

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FT. WORTH DIVISION**

IN RE:	§	
	§	Case No. 16-42362-MXM-11
GWENDOLYN JOHNSON	§	CHAPTER 11
Debtor	§	

DEBTOR’S FIRST AMENDED DISCLOSURE STATEMENT

TO: Creditors of Gwendolyn Johnson (the “Debtor”)

Contained in the packet of documents which has been sent to you by Debtor are the First Amended Disclosure Statement (the “Disclosure Statement”), the First Amended Plan of Reorganization (the “Plan”), the Ballot for Voting on the Plan (the “Ballot”) and the Affidavit of Notice of Hearing to Approve the Disclosure Statement and Fixing Time for Filing Acceptance or Rejection of the Plan, Combined with Notice of Hearing on Confirmation Thereof all annexed hereto as Exhibit “A”. Please read all of these materials carefully. Please note that in order for your vote to be counted, you must 1) include your name and address, 2) fill in, date, and sign the enclosed Ballot, and 3) return it to the respective attorney for Debtor by the date and time specified on the Ballot.

ARTICLE I – INTRODUCTORY STATEMENT

The Debtor has filed contemporaneous hereto with the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”) the Plan in the above-captioned case (the “Bankruptcy Case”). Pursuant to the terms of the United States Bankruptcy Code, 11 U.S.C. § 101, et seq. (the “Bankruptcy Code”) this Disclosure Statement must be approved by the Bankruptcy Court. Such approval is required by statute and will not constitute a judgment by the Bankruptcy Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereby.

Any terms not defined herein shall have the meaning set forth in the Plan.¹

A. DISCLAIMERS

ONLY THOSE REPRESENTATIONS SET FORTH IN THIS DISCLOSURE STATEMENT ARE AUTHORIZED BY THE DEBTOR. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

¹ Terms used in this Disclosure Statement are defined in Article II of the Plan, and the terms should be read together with those definitions.

THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS ANOTHER DATE IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF. THE DEBTOR IS UNABLE TO GUARANTEE THAT THE INFORMATION CONTAINED IN THE PLAN AND THIS DISCLOSURE STATEMENT IS ENTIRELY WITHOUT ERROR, BUT ALL REASONABLE EFFORTS HAVE BEEN MADE TO ENSURE THAT ALL REPRESENTATIONS ARE AS ACCURATE AS POSSIBLE.

THE SOURCE OF INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS THE DEBTOR OR ITS AGENTS AND EMPLOYEES AND HAS NOT BEEN SUBJECT TO AN AUDIT UNLESS OTHERWISE SPECIFICALLY NOTED. THE STATEMENTS MADE HEREIN LIKEWISE HAVE NOT BEEN VERIFIED BY DEBTOR'S COUNSEL, ALTHOUGH AN ATTEMPT HAS BEEN MADE TO BE CONSERVATIVE AND REALISTIC. NEITHER DEBTOR NOR THEIR COUNSEL REPRESENT OR WARRANT THE ACCURACY OF DISCUSSIONS CONTAINED HEREIN REGARDING EVENTS.

AS STATED PREVIOUSLY, YOU ARE URGED TO REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN TO ENSURE A COMPLETE UNDERSTANDING OF THE TRANSACTIONS CONTEMPLATED UNDER THE PLAN AND HOW THOSE TRANSACTIONS WILL AFFECT YOUR CLAIM AGAINST, OR INTEREST IN THE DEBTOR.

IF ANY IMPAIRED CLASS VOTES TO ACCEPT THE PLAN, BUT NOT ALL CLASSES ACCEPT THE PLAN, THE DEBTOR WILL SEEK CONFIRMATION UNDER THE CRAM DOWN PROVISION OF § 1129(B) OF THE BANKRUPTCY CODE AND HEREBY GIVES NOTICE OF INTENT TO INVOKE THE CRAM DOWN PROVISIONS OF § 1129(B) IN THAT EVENT.

B. BRIEF EXPLANATION OF CHAPTER 11

Under Chapter 11, a debtor attempts to reorganize its business for the benefit of the debtor, its creditors, and equity security holders in the formulation of a plan of reorganization. For the first 120 days after the filing of a Chapter 11 bankruptcy petition, the debtor is the only party who may file a plan of reorganization in the bankruptcy case, which is generally referred to as "exclusivity." Once exclusivity ends, any party in interest may file a plan of reorganization. The legal requirements for court approval, called "confirmation," of a plan are discussed on Pages 3-4 of this Disclosure Statement.

C. THIS DISCLOSURE STATEMENT

Why You Have Received This Disclosure Statement. You have received this Disclosure Statement because Debtor has proposed a Plan with the Bankruptcy Court in order to satisfy its debts and provide for a reorganization of the Debtor's business. Under special rules for small business owners, the Bankruptcy Court may defer approval of this until the confirmation

hearing thereon. A copy of the Plan is enclosed with the materials that you have received. This Disclosure Statement, as required by 11 U.S.C. § 1125, is being provided to all known Creditors and other parties-in-interest whose claims are impaired in connection with the solicitation and acceptance of the Plan proposed by Debtor.

Purpose of this Disclosure Statement. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor typical of the holders of Claims against Debtor to make an informed judgment in exercising its right either to accept or reject the Plan.

Purpose of the Plan. The purpose of Debtor's Plan is to provide a mechanism for the reorganization of Debtor's assets and for the payment of Debtor's Creditors. The Plan was developed by Debtor. Debtor believes that the Plan is more attractive than other alternatives, such as conversion to Chapter 7 liquidation or dismissal of the Chapter 11 Case. **EACH CREDITOR IS URGED TO READ THE PLAN PRIOR TO VOTING.**

Bankrupt Court Approval of this Disclosure Statement. Under special rules applicable to small businesses, the Bankruptcy Court will review and approve or reject this Disclosure Statement as containing information of a kind in sufficient detail, adequate to enable a hypothetical, reasonable investor typical of Classes being solicited to make an informed judgment about the Plan during the confirmation hearing.

Sources of Information. The information contained in this Disclosure Statement has been submitted by Debtor unless specifically stated to be from other sources. Certain of the materials contained in this Disclosure Statement are taken directly from other, readily accessible instruments or are digests of other instruments. While Debtor has made every effort to retain the meaning of such other instruments or the portions transposed, Debtor urges that any reliance on the contents of such other instrument should depend on a thorough review of the instruments themselves.

Only Authorized Disclosure. No representations concerning the Plan are authorized by Debtor or the Bankruptcy Court other than as set forth in this Disclosure Statement. Any representations or inducements made by any person to secure your vote which are other than herein contained should not be relied upon, and such representations or inducements should be reported to counsel for Debtor, who shall deliver such information to the Bankruptcy Court.

Voting on the Plan. **YOUR ACCEPTANCE OF THE PLAN IS IMPORTANT.** In order to vote on the Plan, a creditor or interest holder must have filed a proof of claim or interest on or before the Claims Bar Date as determined by the Court, unless scheduled by Debtor as not disputed, liquidated or contingent. Any creditor scheduled as not disputed, liquidated and not contingent is, to the extent scheduled, deemed to have filed a claim and, absent objection, such claim is deemed allowed. A creditor or interest holder may vote to accept or reject the Plan by filling out and mailing to counsel for Debtor the Ballot that has been provided in this package of information.

In order for the Plan to be accepted by a class of creditors, more than one half in number and at least two-thirds in amount of such class of Claims must vote to accept the Plan. Only those claim holders that actually vote are considered in the calculations. In order for the Plan to be accepted by interest holders, at least two-thirds in amount of interests must vote to accept the plan. Again, only voting interest holders are considered in the calculation. You are, therefore, urged to fill in, date, sign and promptly mail and/or fax the enclosed Ballot, which has been furnished to you, to counsel for Debtor as follows:

GWENDOLYN JOHNSON
c/o Kevin S. Wiley, Sr.
Kevin S. Wiley, Jr.
The Wiley Law Group, PLLC
325 N. St. Paul Street, Suite 2750
Dallas, TX 75201
Tel. 469-619-5721
Fax 469-619-525
Email: kwiley@mahomesbolden.com; kevinwiley@lkswj.com

Please be sure to complete properly the form and identify legibly the name of the claimant or interest holder.

The Bankruptcy Court has fixed _____, 2016 as the last date by which Ballots must be served on counsel for the Debtor. Except to the extent allowed by the Bankruptcy Court, Ballots that are received after such time will not be counted. A Ballot accepting the Plan may not be revoked, except by a Final Order of the Bankruptcy Court.

ARTICLE II – BANKRUPTCY SUMMARY

A. HISTORY OF THE DEBTOR

The Debtor is a single widow. The Debtor inherited a business which was a Wings-to-Go, Inc (“WTG”) franchise commenced during the marital estate under her deceased husband who died intestate. The Debtor never consummated an assignment of the franchise, which precluded assignment by operation of law by its express terms. WTG contends and Debtor disputes that the franchise and obligations thereunder were assigned to her by operation of law. There is also a dispute whether any of the franchise and obligations with WTG were ever assigned to Debtor’s purchaser, Travis Johnson and/or his sole business entity, TJ’s Catfish and Wings, LLC.

B. EVENTS LEADING UP TO BANKRUPTCY

The Debtor initiated this bankruptcy proceeding by filing a voluntary petition for relief under Title 11, Chapter 13 on June 17, 2016 (the “Petition Date”). The Debtor filed this case to reorganize significant debts with the Internal Revenue Service, along with her other creditors, and to impose an automatic stay against WTG for their conduct described below.

On June 4, 2014, WTG filed suit against the Debtor and her son, Travis Johnson (“Johnson” or “Travis Johnson”), in the Circuit Court for Anne Arundel County, Maryland, Civil Division, under Case No. 02C14188195 (the “Maryland Suit”). In 2012, Travis Johnson, who was in operational control of the restaurant on behalf of his mother, the Debtor, began negotiations on a renewal of the franchise which terminated in February 2012. Johnson decided not to re-engage with WTG due to his opinion that WTG did not adequately market in his territory. In June 2012 he further discovered that the President of WTG had been indicted and pled guilty to embezzlement from WTG of advertising support funds intended for all WTG markets. As widely reported in the national press, these funds were diverted from advertising supports for the use of prostitutes and phone sex. As a result, Travis Johnson determined that once he acquired the restaurant from the Debtor in 2013, he would open up his own restaurant known as TJ’s Catfish and Wings in Arlington, Texas. Thus TJ’s Catfish and Wings, LLC (“TJCW”) was formed as a Texas limited liability company in 2013 and has continued operations of a restaurant without use of WTG recipes, menu’s or systems.

Upset with Travis Johnson’s decision not to become a franchisee, WTG alleged in the Maryland Suit that Debtor and Johnson infringed on WTG’s proprietary information by continuing to operate TJCW. Money damages were sought as well as a permanent injunction to prevent the operation of the restaurant. Despite naming the Debtor and Travis Johnson in the Maryland Suit, WTG failed to name as a defendant the actual operating entity for TJCW

After spending over \$10,000.00 to defend himself in the Maryland Suit, Travis Johnson filed a petition for relief under Title 11, Chapter 13 under Case Number 15-43716, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division on September 17, 2015 (the “Johnson Bankruptcy”).

Notwithstanding the Johnson Bankruptcy which stayed the state court proceedings against him, WTG moved forward with its claims solely against the Debtor in the Maryland Suit. The Debtor again has no business connection with Travis Johnson or TJCW. The Debtor is a widower whose retirement benefits constitute her sole source of income. Accordingly, she also suffered from limited resources to defend herself against WTG. Subsequently the Debtor determined that it was a waste of her resources to defend herself against allegations which were completely unfounded given her lack of business connection. The attorney for both Debtor and other co-defendants was instructed to cease representation. This enabled WTG to obtain a default judgment against her in the Maryland Suit which was rendered on October 2, 2015 and amended as a final judgment on November 24, 2015 (the “Judgment”).

The Judgment was domesticated against the Debtor by WTG’s Notice of Filing of Foreign Judgment Pursuant to Uniform Enforcement of Foreign Judgments Act on March 7, 2016, in the 342nd District Court for Tarrant County, Texas under Cause No. 342-284210-16 (the “State Court Action”). WTG then sought to enforce the Judgment by initiating a garnishment proceeding against the Debtor’s depository institution, Bank of America, N.A. (“BOA”). This garnishment proceeding was filed in the 342nd Judicial District of Tarrant County, Texas and styled as Wings to Go, Inc. v. Gwendolyn Johnson, Judgment Defendant, and Bank of America, N.A, Garnishee under Cause No. 342-285592-16 (the “Garnishment”). The Garnishment trapped \$9,415.79 in funds generated from Debtor’s exempt retirement

accounts. Debtor has subsequently filed an adversary proceeding (Adversary Complaint # 16-04096-MXM) in this case which is pending to recover these proceeds.

In addition to the Garnishment, WTG filed a motion for contempt in the State Court Action which alleged that the Debtor violated the terms of the injunctive relief granted in the Judgment. An order to show cause on the Motion for Contempt (the "Order to Show Cause") was signed by the Hon. Judge Wade Birdwell sitting for the 342nd District Court of Tarrant County, Texas on July 7, 2016. The Order to Show Cause was set for hearing on July 29, 2016. Thereafter, the Debtor filed a Suggestion of Bankruptcy in the State Court Action on July 13, 2016. Despite receiving notice of the Suggestion of Bankruptcy, and imposition of the automatic stay, WTG proceeded to press the hearing on the Motion for Contempt and Order to Show Cause notwithstanding the fact that it failed to obtain relief from this Court to lift the stay, and was in fact in arguable contempt of this Court's automatic stay.

On the day of the hearing for the Order to Show Cause, Debtor's counsel was prepared to argue that the injunctive relief contained in the Judgment was unenforceable and ostensibly void. The Debtor has no ownership interest in TJCW and no control over her adult son who remains the 100% owner of the business. Furthermore, the Judgment only names the Debtor as a party to the Judgment. Ultimately, Judge Birdwell decided there was no need for argument. Due to WTG's inattention to the requirements to lift the automatic stay, WTG's request for relief to place the Debtor in contempt was denied for lack of jurisdiction. On the record, the case was dismissed without prejudice to refile.

On July 3, 2016, the Debtor filed her Schedules [Doc. # 11] followed by the filing of her Statement of Financial Affairs on July 5, 2016 [Dec. # 13]. On July 12, 2016, the Debtor filed her proposed plan of reorganization [Doc. # 16] (the "Original Plan") in the Chapter 13 proceeding. A subsequent Motion to Lift Stay filed by WTG to proceed with the contempt proceeding was denied without prejudice to refile on hearing held November 15, 2016.

Debtor's Schedules reflected a negative income stream which prompted the Chapter 13 Trustee to file an objection to the Original Plan [Doc. # 27]. Prior to the filing of this Response, the Debtor filed Amended Schedules [Doc. # 31] and Amended Plan of the Reorganization (the "Amended Plan") [Doc. # 32] to cure the Chapter Trustee's Objection. The Debtor will demonstrate the ability to fund a plan with contributions from Travis Johnson and TJCW. Johnson and TJCW will thus be indispensable parties to the plan of Debtor, and will be protected by injunction by their contribution and commitment to fund the Plan.

On August 24, 2016, the Internal Revenue Service amended its proof of claim [Claim No. 1] to reflect a total debt of \$520,140.90 of which \$464,640.17 constituted general unsecured claim. Adding that claim amount to the other unsecured claims listed in the Debtor's Amended Chapter 13 Plan [Dkt.#32], the Debtor owes \$545,980.17 in general unsecured claims. The proofs of claim were based largely on estimated taxes for unfiled tax returns for the tax periods following her husband's death where Debtor, having no experience running the business, did not know about the net loss carrybacks and carryforwards that were available from prior operations or that she had the need to file a Schedule C with her tax return to use the NOL's. Based on this proof of Claim, WTG objected to Debtor continuing

under Title 11, Chapter 13 [Dkt. # 34]. In response Debtor filed motion to convert to Title 11, Chapter 11 which was granted by Order dated September 23, 2016 [Dkt. # 42].

Debtor has subsequently filed a motion to determine tax liability under the corrected tax returns which she believes will materially reduce her tax liability so that she can propose a feasible plan. Debtor's attorneys conferred with IRS personnel who have suggested that the preferred route for prompt resolution of this tax issue is to proceed under 11 U.S.C. §505 for a determination of tax liability. This motion was filed November 21, 2016 [Dkt. # 66]. The Debtor expects the motion to reduce priority tax claims by over \$25,000, and reduced unsecured, non-priority claims by over \$300,000.

C. ASSETS AND LIABILITIES AT THE TIME OF THE FILING

The Debtor's Schedules, reflecting the Debtor's estimation of its assets and liabilities as of the Petition Date are summarized as follows:

Assets

ASSETS	DESCRIPTION	VALUE
Real Property	Residence located at 7206 Lake Tahoe Drive, Arlington, Texas 76016	\$250,120.00
Cash	Chase Bank	\$9000.00
Automobiles	2004 Mercedes CLK	\$4,000.00
Automobiles	1999 Mercedes SLK	\$3,000.00
Outstanding Accounts Receivables		\$0
Supplies Used In Business		\$0
IRA		\$81,000
Personal and Household Items	Household Goods and Furnishings; Electronics; Firearms; and Jewelry	\$7,000
Sub-Total	-----	354,120

Secured Claims

CREDITOR	DESCRIPTION OF LIEN	AMOUNT
Chase Bank, N.A.	Deed of Trust on Residence	\$172,206
Wings to Go, Inc.	Judgment Lien	\$ 70,000
Sub-Total	-----	\$142,206

Unsecured Priority Claims

CREDITOR	DESCRIPTION OF DEBT	AMOUNT
I.R.S.	Income Tax	\$35,472.00
Tarrant County	Property Taxes - Residence	3,897.92
Sub-Total	-----	

General Unsecured Claims

CREDITOR	DESCRIPTION OF DEBT	AMOUNT
I.R.S.	Income Tax – Misc. Penalties and Charges	131,774
Chase Bank Card	Credit Card	2,515
Comenity Bank Garden Ridge	Credit Card	650
Wings to Go, Inc.	Unsecured Judgment Lien	70,000
Midland Funding	Credit Card	2,607
Portfolio Recovery	Collection Attorney	7,966
Banana Republic	Credit Card	1,733
Sub-Total	----	\$217,215

D. OPERATIONS OF THE DEBTOR

Debtor is retired and has no business operations. She relies solely on retirement income drawn from an IRA account. She will rely completely on commitment of her Son under an executed plan support agreement (the “Plan Support”) annexed hereto as Exhibit D and his affiliate to fund the plan of reorganization, in consideration of injunctive relief against further actions taken by creditor WTG for alleged infringement.

Debtor’s actual cash flows for months of October 1, 2016 through October 31, 2016 are therefore not relevant, and what is relevant for feasibility of the plan are the operations of TJCW, which is the committed source of the plan of plan payments under the Plan Support agreement.

SUMMARY OF MONTHLY OPERATING REPORTS TJ’S CATFISH AND WINGS, LLC JANUARY-OCTOBER 2016

MONTH	INCOME	EXPENSES	NET
JANUARY	31,442	33,029	-1,587
FEBRUARY	43,794	34,743	9,682
MARCH	39,590	39,878	-288
APRIL	39,985	34,150	5,835
MAY	40,892	36,880	4,012

JUNE	38,442	39,033	-611
JULY	41,981	31,348	10,633
AUGUST	42,190	37,151	5,038
SEPTEMBER	45,862	38,133	7,728
OCTOBER	45,820	36,358	9,282
TOTAL ALL	409,996	360,273	49,724
ANNUALIZED	\$491,995	\$432,328	\$59,669

Initial § 341 Meeting of Creditors. On November 18, 2016, the initial meeting of creditors for Debtor was held pursuant to 11 U.S.C. § 341 and continued to December 9, 2016.

Employment of Legal Counsel. On November 1, 2016, the Court entered its order approving Debtor's application to employ Kevin S. Wiley, Sr. and Kevin S. Wiley, Jr. of the Wiley Law Group, PLLC as counsel for the Debtor. The Wiley Law Group estimates that its administrative expense will be \$10,000.00 for final confirmation of Debtor's Plan and that it will accept a fee reduction of \$5000.00. This expense will not be material.

Post-Petition Operations of Debtor. Debtor's November 2016 Monthly Operating Reports reflecting post-petition operations, and the January –October 2016 financial statements of TJLC are attached hereto as Exhibits "B" and "C" respectively, and incorporated by reference herein.

ARTICLE III - SUMMARY OF THE PLAN

A. OVERVIEW OF THE PLAN

THE FOLLOWING DISCUSSION IS A GENERAL OVERVIEW OF THE PLAN ONLY. IT IS NOT INTENDED TO MODIFY THE TERMS OF THE PLAN IN ANY WAY. THE PLAN IS ENCLOSED WITH THIS DISCLOSURE STATEMENT. CREDITORS ARE URGED TO READ THE PLAN IN ITS ENTIRETY IN DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN.

B. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The Plan classifies and treats various classes of creditors of the Debtor. The following is a summary of classification and treatment of creditors' claims under the Plan:

For the purpose of satisfaction of all Claims against and Interests in Debtor, the Claims and Equity Interests are divided into the following classes:

Class 1: Administrative Claims

Class 1 Administrative Claims consist of any claim for payment of any cost or expense of administration of the Bankruptcy Case entitled to priority in accordance with §§ 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Debtor's Estate and operating its business from and after the Petition Date to and including the Confirmation Date and all allowances of compensation and reimbursement approved by the Bankruptcy Court in accordance with the Bankruptcy Code and any fees or charges assessed against the Debtor's Estate under the Bankruptcy Code. Except to the extent that the holder of an Administrative Claim may otherwise agree in writing, Administrative Claims which are Allowed Claims prior to the Effective Date of the Plan shall be paid in full within ten (10) days of the Effective Date of the Plan. Administrative Claims that become Allowed Claims after the Effective Date of the Plan shall be paid in full in cash within ten (10) business days following the date the Administrative Claim becomes an Allowed Claim by Final Order of the Bankruptcy Court. For purposes of payment of Administrative Claims, any person desiring to have their Claim paid as an Administrative Claim under the Plan, must file an application for allowance of that Administrative Claim on or before thirty (30) days after the Confirmation Date or such person shall be barred from asserting an Administrative Claim. At this point, the Debtor anticipates that the only Administrative Claimant is counsel for the Debtor, the Wiley Law Group, PLLC, for legal fees associated with representing the Debtor during the pendency of this Chapter 11 proceeding. The fees for the Wiley Law Group, PLLC thus far are approximated at \$10,000.00. Class 1 claims are not impaired by the Plan. Class 1 claims shall be paid from Debtor's reserves of cash collateral post-petition.

Class 2: Priority Tax Claims

Priority Tax Claims Priority Tax Claims: (Class 2) - Priority Tax Claims of the I.R.S. (excluding the unsecured claim of the I.R.S. which is treated elsewhere), shall be paid by the Reorganized Debtor, up to the Allowed amount of such Claim. The balance of the priority tax claim is \$34,163.21, assuming Debtor is successful on Debtor's motion to determine tax liability. The allowed amount shall be paid principal plus interest pursuant to 26 U.S.C.A. §6621 for interest rate for underpayments at the rate of 3.5% per annum accrued thereon on a quarterly basis on April 1, June 1, September 1 and January 1 of each year over a period not exceeding five (5) years after the date of assessment of the Claims, in compliance with Bankruptcy Code § 1129(a)(9)(C), commencing after the first full quarter following the Effective Date. The IRS claim will be paid on a five year amortization. With monthly payments accruing at \$631.00 per month.

Class 3A: Secured Claims

The Class 3A Claims shall be treated as fully Secured Claims in amounts to be determined by the Bankruptcy Court pursuant to 11 U.S.C. § 506(b) at the Confirmation Hearing. The Class 3A Claims shall be treated as follows:

Class 3A –Chase Bank, N.A.: This Class consists of the Secured Claim of Chase Bank Bank, N.A. in the principal amount of \$172,026 which is secured by a first lien on certain real

estate which includes a lien on property located at 7206 Lake Tahoe Drive, Arlington, Texas 76016.

(a). Renewal of the Chase Bank, N.A. debt with respect to Class 3A. Chase Bank, N.A. shall renew the mortgage agreement on the \$172,026 balance owing on this account for remaining years of the mortgage from the Confirmation date.

(b) Plan Default Interest/Penalties/Charges. Except as provided by this Plan, no default interest, late charges, or other penalties arising or accruing after the Petition Date shall be required to be paid to Chase Bank, N.A. in connection with the treatment provided under this Plan for Allowed Class 3A Claims, provided, however, that Chase Bank, N.A. shall be entitled to charge, collect, and receive default interest, late charges, and other amounts provided by the loan and security documents for the Chase Bank, N.A. financing documents in the event of any default under such loan and security documents or this Plan arising after Confirmation.

(c) Collateral. Chase Bank, N.A. shall retain all of its liens and security interests in the real property secured under its account with respect to the lot and improvements located at 7206 Lake Tahoe Drive, Arlington, Texas 76016, with the same validity, enforceability, attachment, perfection, priority, and legal rights that existed on the Petition Date.

The Class 3A Claim of the Chase Bank, N.A. is impaired.

Class 3B – Judgment Lien of WTG.: The Judgment Lien of WTG is in the amount of \$70,000 secured by a judgment lien as to all non-exempt assets owned by the Debtor, The Debtor owns no non-exempt assets and therefore the claim is fully unsecured. Same will be satisfied as an unsecured claim and no distribution made with respect to the secured claim.

The Class 3B Claim of WTG is impaired.

Class 4: General Unsecured Claims

The Class 4 Claims shall be treated as Allowed Unsecured Claims in amounts to be determined by the Bankruptcy Court pursuant to 11 U.S.C. § 502(b) at the Confirmation Hearing. Class 4 Allowed General Unsecured Claims consist of all other Allowed Claims against the Debtor not placed in any other Class including the claims listed on Schedule F or creditors filing a proof of claim. The treatment of the Creditors holding Allowed Class 4 General Unsecured Claims shall occur under payments of \$1,000.00 per month for sixty (60) months for a total of \$60,000.00. The pay-outs to the Class 4 Allowed General Unsecured Claims will be based on the respective pro rata right to the pool based on their Allowed Claim.

The Class 4 Claims are impaired under the Plan.

C. IMPLEMENTATION OF THE PLAN

Plan Funding. Debtor shall have, in consideration of injunctive relief being barred by WTG, \$60,000.00 from future revenues of TJCW under the Plan Support to fund the treatment of Class 4 – General Unsecured Claimants on the Effective Date. The schedule of payments and the amount to be paid per Unsecured Creditor is estimated to include the following creditors based on the schedules and claims registry. Total estimated claims subject to allowance is \$275,495. Pro rata payments would be approximately \$.21 cents per dollar of claim if all claims were allowed. Same would decline if actual allowed claims are higher, and increase if lower.

- 6.1 Department of Treasury, IRS Unsecured Claim. Claim-\$131,174
- 6.2 Chase Bank N.A. credit card Claim- \$2,515.00
- 6.3 WTG. Claim \$65,496
- 6.4 Comenity Bank Garden Ridge Claim-\$650.00
- 6.5 IC Systems, Inc. Claim-\$373.00
- 6.6 Midland Funding- Claim - \$2,607
- 6.7 Portfolio Recovery - Claim-\$7,966.00
- 6.8 SYNCB/Banana Republic- Claim-\$1,733.00
- 6.9 WTG- Claim-\$65,496

CASH FLOW OF PAYMENTS MADE UNDER THE PLAN OF REORGANIZATION

Revenues	Effective Date	Y-1	Y-2	Y-3	Y-4	Y-5
Net Income	\$49,724	\$59,668	\$62,671	\$65,805	\$69,096	\$72,551
TOTAL	\$49,724	\$59,668	\$62,671	\$65,805	\$69,096	\$72,551

PLAN PAYMENTS:

Priority/Admin. Payments	Effective Date	Y-1	Y-2	Y-3	Y-4	Y-5
WLG	\$5,000					
IRS	\$0.00	\$7,856	\$7,856	\$7,856	\$7,856	\$7,856
Sub-total	\$5,000	\$7,856	\$7,856	\$7,856	\$7,856	\$7,856

Secured Payments	Effective Date	Y-1	Y-2	Y-3	Y-4	Y-5	
Chase Bank, NA	\$0.00	\$16,424	\$16,424	\$16,424	\$16,424	\$16,424	
Sub-total of Secured Payments	\$0,000	\$16,424	\$16,424	\$16,424	\$16,424	\$16,424	
Unsecured Payments	----	----	----	----	---	---	
Pro-Rata Payments	\$0.00	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	
Sub-total of All Payments	\$0.00	\$36,280	\$36,280	\$36,280	\$36,280	\$36,280	
NET CASH FLOW	\$44,724	23,388	26,391	30,525	32,816	36,271	

Absolute Priority Rule. The Plan does not provide for payment in full of all unsecured claims. However, the Plan is not subject to the Absolute Priority Rule under 11 U.S.C. § 1129(b)(2)(B) under the “new value” exception thereto. That exception provides that an individual debtor is authorized to retain property of the estate notwithstanding creditors are not paid 100% of their claims if the Debtor provides payment of the Plan from post-petition earnings. Therefore, if any impaired class votes to accept the Plan, but not all classes accept the Plan, Debtor may yet seek confirmation under the cram down provision of U.S.C. § 1129(b), which requires only one impaired class of creditors to accept the Plan, while retaining property of the estate pursuant to 11 U.S.C. §1115 *et seq.*

Real Estate Taxes. All *ad valorem* property taxes imposed against the Debtor by the Tarrant County or any other taxing authority following Confirmation of the Plan will be paid as required by the applicable taxing authority.

D. DISPOSITION OF CAUSES OF ACTION

Debtor has not yet concluded its analysis of existing claims and Causes of Action and expressly reserves the right to continue such analysis. All Claims and Causes of Action owned by Debtor, Causes of Action that could have been brought by a Creditor on behalf of Debtor, and all Causes of Action created by the Bankruptcy Code not expressly waived or released under the Plan may be pursued by the Reorganized Debtor for the benefit of the Creditors, as provided herein, including, but not limited to Causes of Action arising in and under Chapter 5 of the Bankruptcy Code. The Reorganized Debtor shall have the exclusive right to settle or compromise all such Causes of Action subject to Bankruptcy Court approval. Bankruptcy Court approval is not required to settle or compromise any collection activities relating to any and all accounts receivable. The Debtor knows of no preference action or fraudulent conveyance of property action that is not being pursued.

E. EXECUTORY CONTRACTS AND LEASES

General Assumption and Assignment. Debtor anticipates, but does not guarantee, that all unexpired executory contracts, if any, will be assumed at Confirmation. All assumed contracts will be paid in the ordinary course of business on a going forward basis after Confirmation. All executory contracts and unexpired leases of Debtor (including, but not limited to, those listed on the Debtors' Schedules) which are not expressly rejected on or before ninety (90) days after the Confirmation Date or not otherwise specifically treated in the Plan or in the Confirmation Order shall be deemed to have been assumed by Debtor on the Confirmation Date. Debtor reserves the right to file an exhibit with the Bankruptcy Court prior to the Confirmation Date rejecting any executory contract or lease.

Cure of Assumed Executory Contracts and Unexpired Leases. To the extent necessary, Debtor shall cure all defaults existing under any assumed executory contract or unexpired lease by paying the amount, if any, claimed by any party to such executory contract or unexpired lease as set forth in a proof of claim, which shall be filed with the Bankruptcy Court within fifteen (15) days after the Confirmation Date and shall be titled "Assumption Cure Proof of Claim." Alternatively, Debtor may pay such amount as may be agreed upon between Debtor and any party to such executory contract or unexpired lease, provided an Assumption Cure Proof of Claim is timely filed within fifteen (15) days after the Confirmation Date.

Debtor shall have the right to file within sixty (60) days of the filing of an Assumption Cure Proof of Claim an objection in writing to the amount set forth in the Assumption Cure Proof of Claim and the Bankruptcy Court shall determine the amount actually due and owing in respect of the defaults.

Payment of such Claims shall be made by the Reorganized Debtor on the later of: (1) ten (10) Business Days after the expiration of the sixty day period for filing an objection in respect of any Assumption Cure Proof of Claim filed pursuant to this section; or (ii) when a timely objection is filed, ten (10) Business Days after an order of the Bankruptcy Court allowing such Claim becomes a Final Order.

F. RESOLUTION OF DISPUTED CLAIMS

Only Allowed Claims will be paid by Debtor according to the Plan. An Allowed Claim is any claim against Debtor for which a proof of claim was timely and properly filed or is deemed to have been timely and properly filed because the Debtor has or hereafter do list such Claim on their schedules as liquidated and not disputed or contingent.

Within sixty (60) days from the Effective Date, unless such date is extended by Order of the Bankruptcy Court after notice and hearing, the Reorganized Debtor may file with the Bankruptcy Court objections to Claims and Interests.

If the Reorganized Debtor files an objection to a proof of claim ("Undetermined Claim"), then an Allowed Claim shall be the amount of the claim allowed by order of the Bankruptcy Court. Thereafter, only upon entry of an order determining the amount of the Allowed Claim and to the extent that an Undetermined Claim becomes an Allowed Claim, such Allowed Claim shall be entitled to such distributions as provided under the Plan. Such distributions shall be made in the manner provided for by the Plan and the terms of any Final Order of the

Bankruptcy Court with respect to such Allowed Claim. In the event that Debtor makes any distributions to creditors at any time prior to a determination of allowance of an Undetermined Claim, payments on such Undetermined Claim will commence and be due and payable on the first quarterly payment date following the date of the order allowing such claim, and shall be re-amortized to equal an amount sufficient to fully pay the Allowed Claim.

Unless and until an Undetermined Claim becomes an Allowed Claim, no creditor holding such a claim shall have any claim against the distribution held by Debtor and/or Reorganized Debtor with respect to such claim.

As aforementioned, for voting purposes Debtor may file motions to estimate claims that have yet to be objected to for limited purpose of allowance for voting purposes without prejudice to Debtor's ability to later object to the entire claim.

ARTICLE IV - CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN

Conditions to Confirmation. Confirmation of the Plan cannot occur unless each of the following conditions precedent has occurred:

1. The Bankruptcy Court shall have approved the Disclosure Statement;
and
2. The Confirmation Order is entered by the Bankruptcy Court.

ARTICLE V - MODIFICATION OF THE PLAN

Section 1127(a) of the Bankruptcy Code permits Debtor to amend or modify a plan at any time prior to confirmation. Post-confirmation modifications of a plan are allowed under Bankruptcy Code § 1127(b), if the proposed modification is offered before a plan has been substantially consummated or pursuant to an article of the confirmed plan authorizing the intended modification. Debtor reserves the right to amend or modify the Plan at any time at which such modification is permitted under the Bankruptcy Code.

In the event Debtor proposes to modify the Plan prior to the Confirmation Order, further disclosures pertaining to the proposed modification will be required only if the Bankruptcy Court finds, after a hearing, that the pre-confirmation modifications adversely change the treatment of any creditor or equity security interest holder who has previously accepted the Plan. If the proposed pre-confirmation modification is material and adverse, or if a post-confirmation modification is sought, Debtor intends to supplement this Disclosure Statement as necessary to describe the changes made in the Plan and the reasons for any proposed modifications.

ARTICLE VI - CONSIDERATIONS IN VOTING ON THE PLAN

The Disclosure Statement is intended to provide information to assist in the formation of a judgment as to whether to vote for or against the Plan. With this in mind, the Debtor invites potential voters to first analyze Debtor's business projections as one conducting due diligence would analyze a potential investment. Thereafter, analyze the alternatives to the plan as discussed herein. Debtor believes the proposed Plan to be in the best interests of creditors and

Debtor, and does not favor any alternatives to the proposed Plan. In arriving at that conclusion, Debtor assesses the business projections and alternatives to the Plan as follows:

A. BUSINESS PROJECTION ANALYSIS

Debtor projects that with the executed Plan Support agreement with TJCW that the plan is feasible based on 5% growth per year. This growth rate was easily surpassed between 2015 and 2016. The actual growth rate in net revenues over the last three years as shown on the attached financials (Exhibit "C") is 21%. Thus the forecasted growth is very conservative.

B. ALTERNATIVES TO THE PLAN

Although the Disclosure Statement is intended to provide information to assist in the formation of a judgment as to whether to vote for or against the Plan, and although creditors are not being offered through that vote an opportunity to express an opinion concerning alternatives to the Plan, a brief discussion of alternatives to the Plan may be useful. Debtor believes the proposed Plan to be in the best interests of creditors and Debtor, and do not favor any alternative to the proposed Plan. In arriving at that conclusion, Debtor assesses the alternatives as follows:

Chapter 7 Liquidation Analysis. Debtor could convert the case to Chapter 7 and allow a bankruptcy trustee to be appointed to liquidate and distribute assets. In the event that the Bankruptcy Court does not confirm a plan of reorganization in this case, conversion to Chapter 7 will ultimately result. Debtor believes this alternative to be unsatisfactory for the reasons stated in Article VI. C., below, and that Unsecured Creditors would receive no money or significantly less money than proposed in the Plan in the event that the Debtor' assets are liquidated under Chapter 7 of the Bankruptcy Code due to the overarching presence of the IRS priority claim to rights on distribution from all assets.

Dismissal of the Case. Dismissal of the Bankruptcy Case would most likely lead to the same unsatisfactory result as Chapter 7 liquidation.

Debtor has attempted to set forth alternatives to the proposed Plan. However, Debtor cautions creditors that a vote must be for or against the Plan. The vote on the Plan does not include a vote on alternatives to the Plan. There is no assurance what turn the proceedings will take if the Plan fails to be accepted. If you believe one of the alternatives referred to is preferable to the Plan and you wish to urge it upon the Bankruptcy Court, you should consult counsel.

C. LIQUIDATION ANALYSIS

Debtor's Plan proposes payment in full to the Priority Tax Claims and retention of all rights and obligations to the Secured Creditors. In turn, Debtor's Plan seeks only partial payment to the Unsecured Creditors in light of the presence of the I.R.S. priority claim that would moot any recovery by Unsecured Creditors.

The likely result of a conversion of the Bankruptcy Case to Chapter 7 liquidation would be a lifting of the automatic stay of 11 U.S.C. § 362(a) to permit repossession of the automobiles.

Debtor's exempt property would be abandoned by the Trustee, but the IRS is not precluded from its priority claims by state exemptions.

Creditors therefore would unlikely recover anything from a conversion. As for dismissal of Debtor's case, such a result would leave the creditors facing piece-meal litigation against the Debtors with doubtful collections. The Plan is clearly superior to a Chapter 7 Liquidation Scenario or dismissal.

D. SPECIFIC CONSIDERATIONS IN VOTING

All of the foregoing give rise in the instant case to the following implications and risks concerning the Plan.

While the Plan provides for certain payments at confirmation, such payments will only apply to Allowed Claims including Claims arising from defaults. Under the Bankruptcy Code, a Claim may not be paid until it is allowed. A Claim will be allowed in the absence of objection.

A Claim, including a Claim arising from default, which has been objected to will be heard by the Bankruptcy Court at a regular, evidentiary hearing and allowed in full or in part or disallowed. While Debtor bears the principal responsibility for Claim objections, any interested party, including creditors, may file claim objections. Accordingly, payment on some Claims, including Claims arising from defaults, may be delayed until objections to such Claims are ultimately settled.

E. DISCLOSURES REQUIRED BY THE BANKRUPTCY CODE

The Bankruptcy Code requires disclosure of certain facts:

- 1) There are no payments made or promises of the kind specified in § 1129(a)(4) of the Bankruptcy Code which have not been disclosed to the Bankruptcy Court.
- 2) Counsel to the Debtor have advised Debtor that it will require legal services in connection with this case after confirmation which will require reimbursement. Debtor may continue to use the Wiley Law Group, PLLC as counsel after confirmation.

F. DESCRIPTION OF MANAGEMENT AND CONTROL PERSONS OF DEBTOR

There will be no changes to the management and control persons of the Debtor's business as of the date of filing of the Plan, or as a result of the Plan.

ARTICLE VII - PROVISIONS GOVERNING DISTRIBUTION

Claims. Claims are defined in the Plan. The Plan is intended to deal with all Claims against the Debtor's estate of whatever character, whether or not contingent or liquidated, and whether or not allowed by the Bankruptcy Court pursuant to § 502(a) of the Bankruptcy Code; however, only those Claims Allowed pursuant to § 502(a) of the Bankruptcy Code will be entitled to and receive payment under the Plan.

Compliance with Plan. Any Person, including a Creditor, which has not, within the time provided in the Plan, performed any act required in the Plan or in the Confirmation Order, shall not be entitled to participate in any distribution under the Plan.

Provisions Covering Distributions. All payments required by the Plan shall be made by Reorganized Debtor, their successor, assign or designee. Payments to be made in cash pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank, such mode of payment to be at the sole discretion of Reorganized Debtor.

Distributions and deliveries to holders of an Allowed Claim shall be made to the holder at the address set forth on the latest-filed proof of claim filed by such holder or at the address listed on Debtor's Schedules of such holder if no proof of claim is filed. If any holder's distribution is returned as undeliverable, Reorganized Debtor shall hold the distribution until notified of such holder's new address or the first anniversary of the Effective Date occurs, at which time the undelivered distribution shall revert and become the property of Reorganized Debtor and the Claim shall be discharged and forever barred.

Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for re-issuance shall be made directly to Reorganized Debtor at the Notice Address(es) by the Holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such voided check shall be made on or before the later of the first anniversary of the Effective Date or ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of such checks shall be discharged and forever barred.

ARTICLE VIII - RETENTION OF JURISDICTION

Purposes. Notwithstanding entry of the Confirmation Order, the Bankruptcy Court shall retain jurisdiction in the following matters after confirmation of the Plan:

- i. to determine any and all objections to the allowance of Claims or Interests, both before and after the Confirmation Date, including any objections to the classification of any claim or interest;
- ii. to determine any and all applications for fees and expenses authorized to be paid or reimbursed in accordance with § 503(b) of the Bankruptcy Code or the Plan;
- iii. to determine any and all pending applications for the assumption or rejection of executory contracts or for the rejection or assumption and assignment, as the case may be, of unexpired leases to which Debtor is a party or with respect to which they may be liable; to hear and determine any actions

- to void or terminate unexpired contracts or leases; and to hear and determine and, if need be, to liquidate any and all claims arising therefrom;
- iv. to hear and determine any and all actions initiated by Debtor and/or Reorganized Debtor, whether by motion, complaint or otherwise;
 - v. to determine any and all applications, motions, adversary proceedings and contested matters pending before the Bankruptcy Court on the Confirmation Date or filed or instituted after the Confirmation Date;
 - vi. to modify the Plan, the Disclosure Statement or any document created in connection with the Plan or remedy any defect or omission or reconcile any inconsistency in any Order of the Bankruptcy Court, the Plan, the Disclosure Statement or any document created in connection with the Plan, in such manner as may be necessary to carry out the purposes and effects of the Plan to the extent authorized by the Bankruptcy Code;
 - vii. to ensure that the distribution is accomplished in accordance with the provisions of the Plan;
 - viii. to allow, disallow, determine, liquidate or estimate any claim or interest and to enter or enforce any order requiring the filing of any such claim or interest before a particular date;
 - ix. to enter such orders as may be necessary to interpret, enforce, administer, consummate, implement and effectuate the operative and injunctive provisions of the Plan, the Confirmation Order and all documents and agreements provided for herein or therein or executed pursuant hereto or thereto including, without limitation, entering appropriate orders to protect Debtor Debtor's key principals from creditor actions;
 - x. to hear any other matter not inconsistent with Chapter 11 of the Bankruptcy Code and/or applicable bankruptcy law;
 - xi. to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;
 - xii. to determine such other matters as may arise in connection with the Plan, this Disclosure Statement or the Confirmation Order;

- xiii. to enforce all orders, judgments, injunctions, and rulings entered in connection with the Chapter 11 Case;
- xiv. to determine all issues relating to the Claims of any taxing authorities, state or federal;
- xv. to determine any avoidance actions brought pursuant to the provisions of the Bankruptcy Code; and
- xvi. to enter a Final Order and final decree closing the Chapter 11 Case.

Exclusive Jurisdiction. The Bankruptcy Court shall have exclusive jurisdiction to resolve all controversies, suits and disputes that may arise in connection with the interpretation, enforcement, consummation, implementation or administration of the Plan, the Confirmation Order or the Disclosure Statement and all entities shall be enjoined from commencing any legal or equitable action or proceeding with respect to such matters in any other court or administrative or regulatory body.

Abstention. If the Bankruptcy Court abstains from exercising jurisdiction or is otherwise without jurisdiction over any matter arising out of the Chapter 11 Case, including the matters set forth in this Article VIII, Article VIII of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Closing of Case. The Reorganized Debtor shall file an application for final decree and to close the Bankruptcy Case and promptly set a hearing no later than twelve (12) months after the Effective Date, or show cause to the Bankruptcy Court within such period why the Bankruptcy Court should not enter a final decree. Any adversary proceeding that is a Cause of Action shall survive the entry of a final decree and closing of the Chapter 11 Case, and jurisdiction shall be retained over such proceeding.

ARTICLE IX - MISCELLANEOUS PROVISIONS

Certain Rights Unaffected. Except as otherwise provided in the Plan, any rights or obligations which the Debtor's creditors may have amongst them as to their respective claims or the relative priority or subordination thereof are unaffected.

Binding Effect. As of the Effective Date, the Plan shall be binding upon and inure to the benefit of Debtor, Reorganized Debtor, the holders of the Claims, and their respective successors and assigns.

Discharge of Claims. Except as otherwise provided in the Plan or in the Confirmation Order, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts and Claims of any kind, nature, or description whatsoever against Debtor or any of their assets or properties to the extent permitted by § 1141 of the Bankruptcy Code. As provided under 11 U.S.C. §1145(d)(5), upon the completion of all

payments and the Court provides the discharge upon request by the Debtor after notice and hearing all existing Claims against Debtor shall be deemed to be discharged and all holders of Claims shall be precluded from asserting against the Debtor's assets or properties, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder filed a proof of claim.

Discharge of Debtor. Any consideration distributed under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever against Debtor or any of their assets or properties. As provided under 11 U.S.C. §1145(d)(5) upon the completion of all payments and the Court provides the discharge upon request by the Debtor after notice and hearing, Debtor shall be deemed discharged and released to the extent permitted by § 1141 of the Bankruptcy Code from any and all Claims, including but not limited to demands and liabilities that arose before the Effective Date, whether or not (a) a proof of claim based upon such debt is filed or deemed filed under § 501 of the Bankruptcy Code; (b) a claim based upon such debt is allowed under § 502 of the Bankruptcy Code; or (c) the holder of the claim based upon such debt has accepted the Plan. Pursuant to § 524 of the Bankruptcy Code, such discharge shall void any judgment against Debtor at any time obtained to the extent it relates to a claim discharged, and operates as an injunction against the prosecution of any action against Debtor or the property of Debtor, to the extent it relates to a claim discharged.

Exculpations. Debtor's professionals shall not have or incur any liability to any Holder of a Claim for any act, event, or omission in connection with, or arising out of, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence.

Injunctive Relief. Except as provided herein, on and after the Confirmation Date, all Creditors and persons acting in concert with them are enjoined and restrained pursuant to § 105 of the Bankruptcy Code from taking any action to correct or enforce any Claim directly or indirectly against the Debtor's assets or properties, and Travis Johnson and TJCW as under the Plan Support agreement indispensable to the effectuation of the Plan in any manner inconsistent with the terms contained in the Plan. The discharge granted by this Plan voids any judgment at any time already obtained may be obtained with respect to any debt discharged against the Debtor and any judgment already obtained or may be obtained related to any debt discharged against the Debtor.

Notices. All notices, requests or demands in connection with the Plan shall be in writing and shall be deemed to have been given when received or, if mailed, five (5) days after the date of mailing, provided such writing shall have been sent by registered or certified mail, postage prepaid, return receipt requested, and sent to the following parties, addressed to:

All notices and request to Holders of Claims and Interests shall be sent to them at the address listed on the last-filed proof of claim and if no proof of claim is filed, at the address listed in Debtor's Schedules.

If to Debtor:

Gwendolyn Johnson
7206 Lake Tahoe Drive
Arlington, Texas 76016

If to Debtor's Counsel:

The Wiley Law Group, PLLC
325 North St. Paul Street, Suite 2750
Dallas, TX 75201

ARTICLE X - CONCLUSION

Debtor respectfully submits that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, including the "best interest of creditors" and "feasibility" requirements and that it should be confirmed even in the event a class of claims does not vote for acceptance of the Plan. Debtor believes that the Plan "is fair and equitable" and "does not discriminate unfairly." Additionally, Debtor believes that the Plan has been proposed in good faith.

Debtor respectfully requests that this Disclosure Statement be approved for circulation to the creditors of Debtor and that they be permitted to solicit votes for acceptance of the Plan.

Dated: November 22, 2016

Respectfully submitted,

THE WILEY LAW GROUP, PLLC

/s/ Kevin S. Wiley, Sr.

Kevin S. Wiley, Sr.

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