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ATTORNEYS FOR DEBTOR

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

IN RE §
OPC MARKETING, INC § Case no.17-34095 -11
§
§
DEBTOR § CHAPTER 11
§

DISCLOSURE STATEMENT OF OPC MARKETING, INC PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DATED APRIL 30, 2018

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

I

INTRODUCTION

Identity of the Debtor

OPC Marketing, Inc., (“Debtor”) filed its voluntary Chapter 11 case in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (“Court”) on November 1, 2017. Debtor is a Texas Corporation which provides software to call centers throughout the United States. Debtor purposes to restructure its current indebtedness and continue its operations to provide a dividend to the unsecured creditors of Debtor.

Purpose of Disclosure Statement; Source of Information

Debtor submits this Disclosure Statement (“Disclosure Statement”) pursuant to Section 1125 of the Code to all known Claimants of Debtor for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of Debtor in order to

arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor's Plan of Reorganization dated April 30, 2018 ("Plan"). This Disclosure Statement describes the operations of the Debtor contemplated under the Plan. You are urged to study the Plan in full and to consult with your counsel about the Plan and its impact upon your legal rights. Any accounting information contained herein has been provided by the Debtor.

Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a Debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a Plan is the principal purpose of a Chapter 11 reorganization case. A Plan sets forth the means for satisfying claims against and interests in the Debtor. After a Plan has been filed, it must be accepted by holders of claims against, or interests in, the Debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a Plan. 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 their pre-confirmation debts and liabilities except as expressly provided for in the Plan and Section 1141(d) of the Code. Confirmation makes the Plan binding upon the Debtor and all claimants, equity interest holders and other parties-in-interest, regardless of whether or not they have accepted the Plan.

Voting Procedures

Unimpaired Class. Claimants in Classes 1 and 6 are not impaired under the Plan. Such Class is deemed to have accepted the Plan.

Impaired Classes. The Classes 2 through 5 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 5. Each holder of an Allowed Claim in Classes 2 through 5 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below.

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

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

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.

Under the Debtor's Plan, if confirmed, the shareholders of the Debtor will be allowed to retain their stock in the Debtor. Under the provisions of section 1129(b) of the Bankruptcy Code, the shareholders of the Debtor would generally not be entitled to keep their shares, over the objection of a Class of unsecured creditors, unless the unsecured creditors receive full payment. This is known as the "absolute priority rule".

In this case, the shareholders of the Debtor will be allowed to keep their shares even though all creditors will not be paid in full.

II

REPRESENTATIONS

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

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

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

ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY 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 DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTOR'S ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.

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

III

FINANCIAL PICTURE OF THE DEBTOR

History and Background of the Debtor

The Debtor is a software design, sales and service company focusing on the telecommunications industry. As a result of protracted litigation, the company was forced to file a bankruptcy in 2015. During the course of the bankruptcy, the Debtor was able to develop a new software program that showed great promise in the industry. The Debtor emerged from bankruptcy in early 2106 with a repayment plan for its major creditor, the Internal Revenue Service (“IRS”). The rollout of the new product took longer than expected and upgrades and glitches delayed getting the product on line much longer than expected. As a result the Debtor was unable to meet its obligations under the prior plan and incurred additional IRS liabilities.

This bankruptcy was filed in conjunction with the introduction of the new product in order to resolve the IRS and other creditor issues.

Post-Petition Operations

Since the filing of the Bankruptcy, the Debtor has been able to fully implement the new software. This has enabled the Debtor to operate profitably during the bankruptcy process. The Debtor has filed monthly operating reports which reflect the business activity during the case. Copies of those reports are available upon request to Debtor’s counsel.

Future Income and Expenses Under the Plan

Under the terms of the Plan, the creditors will receive cash payments from the Debtor’s operations. The projections of the revenues and expenses for the 12 months is attached hereto as Exhibit “B”. The Debtor believes these projections to be feasible based upon current business operations of the Debtor. The Debtor is not anticipating any major fluctuation in revenues or expenses during the life of the Plan.

Post-Confirmation Management

Upon Confirmation of the Debtor’s Plan, Michael Henochowicz will remain president of Debtor. Mr. Henochowicz receive an annual salary of \$75,000.

IV.

ANALYSIS AND VALUATION OF PROPERTY

The Debtor’s major assets consists of the accounts receivable that the Debtor has at any given time. The other assets of the Debtor include some office furniture and the software of the Debtor. Attached hereto as Exhibits C is a liquidation analysis. The Debtor’s has not been able to value the software on an ongoing basis because the software required constant upgrading and recoding. While the software does not value that value is greatly reduced in a liquidation situation.

V.

SUMMARY OF PLAN OF REORGANIZATION

The Debtor's Plan will break the existing claims into 5 categories of Claimants. Tax Creditors and Unsecured Claimants will receive cash payments 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 Debtor shall assume all duties, responsibilities and obligations for the implementation of this Plan.

Class 1 Claimants (Allowed Administrative Claims of Professionals 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. Debtor's attorney's fees approved by the Court and payable to the law firm of Eric Liepins, P.C. will be paid immediately following the later of Confirmation or approval by the Court out of the available cash. This case will not be closed until all allowed Administrative Claims are paid in full. Class 1 Creditor Allowed Claims are estimated as of the date of the filing of this Plan to not exceed the amount of \$15000 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 Internal Revenue Service Tax Claim) are impaired and shall be satisfied as follows: The Allowed Amount of all Internal Revenue Services ("IRS") claims shall be paid out of the continued operations of the business. The IRS secured claim shall be allowed in the amount of \$120,000. The IRS Priority Tax Claim shall be allowed in the amount of \$286,225.30. The IRS Priority and Secured Claims will be paid in full over a 72 month period commencing on the Effective Date, with interest at a rate of 4% per annum. The monthly payment shall be approximately \$6,336. Failure of the Debtor to meet the payment obligations set forth in the Plan shall constitute an event of default under the Plan. In addition, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of a Federal (or state) tax lien and the powers of levy, seizure, and sale under the Internal Revenue Code. The below stated provisions apply to the IRS:

- (a) If the Debtor fails to make any Plan payments, and deposits of any currently accruing employment or sales tax liability, fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the debtor or its successor in interest fails to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.
- (b) If the United States declares the Debtor to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current

liabilities, shall become due and payable immediately upon written demand to the Debtor or the successor in interest.

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

The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the plan, and as set forth in paragraph (4)(a)-(d) above.

Class 2 Claimants are impaired under this Plan.

Class 3 Claimants (Allowed Property Tax Claims) are impaired and shall be satisfied as follows: The Debtor owed business property taxes to Dallas County. Dallas County has filed a Proof of Claim in the amount of \$1,317.83. These Ad Valorem Taxes will receive post-petition pre-confirmation interest at the state statutory rate of 1% per month and post-confirmation interest at the rate of 12% per annum. The Debtor shall pay the Class 3 claimants in full within 30 days of the Effective Date. The Class 3 claimants shall retain their liens on the Debtor's property until paid in full under this Plan.

The Class 3 Creditors are impaired under this Plan.

Class 4 Claimants (Allowed Unsecured Claims) are impaired and shall be satisfied as follows: The Unsecured Creditors will share pro-rata in the Unsecured Creditor's Pool. The Unsecured Creditors will share pro-rata in the Unsecured Creditor's Pool. The Debtor shall pay \$1,600 per month for a period of 60 months into the Unsecured Creditors Pool. 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. Based upon the Debtor's Schedules the payment to Class 4 Claims will be approximately 50% on their Allowed Claims.

The Class 4 creditors are impaired under this Plan.

Class 5 (Current Interest Holders) are not impaired under the Plan and shall be satisfied as follows: The current shareholders will receive no payments under the Plan, and the current interest holder shall retain his existing interests.

The Class 5 Interest Holder is not impaired under this Plan.

ARTICLE VI
MECHANICS/IMPLEMENTATION OF PLAN

Debtor anticipates using the on-going business income of the Debtor to fund the Plan. All payments under the Plan shall be made through the Disbursing Agent.

VII.
FEASIBILITY OF PLAN

The projections set forth on Exhibit "B" are based upon the Debtor's historical operations. The Debtor has not projected any significant increases in income over the life of the Plan. Based upon the projections, the Debtor believes 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 XIV of the Plan.

This Plan shall be the sole and exclusive remedy for any Creditor of the Debtor dealt with herein, so long as Debtor is not in default under the Plan.

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. Given the nature of the Debtor's property, a Chapter 7 proceeding would most likely not provide any funds for unsecured creditors.

X

STATUS OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

To the extent there are any unexpired leases or executory contracts, which have not been assumed or dealt with in this Plan prior to the Effective Date, they are rejected. However, all client contracts to the extent they would be considered executory contracts, and the Debtor's current lease on its facility are specifically assumed by this Plan.

XI

RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN

Claimants should be aware that there are a number of substantial risks involved in consummation of the Plan. The risk connected with this Plan is the Debtor's ability to continue to obtain work at its historical level. The Debtor is proposing to make payments based upon the Debtor's historical revenue levels and past performance can not guaranty future revenue levels. The Plan contemplates that there will be excess funds to pay Creditor Claims.

XII.

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, not all creditors will be paid in full and therefore the creditors may have tax consequences as a result of not receiving full payment on their claims. **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.**

XIII.

PENDING OR ANTICIPATED LITIGATION

The Debtor has evaluated potential claims which may be brought. The Debtor does not believe any claims under the provision of the Bankruptcy Code exist which would be beneficial for the Debtor to pursue or which would result in a higher return to the creditors.

Dated: April 30, 2018.

Respectfully submitted,

/s/ Michael Henochowicz
Michael Henochowicz, President

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ATTORNEY FOR DEBTOR

LIQUIDATION ANALYSIS

ASSETS	Chapter 7	Chapter 11
CASH	75,000	75,000
A/R	0 ¹	25,000
OFFICE FURN.	2,000	2,000

¹The Debtor's accounts receivable are based upon the Debtor being able to provide continued support for the software product. In the event of liquidation no support would be available.

SOFTWARE	UNK ²	500,000 ³
TOTAL	107,000	107,000
LIABILITIES		
ADMINISTRATIVE TAXES	15,000	15,000
IRS	409,000	409,000
PROPERTY TAX	1,300	1,300
UNSECURED	200,000	200,000
UNSECURED DIVIDEND	0%	60%

²Without continued support and development the software would lose its value quickly.

³If the Debtor maintains the software the Debtor will be able to generate the funds necessary to make the payments under the Plan.

