain agreement with Cannon Sales. All net proceeds from any such sales shall be applied against the principal indebtedness of Note #5 and Note #5 shall then be re-amortized over the remaining terms of the note based upon the new principal balance. To the extent so requested and in accordance with the provisions of this Plan, the Debtors shall execute new or modified loan documents prepared by Security Bank.

The Class 3 Claimant is impaired under this Plan.

**Class 4 Claimant (Allowed Claims of Caterpillar Financial Services)** are impaired and shall be satisfied as follows: On or about November 16, 2012 Debtor, TNT executed that certain Installment Sales Contract with Caterpillar Financial Services ("Caterpillar") for the purchase of that certain Caterpillar D6TXL w/laser kit s/n GMKO1110 in the original amount of \$414,249.45 ("Cat. Note # 1"). Caterpillar validly perfected its liens on the property set forth in Cat. Note #1. On or about April 18, 2013 Debtor Diamond executed that certain Installment Sales Contract for the Purchase of that certain Caterpillar CS56B Vibratory Single Drum Compactor s/n L8H00125; Caterpillar 140MZ Motor Grader s/n M9D01310, and Caterpillar 336 EL Large Hydraulic Excavator s/n B2Y02465 in the original amount of \$750,512.66 ("Cat. Note #2"). Caterpillar validly perfected its liens on the property set forth in Cat. Note #2. Pursuant to the Proofs of claim filed by Caterpillar the balance of the Cat. Note #1 on the Petition Date was \$83,686.82 and the balance on the Cat. Note #2 was \$249,710.60. Pursuant to that certain Agreed Orders entered July 12, 2016 and July 14, 2016 on Motions for Relief from Automatic Stay the Debtors surrendered the Caterpillar 336 EL Large Hydraulic Excavator s/n B2Y02465 and the Caterpillar D6TXL w/laser kit s/n GMKO1110 to

Caterpillar to be sold by Caterpillar and the proceeds of said sale to be applied against the total indebtedness owed to Caterpillar. Based upon the information provided by Caterpillar the value of the Caterpillar D6TXL w/laser kit s/n GMKO1110 is \$195,286 and the value of the 336 EL Large Hydraulic Excavator s/n B2Y02465 is \$161,913. The current total indebtedness to Caterpillar based upon the Proofs of Claim is \$333,396.82 and the value of the items returned to Caterpillar to be sold and applied against the indebtedness is \$357,199, as such the Debtor does not expect Caterpillar to have any remaining claim in the Debtors' estates. To the extent any Caterpillar claim remains, the Allowed Claim shall be paid in 60 equal monthly installments with interest at the rate of 5% per annum commencing on the Effective Date. To the extent Caterpillar is entitled to receive payments under this Plan, Caterpillar shall retain its lien on the equipment until paid in full in accordance with the terms of this Plan. Debtor may pre-pay any claim of Caterpillar at any time without penalty.

The Class 4 Creditor is impaired under this Plan.

**Class 5 Claimants (Allowed Claims of Ford Motor Credit Company)** is impaired and shall be satisfied as follows: On or about July 10, 2015, Debtor DTR executed that certain Vehicle Retail Installment Contract with Ford Motor Credit Company ("Ford") for the purchase of that certain 2015 Ford F350 VIN 1FT8W3BT0FEB22055 ("Vehicle #1"). On or about August 31, 2015 Debtor DTR executed that certain Vehicle Retail Installment Contract with Ford for the purchase of that certain 2015 Ford F250 VIN 1FT7W2BTXFED39682 ("Vehicle #2"). Ford has validly perfected its interest in Vehicle #1 and Vehicle #2. On or about August 11, 2016 the Debtors and Ford entered into an Agreed Order regarding the Automatic Stay ("Order"). Pursuant to the terms of the Order, on August 15, 2016, the Debtor began making payments to Ford in the amounts set forth in the contracts for Vehicle #1 and Vehicle #2. Upon confirmation of the Plan, the Debtor shall continue to make payments to Ford in the contractual amounts on Vehicle #1 and Vehicle #2 until such time as the Ford claims have been paid in full. Ford shall retain its liens on Vehicle #1 and Vehicle #2 until paid in full in accordance with the terms of this Plan.

The Class 5 Claimant is impaired under this Plan.

**Class 6 Claimant (Allowed Claims of Mercedes Benz Financial Services USA, LLC)** are impaired and shall be satisfied as follows: On or about October 28, 2015 Debtor TNT executed that certain Texas Motor Vehicle Retail Installment Contract with Mercedes Benz Financial Services USA, LLC ("Mercedes") for the purchase of that certain 2016 Manac Trailer VIN 5MC42401XG3159936 ("Trailer #1"). On or about October 28, 2015 Debtor TNT executed that certain Texas Motor Vehicle Retail Installment Contract with Mercedes for the purchase of that certain 2016 Manac Trailer VIN 5MC424014G3158510 ("Trailer #2). On or about October 15, 2012 Debtor TNT executed that certain Texas Motor Vehicle Retail Installment Contract with Mercedes for the purchase of that certain 2013 Western Star 6900xd VIN 5KKMASD12DPBW1753 ("Vehicle"). Mercedes has validly perfected its liens on Trailer #1, Trailer #2 and the Vehicle. Trailer #1, Trailer #2 and Vehicle hereinafter shall be referred to as the "Mercedes Collateral". As of July

2016 the total amount of the Mercedes indebtedness was \$247,379.88. The Debtor believes the value of the Mercedes Collateral is at least \$250,000. The Debtors shall restructure the Mercedes debt to provide a secured claim to Mercedes in the amount of \$247,379.88 ("New Mercedes Note") which will be paid with interest at a rate of 5% per annum. The New Mercedes Note shall be amortized over 120 equal monthly payments of \$2,623.87 commencing on the Effective Date. Mercedes shall maintain its lien on the Mercedes Collateral but shall release any lien upon payment in full of the New Mercedes Note.

The Class 6 Claimant is impaired under this Plan.

**Class 7 Claimant (Allowed Claims of Texas Workforce Commission or the Comptroller)** are impaired and shall be satisfied as follows: the Texas Workforce Commission ("TWC") has filed a priority Proof of Claim in the total amount of \$8,939.39 for Unemployment Taxes. The TWC's claim will be paid in full with interest at the rate of 4.50% per annum within 60 months of the Petition Date. The Debtor believes the monthly payment amount on the TWC's priority claim will be \$189.62.

The Texas Comptroller ("Comptroller") has filed a Proof of Claim in the priority amount of \$,336,961.01 for Sales Taxes. The Debtor disagrees that these taxes are owed and has timely filed a dispute concerning these taxes. Upon a final determination of the Comptroller's priority claim, this claim will be paid in full with interest at the rate of 4.5% per annum within 60 months of the Petition Date.

A failure by the Reorganized Debtors to make a payment to the TWC or the Comptroller pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default from the TWC or Comptroller then the TWC or Comptroller may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the TWC or Comptroller may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the TWC or Comptroller may proceed with the state law remedies for collection of all amounts due under state law."

Class 7 Claimant is impaired under this Plan.

**Class 8 Claimant (Allowed Claims of Non-Insider Unsecured Creditors)** are impaired and shall be satisfied as follows: The Allowed Claims of Non-Insider Unsecured Creditors will share pro-rata in the Unsecured Creditor's Pool. The Debtor shall pay an equal amount necessary each month for a period of 60 months into the Unsecured Creditors Pool to provide all Allowed Class 8 Creditors are paid in full. The Unsecured Creditors shall be paid quarterly on the last day of each calendar quarter. Payments to the Unsecured Creditors will commence on the last day of the first full calendar quarter after the Effective Date. The Debtor may pre-pay the Unsecured Creditors at any time. Based upon the Debtor's Schedules that Class 8 Claims will be approximately \$450,000 making the monthly payment approximately \$7,500.

The Class 8 creditors are impaired under this Plan.

**Class 9 Claimant (Allowed Claims of Insider Unsecured Creditors )** are impaired and shall be satisfied as follows: The Allowed Claims of Insider Unsecured Creditors will receive no distributions under this Plan.

The Class 9 creditors are impaired under this Plan.

**Class 10 (Current Members and Shareholders)** are not impaired under the Plan and shall be satisfied as follows: The current members and shareholder in each of the Debtors shall retain their existing interests.

The Class 10 members are not impaired under this Plan.

#### ARTICLE VI **MECHANICS/IMPLEMENTATION OF PLAN**

Debtor anticipates the continued operations of the business and the sale of certain assets to fund the Plan. A copy of the Debtors' projected income and expenses is attached hereto as Exhibit "B".

As specified in Section 1125(e) of the Bankruptcy Code, persons that solicit acceptances or rejections of this Plan and/or that participate in the offer, issuance, sale or purchase of securities offered or sold under this Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, are not liable on account of such solicitation or participation for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejection of this Plan or the offer, issuance, sale or purchase of securities.

#### **VII.** **FEASIBILITY OF PLAN**

The projections of the future business operations are attached hereto as Exhibit "B". The Debtor believes that the projections are accurate based upon the historical operations of the business. Based upon the projections, the Debtors believe the Plan to be feasible.

#### **VIII.** **RETENTION OF JURISDICTION**

The Bankruptcy Court's jurisdiction shall be retained under the Plan as set forth in Article 14 of the Plan.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, NEITHER DEBTORS, REORGANIZED DEBTORS, GUARANTORS, THE OFFICERS AND DIRECTORS OF THE DEBTORS NOR THE PARTNERS SHALL BE DISCHARGED AND RELEASED FROM ANY LIABILITY FOR CLAIMS UNDER THIS PLAN. FOR THE AVOIDANCE OF DOUBT NO THIRD PARTY INJUNCTIONS WILL BE AFFORDED TO DEBTORS, REORGANIZED DEBTORS, GUARANTORS, THE OFFICERS AND DIRECTORS OF THE DEBTORS NOR THE PARTNERS.

**IX.**  
**ALTERNATIVES TO DEBTOR'S PLAN**

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. Generally, a liquidation or forced sale yields a substantially lower amount. As set forth above, the Debtor owes approximately \$11,000,000 in secured claims to the lenders. Claims to the secured creditors must be paid prior to the unsecured creditors receiving any payment. The Debtor believes the value of the assets if liquidated might not exceed the secured creditors debts, and therefore, a liquidation might result in no distribution to the unsecured creditors.

A liquidation analysis is attached hereto as Exhibit "D".

**X**  
**RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN**

Claimants and Equity Interest Holders should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that there will be excess funds to pay Creditor Claims. The Plan assumes that the Debtors will be able to keep the operations at their current income levels throughout the term of the Plan.

**XI.**  
**TAX CONSEQUENCES TO THE DEBTOR**

Implementation of the Plan may result in federal income tax consequences to holders of Claims, Equity Interest Holders, and to the Debtor. Tax consequences to a particular Creditor or Equity Interest Holder may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interests of the Equity Interest Holder. In this case, the Plan anticipates that all creditors will be paid in full. **CLAIMANTS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS.**

**XII.**  
**PENDING OR ANTICIPATED LITIGATION**

The Debtor has evaluated potential claims which may be brought. The Debtor is unaware of any litigation which could be brought for the benefit of the creditors of the estate.

Dated: October 20, 2016.

Respectfully submitted,

Diamond Tank Rentals, Inc.

/s/ Roger Turner  
By: Roger Turner  
Its: President

T-N-T Forklifts, Inc.

/s/ Roger Turner  
By: Roger Turner  
Its: President

Diamond T Industries, LLC.

/s/ Roger Turner  
By: Roger Turner  
Its: Managing Member

