

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

<b>IN RE:</b>	§	
	§	<b>CASE NO. 15-11194</b>
	§	<b>CASE NO. 16-10817</b>
<b>KEVIN KLIEFOTH</b>	§	
<b>and</b>	§	
<b>BARBARA KLIEFOTH</b>	§	<b>CHAPTER 11</b>
	§	
<b>DEBTORS</b>	§	<b>Substantively Consolidated</b>

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**This proposed Disclosure Statement has not been approved under section 1125(B) of the bankruptcy Code by the Bankruptcy Court as containing adequate information for use in connection with the solicitation of acceptances or rejections of the Debtors’ Chapter 11 Plan of Liquidation described herein. Accordingly, the filing and dissemination of this proposed Disclosure Statement is not intended and should not in any way be construed as a solicitation of votes for the Debtors Chapter 11 Plan of Liquidation, nor should the information contained herein be relied upon for any purpose before a determination by the Bankruptcy court that the proposed Disclosure Statement contains adequate information.**

**DISCLOSURE STATEMENT OF  
KEVIN KLIEFOTH AND BARBARA KLIEFOTH  
DESCRIBING CHAPTER 11 PLAN OF LIQUIDATION**

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EXHIBIT B –	CHAPTER 11 PLAN
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### **Important Notice**

**This disclosure statement has not been approved or disapproved by the Securities and Exchange Commission, nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of the statements contained herein.**

**This disclosure statement includes forward-looking statements based largely on the current expectations of the debtors and projections about the future events and financial trends affecting the financial condition of the debtors or the debtors' business. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions identify these forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described below under the caption "risk factors." In light of these risks and uncertainties, the forward looking events and circumstances discussed in this disclosure statement may not occur, and actual results could differ materially from those anticipated in the forward-looking statements. Neither the debtors nor the reorganized debtors have undertaken any obligations to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.**

**No representations or other statements concerning the debtors (particularly as to its future business operations or the value of its assets) are authorized by the debtors, other than those expressly set forth in this disclosure statement. Any representations or inducements made to secure your acceptance, which are other than as set forth in this statement, should not be relied upon by you in arriving at your decisions. Any such additional representations and inducements should be reported to counsel for the debtors who shall deliver such information to the bankruptcy court, which may take such action as it deems appropriate.**

**The information contained herein has not been independently audited, except as specifically referenced herein. The information contained in this disclosure statement has been submitted by the debtors and their internal accounting staff, unless specifically stated to be from other sources. The debtors' plan is an integral part of this disclosure statement, and each creditor is urged to review the Plan in its entirety prior to voting on it.**

**The Debtors make no representations with respect to the effects of taxation (State or Federal) on the creditors with respect to the treatment of their claims or interest under the Plan, and no such representations are authorized by the Debtors. Creditors are encouraged to seek the advice of their own professional advisors if they have any such questions.**

### **I. INTRODUCTION**

**This Disclosure Statement is submitted by Kevin Kliefoth and Barbara Kliefoth (the "Debtors" and "Debtors-in-Possession") in connection with the Debtors' efforts to solicit votes necessary to confirm the Debtors' Chapter 11 Plan of Liquidation (the "Plan"). A copy of the Plan is attached hereto as Exhibit "A"**

### **1.01 The Chapter 11 Case**

Kevin Kliefoth filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the Western District of Texas, Austin Division ("Bankruptcy Court") on September 13, 2015. Barbara Kliefoth filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the Western District of Texas, Austin Division ("Bankruptcy Court") on July 14, 2016. The court entered an order substantively consolidating the Debtors' cases under Kevin William Kliefoth case No. 15-11194 on October 21, 2016. The Debtors continues to manage their affairs as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. This Disclosure Statement and the accompanying Plan are filed on behalf of the Debtors.

### **1.02 Purpose of Disclosure Statement**

The purpose of this Disclosure Statement is to provide you, as the holder of a Claim against the Debtors, with information to enable you to make a reasonably informed decision on the Plan before exercising your right to vote to accept or reject the Plan.

On \_\_\_\_\_ after notice and a hearing, the Bankruptcy Court approved this Disclosure Statement as containing information, of a kind and in sufficient detail, adequate to enable the holders of Claims against the Debtors to make an informed judgment to accept or reject the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THIS INFORMATION OR THE BANKRUPTCY COURT'S ENDORSEMENT OF THE PLAN.

YOU SHOULD READ ALL OF THIS DISCLOSURE STATEMENT BEFORE VOTING ON THE PLAN. HOWEVER, THE DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL, DETAILED REVIEW AND ANALYSIS OF THE PLAN ITSELF BY EACH HOLDER OF A CLAIM OR INTEREST. THIS DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW AND ANALYSIS. THE DESCRIPTION OF THE PLAN IS A SUMMARY ONLY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES IN INTEREST ARE CAUTIONED TO REVIEW THE PLAN AND ANY RELATED ATTACHMENTS IN THEIR ENTIRETY FOR A FULL UNDERSTANDING OF THE PLAN'S PROVISIONS. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.

You are urged to consult with your own financial and other advisors in deciding whether to vote to approve or reject the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement, and no person has been authorized to use any information concerning the Debtors or their businesses other than the information contained in this Disclosure Statement.

#### **About this Disclosure Statement:**

- The statements contained in this Disclosure Statement are made as of the date that the Bankruptcy Court enters an order approving this Disclosure Statement, unless another time is specified in this Disclosure Statement. Neither the delivery of this Disclosure Statement nor any action taken in connection with the Plan implies that the information contained in this Disclosure Statement is correct as of any time after that date.
- Unless the context requires otherwise: (i) the gender (or lack of gender) of all words used in this Disclosure Statement includes the masculine, feminine, and neuter; (ii) references to articles and sections (other than in connection with the Bankruptcy Code, the Bankruptcy Rules, another specified law or regulation or another specified document) refer to the articles and sections of this Disclosure Statement; and (iii) "including" means "including, without limitation.
- You may not rely on this Disclosure Statement for any purpose other than to determine how to vote on the Plan. Nothing contained in this Disclosure Statement constitutes or will be deemed to be advice on the tax or other legal effects of the Plan on holders of Claims or interests.
- Certain information contained in this Disclosure Statement is forward-looking. This Disclosure Statement contains estimates and assumptions that may prove not to have been accurate, and it contains financial projections that may be materially different from actual future occurrences.
- Acceptance or rejection of the Plan is subject to a number of risks. See "Risk Factors" in Section IX herein.

### **1.03 Plan Balloting and Confirmation Procedures**

#### **1.03.1 Holders of Allowed Claims Entitled to Vote**

Only holders of Allowed Claims that are (i) "impaired" by a plan of reorganization or liquidation and (ii) entitled to receive a distribution under such a plan are entitled to vote to accept or reject a plan under the Bankruptcy Code. Class 1 is not entitled to vote. Claims in Class 2, 3 and 4 are impaired under the Plan~ and therefore~ shall be entitled to vote to accept or reject the Plan. Class 1 is unimpaired and shall not be entitled to vote to accept or reject the Plan. If a controversy arises as to whether any Claim or interest or any Class of Claims or Interests is impaired under the Plan, the Court shall, upon notice and a hearing, determine such controversy.

#### **1.03.2 Voting Procedures**

If you are entitled to vote to accept or reject the Plan~ a Ballot (the "Ballot") for acceptance or rejection of the Plan and a pre-addressed envelope for return of the Ballot are enclosed. **BALLOTS FOR ACCEPTANCE OR REJECTION OF THE PLAN ARE BEING PROVIDED ONLY TO HOLDERS OF ALLOWED CLAIMS IN CLASS TWO, THREE AND FOUR** If you are the holder of an Allowed Claim in one of these Classes entitled to vote and did not receive a Ballot~ received a damaged or illegible Ballot~ or lost your Ballot, or if you are a party-in-interest and have any questions concerning the Disclosure Statement, the Plan, or the voting procedures, please contact:

Fred Walker P.C.  
Att: Kimberly Nash  
609 Castle Ridge Ste 220  
Austin, TX 78746  
512-330-9977  
512-330-1686 (facsimile)

After carefully reviewing this Disclosure Statement, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan. Return the Ballot to the Debtors' counsel at the address set forth on the Ballot by 5:00p.m. (Central Standard Time) on \_\_\_\_\_. You may also return your Ballot by courier or facsimile by following the instructions on the Ballot. Any Ballot not indicating an acceptance or rejection will be deemed an acceptance of the Plan. ANY BALLOTS RECEIVED BY THE DEBTORS' COUNSEL AFTER 5:00 P.M. (PREVAILING CENTRAL STANDARD TIME), ON WILL NOT BE COUNTED UNLESS THIS DATE IS EXTENDED BY THE BANKRUPTCY COURT.

### **1.03.3 Voting Requirements for Class Acceptance of the Plan**

In order for the Plan to be "accepted" by Creditors, at least sixty-six and two-thirds percent (66.66%) in amount of Allowed Claims and more than fifty percent (50%) in number of Allowed Claims voting in each Class must accept the Plan.

### **1.03.4 Confirmation Hearing**

The Bankruptcy Court has entered an order fixing at (Prevailing Central Standard Time), Bankruptcy Courtroom for the Honorable Tony M. Davis, Homer J. Thornberry Federal Judicial Building, 903 San Jacinto Boulevard, Suite 332, Austin, Texas 78701, as the date, time and place for the initial commencement of a hearing on the confirmation of the Plan, and at 5:00 p.m., as the time by which all objections to confirmation of the Plan must be filed with the Bankruptcy Court and served on counsel for the Debtors. The confirmation hearing may be adjourned from time to time without further notice except for the announcement of the adjourned time and date at the confirmation hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any creditor or party-in-interest may object to confirmation of a plan. Any objection to confirmation of the Plan must: (i) be in writing; (ii) conform to the Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court; (iii) set forth the name of the objecting party; (iv) the nature and amount of the Claim or Interest held or asserted by the objecting party against the Debtors' Bankruptcy Estate; and (v) the basis for the objection. The objection, together with proof of service, must then be filed with the Bankruptcy Court, with copies served upon parties required to receive service under Local Rule 9013-l(d), and to the Debtors' counsel at:

Fred Walker P.C.  
Kimberly Nash  
State Bar No. 24043840

609 Castle Ridge Ste 220  
Austin, Tx 78746  
512-330-9977

**UNLESS AN OBJECTION IS TIMELY AND PROPERLY SERVED AND FILED BY AT 5:00P.M. (PREVAILING CENTRAL STANDARD TIME), THE OBJECTION MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

### **1.03.5 Effective Date**

This is a liquidating plan. In other words, the Debtors seek to liquidate their non-exempt assets to satisfy their creditors. The Effective Date of the proposed Plan is the thirtieth (30<sup>th</sup>) day after the date on which the confirmation order confirming the Plan is entered, unless stayed pursuant to Bankruptcy Rule 8005 by order of an appropriate court. But if a stay of the confirmation order is in effect on that date, the Effective Date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

## **II. DEBTORS BACKGROUND**

### **2.01 General**

Kevin Kliefoth operates a sole proprietorship and does business under the assumed names “Walltech” and OfficeOutlet.” The business is primarily engaged in acquisition, reconditioning and sale of used office equipment, including partitions and cubicles. The business also sells new office furniture. The business employs approximately 25 full time employees and 10 part time employees.

The business acquires used office furniture from clients that are vacating existing space and relocating their offices. Mr. Kliefoth is usually able to acquire the furniture and equipment at no cost. He is normally paid to remove and dispose of the furniture and equipment because the furniture is no longer desired and the space must be vacated. From his customer’s point of view, disposal of the furniture and equipment is a liability that can be mitigated by allowing Mr. Kliefoth to take title to the goods. The used furniture and equipment is then either disposed of or reconditioned and offered for sale who then reconditions the used furniture for sale.

Mr. Kliefoth has been operating his business as a debtor-in-possession since September 13, 2015. The business climate has deteriorated and he has determined it is no longer cost-effective to continue operating the business. He made inquiries to determine whether any of his competitors are interested in purchasing the assets of his business. The only parties who have expressed an interest in the assets are people in the same business; and they are willing to remove the furniture and equipment only if they are paid. No-one has expressed an interest in paying money to buy the assets of the business.

The business has a substantial liability to its landlord, RUT 3-4-7 LTD. The lease requires monthly rent in excess of \$25,000. The landlord is secured with a \$22,680.00 security



deposit together with a landlord's lien against furniture, fixtures and equipment located in the premises. The cost to dispose of the furniture, fixtures, equipment and inventory exceeds its fair market value. The Plan therefore proposes to terminate the lease, forfeit the security deposit and abandon to the landlord all furniture, fixtures and equipment located at debtors' place of business. The only remaining business assets after the abandonment will be cash and accounts receivable. The Plan proposes to distribute the cash to creditors and appoints Kevin Kliefoth as the plan Administrator to collect the accounts receivable for ultimate distribution to creditors.

Mr. Kliefoth has an executory employment contact with Trinet SOI AKA TXSUB-64 ("Trinet") to provide employees and payroll services. He "leases" approximately twenty-five (25) full time employees (permanent employees) and ten (10) part time employees (temporary employees) from Trinet. Walltech remits a weekly gross payroll that averages SIXTEEN THOUSAND and 00/100 dollars (\$16,000.00) for the prior week's hours and monthly commission/bonus check averaging TWENTY-TWO THOUSAND EIGHT HUNDRED 00/100 dollars (\$22,800.00) for the commissions earned the prior month. The Plan proposes to assume the executory employment agreement.

Debtor employs his son, Robbie Kliefoth, as a general sales associate. Robbie Kliefoth earns a salary plus commission. During the six months prior to filing, Robbie Kliefoth earned \$27,445.00.

Mrs. Kliefoth has been unemployed for many years and recently found part time employment at Home Goods as a cashier. She currently works part time and earns \$10.00 an hour. Mr. Kliefoth provides Mrs. Kliefoth an average of \$1,400.00 a month in spousal support payments.

## **2.02 Causes of Bankruptcy Filing**

Mr. and Mrs. Kliefoth have been separated for several years. Mrs. Kliefoth is employed in retail sales. Debtors have a substantial federal income tax liability and filed for relief under chapter 11 of the Bankruptcy Code in response to the garnishment of one of their bank accounts by the Internal Revenue Service. Kevin Kliefoth filed his case on September 13, 2015 and Barbara Kliefoth filed her case on July 14, 2016. The two cases were substantively consolidated on October 21, 2016. The Chapter 11 case is pending in the United States Bankruptcy Court for the Western District of Texas, Austin Division.

## **III. Financial Information and Valuation**

### **3.01 General**

This section provides summary financial information concerning the Debtors, their assets and potential sources of recovery for creditors. The information is based on information available as of the date of this Disclosure Statement. Any forward-looking projections, including analysis and valuation of Litigation Claims, is based upon the Debtors' best estimates and belief but, as with any projections, actual results may vary in the future.

### **3.02 Disposable Income**

According to the Monthly Operations Reports, as of July 31, 2016, Walltech had gross profits of \$2,633,463.92 with Operating expenses of \$2,508,051.04 leaving a net income of \$125,412.88 for the Debtors which averages \$17,916.12 a month before federal tax liability.

Mrs. Kliefoth works at rate of \$10.00 per hour. She currently works full time and generates approximately \$1,213.33 gross a month. Additionally, Mr. Kliefoth provides her with monthly spousal support of \$1,400.00. An Amended I & J monthly budget showing the expected disposable income of the Reorganized Debtors is attached hereto as "Exhibit D."

### **3.03 Walltech and OfficeOutlet**

Debtor operates two dbas called Walltech and OfficeOutlet. The businesses generated gross income of \$2,117,636.00 in 2014 with a net profit of \$17,613.00. In 2015, Debtors' dbas grossed \$921,831.00 with \$186,797.00 in net profits. Debtors have determined that it is no longer economically feasible to operate the business and are liquidating their assets to pay creditors.

### **3.04 Valuations of the Property**

The Debtor estimates that the Debtors' Property (listed Schedules A and B) has the valuations attached hereto as Exhibit "C"

## **IV. PROCEEDINGS IN THE DEBTORS' BANKRUPTCY CASE**

### **4.01 Commencement and Administration of the Case**

Mr. Kliefoth's Chapter 11 bankruptcy was commenced on September 13, 2015. The Debtor's Chapter II bankruptcy case is intended to address all of Debtor's liabilities in the context of a Chapter 11 liquidation.

Mrs. Kliefoth's Chapter 11 bankruptcy was commenced on July 14, 2016. Debtor's Chapter 11 bankruptcy case is intended merge her joint IRS liabilities with Mr. Kliefoth's in order to obtain a joint resolution. The following is a description of the more significant matters to have come before the Court.

### **4.02 Approval of Employment of Fred E. Walker, P.C.**

Fred E. Walker P.C. serves as the Debtors' bankruptcy counsel. As a professional under §327 of the Bankruptcy Code, the firm is entitled to seek interim and final compensation from the Debtors' Bankruptcy Estate upon a duly noticed application and after a hearing before the Court [Dkt #12]. The Court entered an Order approving Fred E. Walker P.C. P on October 14, 2015 [Dkt # 47].

### **4.03 Approval to Pay Pre Petition Wages**

The Debtor filed a Motion to Pay Pre Petition Wages on September 16, 2015, requesting to pay the wages of the employees of Debtor's dbas. On September 17, 2015, the Court entered an Order allowing Debtor to pay the pre petition wages. [Dkt #13].

#### **4.04 Approval to Continue to Use Existing Cash Management Systems and Maintain Concurrent Business Bank Accounts.**

Debtor filed a Motion Pursuant to Sections 105(A), 345 (B), 363 (C) and 364 (A) of the Bankruptcy Code for (I) Authority to Continue to Use Existing Cash Management System, (II) Authority to Maintain Existing Bank Account and (III) A Waiver of the Requirements of Section 345 (B) of the Bankruptcy Code. [Dkt#9]. On September 17, 2015, the Court entered an Order granting Debtor's motion. [Dkt#14].

#### **4.05 Approval of employment of Lisa DeLong**

Lisa DeLong serves as Mr. Kliefoth's divorce counsel. As a professional under § 327 of the Bankruptcy Code, she is entitled to seek interim and final compensation from the Debtors' Bankruptcy Estate upon a duly noticed application and after a hearing before the Court [Dkt #27]. The Court entered an Order approving Lisa DeLong on October 27, 2015 [Dkt #60].

#### **4.06 Motion for Interim and Final Orders Establishing Adequate Assurance for Payment of Utilities.**

On September 28, 2015, Debtor filed a Motion for Interim and Final Orders Establishing Adequate Assurance for Payment of Utilities [Dkt #28]. On October 15, 2015, this Court entered an Interim Order granting the Motion and ordering the Debtor to pay cash deposits to each Utility [Dkt #48]. On October 21, 2015, the Court entered a Final Order granting the Debtor's Motion [Dkt # 55].

#### **4.07 Motion to Use Cash Collateral**

The Debtor filed a Motion for Interim and Final Authorization to Use Cash Collateral on September 28, 2015, requesting use of cash from Debtor's dbas Walltech and OfficeOutlet's business checking accounts and accounts receivable to fund Debtor's business operations. [Dkt #29]. This motion was amended on September 28, 2015. [Dkt#31]. On October 1, 2015, the Court entered an Interim Order granting Debtor's interim use of cash collateral so long as the Debtor complied with the Budget approved by the Court [Dkt #41]. On October 23, 2015, the Court entered a Second Interim Agreed Order Regarding the Amended Motion to Use Cash Collateral. [Dkt.#56]. On November 5, 2015 a Final Agreed Order Authorizing Use of Cash Collateral was entered by the court [Dkt# 62].

#### **4.08 Motion to Sell Property Free and Clear of Liens**

January 27, 2016, Debtor filed a Motion to Sell Property Free and Clear of Liens. [Dkt#69]. Debtors intended to sell their homestead described as Lot 2705, Lakeway Section 16-

C according to the map or plat thereof, recorded in Volume 59, Page 18, Plat Records, Travis County Texas. The property was encumbered by Federal Tax Liens in the amount of \$1,630,124.96. On February 22, 2016 the court granted the motion [Dkt#73] but the sale fell through.

April 20, 2016, the Debtor filed a Motion to Sell Property Free and Clear of Liens. Debtors negotiated a sale of their home for \$310,000.00. [Dkt.#77]. On April 26, 2016 the Court entered an Order approving the sale of Debtors home free and clear of liens. [Dkt.#84]. In June 2016 the house was sold and the proceeds distributed to pay title insurance, real estate commissions, cost of closing, ad valorem real property taxes on the property and the net proceeds from sale in the amount of \$292,227.33 is being held in Fred E. Walker, PC IOLTA.

#### **4.09 Motion Under 11 U.S.C. §365 to Reject Certain Executory Contracts**

May 10, 2016, Debtor filed a Motion under 11 U.S.C. §365 to Reject Certain Executory Contracts with SSK Holdings (Landlord) and Kevin Kliefoth, D.B.A. Walltech (Tenant) which commenced June 1, 2012. Debtor was forced to consolidate his inventory and administrative operations into one building. He couldn't financially support two locations any longer. June 7, 2016, an Order was entered Authorizing the Rejection of Certain Executory Contracts.

#### **4.10 Motion for an Order Directing Substantive Consolidation of Chapter 11 Cases.**

July 14, 2016, Barbara Kliefoth filed for bankruptcy protection. July 14, 2016, the Debtors filed a Joint Motion for An Order Directing Substantive Consolidation of Chapter 11 Cases. The two cases were substantively consolidated on October 21, 2016.

### **V. SUMMARY OF THE DEBTORS CHAPTER 11 PLAN OF REORGANIZATION**

#### **5.01 Explanation of Chapter 11 of the Bankruptcy Code**

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11 a plan proponent, typically the debtor attempts to restructure debtors' financial affairs or effectively liquidate the debtor's assets for the benefit of the debtor's creditors and other parties-in-interest. The Chapter 11 plan of reorganization is a debtor's agreement with its creditors. The Chapter 11 plan of reorganization contains the terms and conditions for the operation and/or liquidation of a debtor's assets and the treatment of Claims and interests of creditors and parties-in-interest.

Under § 1125 of the Bankruptcy Code acceptances of a Chapter 11 plan of reorganization may be solicited by the debtor only after a written disclosure statement approved by a bankruptcy court as containing adequate information for each creditor.

#### **5.02 Terms of the Plan Control**

The following represents the Debtors' best effort to describe the treatment afforded the Claims of the Creditors in various Classes. Creditors should be aware that the terms of the Plan

control the treatment of all Claims. In the event of any inconsistencies between the Plan and this Disclosure Statement, the terms of the Plan shall be, in all events, determinative. The Debtors urge all Creditors to read the Plan for a complete understanding of the treatment of their Claims.

### **5.03 Classification of Claims, Interest, and Treatment**

#### **Administrative Claims:**

Each holder of an Allowed Administrative Claim shall receive from the Debtors either: (i) the amount of such Allowed Administrative Claim in one Cash payment on the Effective Date or (ii) such other treatment as may be agreed upon in writing by the Debtors and the holder of the Allowed Administrative Claim. An Allowed Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors shall be paid by the Debtors upon presentment or otherwise in accordance with the terms of the particular transaction and any agreements relating hereto.

#### **a. Administrative Claim Bar Date and Administrative Claim Objection Deadline**

The Plan constitutes a motion to fix and establish a deadline to object to timely filed Administrative Claims ~ such deadline being thirty (30) days following the Administrative Claim Bar Date. Upon entry of the Confirmation Order ~ the Debtors shall provide notice of such Administrative Claim Bar Date to every Person that may assert an Administrative Claim against the Debtors. Applications for compensation and reimbursement filed by professionals employed under Section 327 of the Bankruptcy Code shall also be filed no later than thirty (30) days after the **Confirmation Date~ or by a date set by the Bankruptcy Court.**

#### **b. Administrative Claim Reserve**

Administrative Claim Reserve: On the Effective Date, with funds on deposit held by the Debtors' Attorney, Fred E. Walker P.C. IOLTA, the Debtor will fund the Administrative Claim Reserve in the amount of \$50,000. The funds in the Administrative Claim Reserve shall be released and paid over to those holders of Allowed Administrative Claims. Any funds remaining in the Administrative Claim Reserve following payment of all Allowed Administrative Claims shall be paid to the United States Treasury – Internal Revenue Service on account of its secured claim. In the event the Administrative Claim Reserve is insufficient to pay all Administrative Claims in full the balance of the Allowed Administrative Claims shall be paid pro-rata with the remaining Administrative Claimants from the proceeds from the collection of accounts receivable owed to Mr. Kliefoth's sole proprietorships doing business as Walltech and Office Outlet. All Allowed Administrative Claims shall be paid in full prior to making any distribution from the sales proceeds to unsecured creditors.

#### **c. Applications for Compensation**

Applications for Compensation pursuant to section 330 of the Code made by professionals employed pursuant to section 327 of the Code may be heard at Confirmation; all professionals making such Applications may file such Applications in time to give notice of

hearing on the Applications at the hearing on Confirmation.

In any such Application for Compensation described in section 8.1 above, such professional shall estimate the amount of fees and expenses to be incurred by the professional between the date the Application is filed and the date of Confirmation. Professionals will be permitted to amend such Applications to reduce the amount of fees and expenses filed in Order to reflect actual fees and expenses incurred up to and including Confirmation

**d. Claims of Professional Bar Date and Claims of Professional Objection Deadline**

Any Claims of Professionals approved by the Court, and not previously paid pursuant to any orders approving such payments, shall be paid in Cash in such amounts as are Allowed by Final Order of the Court: (i) within five (5) days following the date such Claim of a Professional becomes an Allowed Administrative Claim or (ii) upon such other terms as may be mutually agreed upon between the holder of a Claim for Professional Fees and the Reorganized Debtors.

The Plan constitutes a motion to fix and establish a bar date of thirty (30) days after the Confirmation Date for the filing of final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date. All Professionals seeking compensation for unpaid services rendered or reimbursement of expenses incurred through and including the Confirmation Date shall file their respective applications no later than such date as set forth in this Section. Upon entry of the Confirmation Order, the Debtors shall provide notice of such Professionals Bar Date to every Person that may assert a Claim for Professional fees against the Debtors.

The Plan constitutes a motion to fix and establish a deadline to object to timely filed Claims of Professionals, such deadline being thirty (30) days following the Professionals Bar Date.

**e. Professionals Account and United States Trustee Fees**

On the Effective Date, the Reorganized Debtors will fund the Professionals Account in an amount sufficient to pay all Allowed Claims of Professionals in full. Additionally, all fees owing to the United States Trustee pursuant to 28 U.S.C. § 1930 shall be paid by the Reorganized Debtors in Cash as such fees become due.

**f. Classification of Administrative Claims**

As provided in § 1123(a) of the Bankruptcy Code, Administrative Claims shall not be classified for purposes of voting under the Plan. The Claims against and Interests in the Debtors are classified as set forth immediately below. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest fits within the description of such Class, and is in such other and different Class or Classes to the extent that the remainder of such Claim or Interest fits within the description of such other Class or Classes. Any dispute with the respect to classification of Claims or Interests or impairment shall be resolved by the Court upon motion of the holder of such Claim or Interest affected thereby, with notice to the Debtors. The Plan shall

only provide distributions to Allowed Claims; except as expressly provided herein, nothing within the Plan shall allow any Claim or Interest. The Claims and Interests are classified as follows:

**Class 1: Allowed Priority Tax Claims of Government Entities**

This class shall consist of allowed Priority Tax Claim arising under section 507(a)(8) of the Bankruptcy Code. The Class 1 claim consists of the Allowed Priority Tax Claim in the amount of SEVENTEEN THOUSAND SEVEN HUNDRED NINETY-NINE AND 79/100 DOLLARS (\$17,799.79) held by the Texas Comptroller of Public Accounts on behalf of the State of Texas, Texas Municipalities, Texas Counties, Special Purpose District and/or Texas Metropolitan or Regional Transportation Authorities; and the Allowed Priority Tax Claim in the amount of THREE THOUSAND SEVEN HUNDRED THIRTEEN AND 65/100 DOLLARS (\$3,713.65) held by the County of Williamson, Texas for AD Valorem Tax Claim for Business Personal Property located at 2112 Boardwalk RR.

**a. Treatment**

Treatment: Each holder of an Allowed Priority Tax Claim shall be paid its Allowed Priority Tax Claim in such amount as is Allowed in full, in Cash, on the Effective Date or as soon as practicable thereafter.

**b. Funding**

Debtors shall pay the Class 1 Claims with Cash on hand on the Effective Date.

**c. Impairment and Voting**

Class 1 is unimpaired and is not entitled to vote on the Plan.

**Class 2: Secured Claim of United States Treasury – Internal Revenue Service**

This Class shall consist of the Secured Claim of the United States Treasury – Internal Revenue Service.

**a. Treatment**

On the Effective Date, the Claim of United States Treasury – Internal Revenue Service shall be allowed as an Allowed Secured Claim in the amount of FIVE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$575,000.00) (the "Allowed United States Treasury – Internal Revenue Service Secured Claim") and an Allowed Unsecured Claim of ONE MILLION ONE HUNDRED FORTY TWO THOUSAND SEVEN HUNDRED FORTY TWO AND 26/100 DOLLARS (\$1,142,742.26) (the "Allowed United States Treasury – Internal Revenue Service Unsecured Claim"). The Allowed United States Treasury – Internal Revenue Service Secured Claim shall be paid in full, in Cash, on the Effective Date or as soon as practicable thereafter. The Allowed

United States Treasury – Internal Revenue Service Unsecured Claim shall be paid pro-rata with the other Allowed Unsecured Claims.

**b. Funding**

Debtors shall pay the Class 2 Allowed United States Treasury – Internal Revenue Service Secured Claim with Cash on hand on the Effective Date. Debtors shall pay the Class 2 Allowed United States Treasury – Internal Revenue Service Unsecured Claim from proceeds received from the collection of accounts receivable.

**c. Impairment & Voting**

Impairment & Voting: Class 2 is impaired. Acceptance of this Plan from holders of Class 2 Claims will be solicited.

**Class 3: Secured Judgment Claim of AEL Financial, LLC**

This Class shall consist of the claim of AEL Financial, LLC secured by a judgment lien on property in which the estate has an interest, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of such creditor's interest in the estate's interest in such property, or to the extent of the amount such subject to setoff, as the case may be.

**a. Treatment**

The Secured Judgment Claim of AEL Financial, LLC shall be allowed as a secured claim in the amount of ZERO DOLLARS (\$0.00) and an allowed unsecured claim in the amount of THIRTY ONE THOUSAND EIGHT HUNDRED FIFTY FIVE and 79/100 DOLLARS (\$31,855.79). On the Effective Date, the claim of AEL Financial, LLC shall receive a pro rata distribution along with the Class 4 Allowed Unsecured Claims.

**b. Funding**

Debtors shall pay the Allowed Class 3 Claim pro rata with other Allowed Unsecured Claims from proceeds received from the collection of accounts receivable.

**c. Impairment & Voting**

Class 3 is impaired. Acceptance of this Plan from holders of Class 3 Claims will be solicited

**Class 4: Allowed General Unsecured Claims**

This Class shall consist of the following Allowed General Unsecured Claims.

**a. Treatment**



Each holder of an Allowed Class 4 Claim shall receive a Pro Rata share of the proceeds available from the collection of the Debtor's accounts receivable, if any.

**b. No Interest**

Allowed Class 4 Claims shall not include (i) any interest from and after the Petition Date; (ii) attorney's fees; and/or (ii) any penalty on such Claim.

**c. Funding**

Debtors shall pay the Allowed Class 4 Claims with funds available from the collection of accounts receivable, if any.

Debtors will accumulate the accounts receivable through May 31, 2017 and make a onetime pro rata distribution to Class 4 holders of allowed claims.

**d. Impairment & Voting**

Class 4 is impaired. Acceptance of this Plan from holders of Class 4 Claims will be solicited.

**VI. IMPLEMENTATION OF THE DEBTORS PLAN OF LIQUIDATION**

**6.01 Summary of the Implementation of the Plan**

From and after the Effective Date, Debtors' bankruptcy estate shall continue in existence solely for the purposes consistent with the terms of this Plan, which include (1) effectuating the Wind Down, (2) liquidating the Assets, (3) enforcing and prosecuting Claims, interests, rights and privileges of the Liquidating Debtor and the Estate, (4) resolving Disputed Claims, (5) administering this Plan and taking such actions as are necessary to effectuate this Plan, and (6) filing appropriate tax returns.

Kevin Kliefoth shall continue as an employee of the bankruptcy estate for a period of 120 days following the effective date of this Plan in order to effectuate the liquidation and Wind Down of the Estate. Kevin Kliefoth's compensation shall be paid out of amounts collected from accounts receivable. Kevin Kliefoth shall also maintain those books, records and bank accounts necessary to effectuate the liquidation and Wind Down of the Estate. Debtors shall continue to perform statutory duties of the Debtors and those conferred by and contemplated under this Plan until this Case is closed.

As set forth in the Disclosure Statement, the funds necessary to make payments under the Plan will be made available from Cash available on the Effective Date and the proceeds from collection of the accounts receivable owed to Walltech and Office Outlet.

The Plan contemplates (1) full payment of all Allowed Administrative Claims, in Cash,

on the Effective Date, or as otherwise agreed; (2) full payment of all Allowed Priority Claims of Governmental Entities, in Cash, on the Effective Date, or as otherwise agreed, together with interest at the rate required by Bankruptcy Code section 511, or if applicable the rate authorized by Texas Tax Code § 33.01. A payment to the Internal Revenue Service of \$575,000.00 on the Effective Date, or as otherwise agreed. (3) A pro rata distribution of the accounts receivable collected through May 31, 2017 to the allowed general unsecured creditors.

In accordance with section 1123 (b)(3) of the Bankruptcy Code and under this Plan, Debtors will be vested with the right to object to proofs of Claim. Debtors shall have the right and power to object to proofs of Claim or Claims including those deemed allowed under the Bankruptcy Code. **THE RIGHT TO OBJECT TO ANY CREDITOR'S CLAIM IS RESERVED IN FAVOR OF THE DEBTOR REGARDLESS OF WHETHER THE CREDITOR HAS VOTED IN FAVOR OF OR AGAINST THE PLAN OF REORGANIZATION.** Except as released, settled and/or compromised herein, Debtors will be vested with the right to prosecute, compromise or otherwise resolve the Avoidance Actions.

Continuing Investigation: The Debtors' schedules of assets and liabilities identify Creditors whose Claims are Disputed. The investigation of potential objections to Claims or other Causes of Action has not been completed. **THE PLAN DOES NOT AND IS NOT INTENDED TO RELEASE ANY SUCH RIGHTS OF ACTION, OR ANY OBJECTIONS TO PROOFS OF CLAIM. ALL SUCH RIGHTS AND RIGHTS OF ACTION ARE SPECIFICALLY RESERVED IN FAVOR OF THE DEBTOR.**

Debtors shall continue to file post confirmation reports and pay US Trustee Quarterly Fees until such time Debtors file their Application for Final Decree Closing the Case and the court approves their application.

The Debtors believe the Liquidation Plan is in the best interests of their estates and all creditors and that this Plan should be approved because the Debtors have cooperated in the liquidation of assets that inure to the benefit of the United States Treasury – Department of the internal Revenue Service, the unsecured creditors receive a distribution greater than they would have received in a chapter 7 bankruptcy and the Debtors receive a discharge of tax obligations that would not be discharged in a chapter 7 bankruptcy.

## **6.02 The Debtors' Obligations Under the Plan**

The Reorganized Debtors shall continue to perform the statutory duties of the Debtors, as applicable, and those conferred by and contemplated under the Plan until this Bankruptcy Case is closed. The Reorganized Debtor shall take such action as necessary to satisfy the terms and requirements of the Plan. Professional fees and expenses incurred following the Effective Date will be paid directly by the Reorganized Debtors without the necessity of Bankruptcy Court approval.

## **6.03 Revesting of Property**

As of the Effective Date, except as otherwise provided in the Plan, the Property of the

Estate of the Debtors shall revert in the Reorganized Debtors. Subject to the terms and conditions of the Plan, the Reorganized Debtors may use, acquire, and disburse Property without supervision by the Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules. As of the Effective Date all Property of the Reorganized Debtors shall be free and clear of all Claims, Liens, encumbrances and other interests of Creditors, except as otherwise provided in the Plan.

#### **6.04 Plan Administrator**

Kevin Kliefoth is appointed as Plan Administrator under this Plan. As of the Effective Date, the Plan Administrator shall be responsible for implementing the liquidation and Wind Down contemplated by this Plan, including monetizing or abandoning any Assets, pursuing, settling or abandoning all Remaining Causes of Action, resolving all Claims and distributing Cash pursuant to this Plan. All Assets of the Estate not Distributed to the Holders of Claims on the Effective Date shall be managed and Distributed by the Plan Administrator pursuant to the terms of this Plan, and shall be held in the name of Debtor free and clear of all Liens, Claims, charges or other encumbrances against the Debtor, except for rights to such Distributions provided to Holders of Allowed Claims as provided herein.

##### **a. Actions Against the Plan Administrator**

The Confirmation Order shall state that, without permission of the Bankruptcy Court, no judicial, administrative, arbitral or other action or proceeding shall be commenced against the Plan Administrator in its official capacity, with respect to its status, duties, powers, acts or omissions as Plan Administrator in any forum other than the Bankruptcy Court.

##### **b. Term and Compensation of the Plan Administrator**

In his capacity as Plan Administrator, Kevin Kliefoth shall continue as an employee of the bankruptcy estate according to the same terms and conditions of his current compensation schedule for a period of 120 days following the effective date of this Plan in order to effectuate the liquidation and Wind Down of the Estate. Kevin Kliefoth's compensation shall be paid out of amounts collected from accounts receivable. Kevin Kliefoth shall also maintain those books, records and bank accounts necessary to effectuate the liquidation and Wind Down of the Estate. Debtors shall continue to perform statutory duties of the Debtors and those conferred by and contemplated under this Plan until this Case is closed.

##### **c. Powers of the Plan Administrator**

1. The Plan Administrator shall be a fiduciary and shall have all powers, authority and responsibilities specified in this Plan and the Plan Administrator Agreement. In particular, the Plan Administrator's rights, duties and powers shall include the following:
  - (i) The Plan Administrator shall succeed to all such powers as would have been applicable to any of the Debtor's officers or managers with like effect as if authorized, exercised and taken by unanimous action of such officers or managers.

- (ii) The Plan Administrator shall be authorized to take all steps necessary to effectuate the Wind Down and to take such other actions as the Plan Administrator determines are in the best interests of the Holders of Claims.
  - (iii) The Plan Administrator, in his reasonable business judgment, in an expeditious and orderly manner, and only to the extent necessary, shall cause Liquidating Debtor to liquidate, and convert all of the Assets to Cash and make all Distributions in accordance with this Plan. The liquidation of the Assets may be accomplished either through the sale of the Assets (in whole or in combination), including the sale of Remaining Causes of Action, or through prosecution or settlement of any Remaining Causes of Action, or otherwise.
2. The Plan Administrator shall be expressly authorized to do the following:
- (i) institute, prosecute, collect, compromise and settle any Remaining Causes of Actions in accordance herewith and without further approval or application to the Bankruptcy Court, except as otherwise provided herein, including, prosecuting and/or settling the Remaining Causes of Action pending in any court of appropriate jurisdiction;
  - (ii) participate as a party or otherwise in any administrative, arbitative or other non-judicial proceeding and litigate or settle such Remaining Causes of Action on behalf of the Liquidating Debtor or the Estate, or to pursue such Remaining Causes of Actions to settlement or judgment;
  - (iii) to the extent necessary, open and maintain bank accounts in the name of the Debtor, draw checks and drafts thereon by the sole signature of the Plan Administrator and terminate such accounts as the Plan Administrator deems appropriate;
  - (iv) cause Debtor to make Distributions and take other actions consistent with this Plan and the implementation hereof, including the establishment, reevaluation, adjustment and maintenance of appropriate reserves in accordance with this Plan;
  - (v) cause Debtor to collect and liquidate all Assets pursuant to this Plan and to administer the Wind Down and closing of this Chapter 11 Case;
  - (vi) cause Debtor to file, prosecute or object to any Claims (Disputed or otherwise), and compromise or settle any Claims prior to or after objection, without supervision or approval of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the U.S. Trustee guidelines and requirements, other than those restrictions expressly imposed by this Plan, or to seek Bankruptcy Court approval for any Claims settlements made after objection;

- (vii) cause Debtor to retain or engage professionals, employees and consultants, and to pay the from the Administrative Fund the reasonable fees and charges incurred by the Plan Administrator and Liquidating Debtor's professionals, employees and consultants that relate to the implementation of this Plan, without application to the Bankruptcy Court;
- (viii) cause Debtor to seek a determination from the Bankruptcy Court of tax liability under section 505 of the Bankruptcy Code and to pay from the Administrative Fund taxes, if any, related to the Debtor and for all returns filed for or on behalf of Debtor for all taxable periods through the closing of this Chapter 11 Case;
- (ix) cause Debtor to invest Cash or moneys received by Debtor or otherwise held by Debtor in accordance with this Plan (which shall be in compliance with section 345 of the Bankruptcy Code);
- (x) execute any documents or pleadings and take any other actions related to, or in connection with, the liquidation of the Assets and the exercise of the Plan Administrator's powers granted herein, including the exercise of Debtor's rights to conduct discovery and oral examination of any party under Bankruptcy Rule 2004;
- (xi) enter into any agreement or execute any document required by or consistent with this Plan, and perform all of the obligations thereunder;
- (xii) cause Debtor to abandon in any commercially reasonable manner any Assets that the Plan Administrator determines are of no benefit to Debtor;
- (xiii) cause Debtor to preserve Debtor's documents, as necessary, to pursue Remaining Causes of Action and conduct the Wind Down, and to abandon or destroy documents upon the Plan Administrator's determination that the documents are no longer necessary or beneficial to Debtor;
- (xiv) cause Debtor to purchase and maintain all insurance policies and pay from the Administrative Fund all insurance premiums and costs that the Plan Administrator deems necessary or advisable;
- (xv) administer payouts from the Professional Fee Claim escrow upon Bankruptcy Court approval of Professional Fee Claims; and
- (xvi) take all other actions not inconsistent with the provisions of this Plan, which the Plan Administrator deems reasonably necessary or desirable with respect to administering this Plan.

d. Removal of Plan Administrator

Any party in interest may move the Bankruptcy Court for the removal of the Plan Administrator for cause upon providing notice to Debtor's counsel; provided, however, that if Debtor or any other party in interest shall object to such removal within 21 days of such notice, such removal shall not be effective until approved by the Bankruptcy Court. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of any of his, her or its predecessors. Every successor Plan Administrator appointed pursuant hereto shall execute, acknowledge and deliver to the Bankruptcy Court an instrument in writing accepting such appointment. Thereupon, such successor Plan Administrator, without any further action required, shall become fully vested with all of the rights, powers, duties and obligations of his, her or its predecessor. Notwithstanding any other provision in this Plan, upon the removal of a Plan Administrator, a Plan Administrator shall continue to serve in such capacity until such time as (a) a successor Plan Administrator is identified and accepts the appointment, and (b) notice is provided to the Bankruptcy Court of such successor Plan Administrator.

e. Retention of Professionals

1. As of and after the Effective Date, the Plan Administrator may cause Debtor to retain professionals, including attorneys, accountants, investment or other financial advisors, auditors, disbursing agents, professionals from the Plan Administrator's own firm, if any, and other agents on behalf of Debtor, as necessary or desirable to carry out the actions necessary to effectuate the Wind Down and close this Chapter 11 Case. More specifically, as of and after the Effective Date, the Plan Administrator may cause Debtor to retain counsel in any matter related to the Estate, including counsel that has acted as counsel for the Debtor or the Creditors' Committee.
2. Following the Effective Date, the Plan Administrator may cause Debtor to pay from the Administrative Fund, without application to the Bankruptcy Court or any other court of competent jurisdiction, professionals retained by Debtor as of and after the Effective Date.

**6.05 Disbursing Agent**

Distributions to Creditors provided for in this Plan will be made by Kevin Kliefoth.

**6.06 Funding of Cash Payments**

**a. Sale of Homestead**

May 26, 2016, Debtors negotiated a sale of their homestead 943 Vanguard Street Lakeway, Texas 78734-5128 for \$310,000.00. The net proceeds of the sale were \$292,227.33 which is being held in the IOLTA account of Fred E Walker P.C. for distribution to Debtors' creditors.

**b. Debtor Estimates**

Debtors they will have approximately \$770,000.00 on the effective date of the Plan to distribute to their creditors. The source of these funds includes the sale of the homestead, cash on hand and accounts receivable.

#### **6.07 Retention of Causes of Action**

In accordance with § 1123(b)(3) of the Bankruptcy Code and under the Plan, the Reorganized Debtors will be vested with the right to object to proofs of Claim. The Reorganized Debtors shall have the right and power to object to proofs of Claim or Claims including those deemed allowed under §1131(a) of the Bankruptcy Code on any ground, including those set forth in Chapter 5 of the Bankruptcy Code. **THE RIGHT TO OBJECT TO ANY CREDITOR'S CLAIM IS RESERVED IN FAVOR OF THE REORGANIZED DEBTOR REGARDLESS OF WHETHER THE CREDITOR HAS VOTED IN FAVOR OF OR AGAINST THE PLAN.** Additionally, except as released, settled, or comprised herein, the Reorganized Debtors will be vested with the right to prosecute, compromise, or otherwise resolve Avoidance Actions.

#### **6.08 Continuing Investigation**

The Debtors' Schedules identify Creditors whose Claims are Disputed. The investigation of potential objections to Claims or other Causes of Action has not been completed. **THE PLAN DOES NOT AND IS NOT INTENDED TO RELEASE ANY SUCH RIGHTS OF ACTION, OR ANY OBJECTIONS TO PROOFS OF CLAIM. ALL SUCH RIGHTS AND RIGHTS OF ACTION ARE SPECIFICALLY RESERVED IN FAVOR OF THE REORGANIZED DEBTORS.**

#### **6.09 Claims Objections**

Except as otherwise provided in this Plan in connection with Administrative Claims and Claims of Professionals, objections to Claims must be filed with the Court and served in accordance with the Bankruptcy Rules by the later of (i) ninety (90) days following the Confirmation Date or (ii) thirty (30) days following the date such proof of Claim was timely filed; otherwise, such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code, unless an extension of such time period is sought by the Liquidating Debtor.

Responses to Objections: Prior to the expiration of twenty-one (21) days from receipt of an objection, the claimant whose Claim has been objected to must file with the Court and serve upon the objecting party a response to such Claim objection. Failure to file such a response within the twenty-one (21) day time period shall cause the Court to enter a default judgment against the non-responding claimant and thereby grant the relief requested in the claim objection.

#### **6.10 Settlement of Disputed Claims**

The Debtors will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure

### **6.11 Contingent Claims**

Until a Contingent Claim becomes an Allowed Claim or is Disallowed, the Claim will be treated as a Disputed Claim for all purposes under the Plan. The holder of a Contingent Claim will be entitled to a distribution under the Plan only when the Contingent Claim becomes an Allowed Claim. Any Contingent Claim for reimbursement or contribution held by a Person that may be liable with the Debtors on a claim of a Creditor is Disallowed as of the Effective Date if: (a) that Creditor's Claim is Disallowed; (b) the Claim for reimbursement or contribution is contingent as of the Effective Date; or (c) that Person asserts a right of subrogation to the rights of the Creditor under § 509 of the Bankruptcy Code.

### **6.12 Record Date**

Record Date: The record date for purposes of this Plan will be May 31, 2017 (the "Record Date"). At the close of business on the Record Date, there shall be no further changes in the record holders of Claims. Debtor shall have no obligation to recognize any transfer of any such Claims occurring after the Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the transfer ledgers as of the close of business on the Record Date.

### **6.13 Delivery of Distributions and Undeliverable Distributions**

Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the schedules filed by the Debtors with the Court unless superseded by the address as set forth on the proofs of Claim filed by such holders or other writing notifying the Debtors of a change of address. If any holder's Distribution is returned as undeliverable, unless otherwise provided by applicable law or local rule, no further Distributions to such holder shall be made unless and until the Plan Administrator is notified of such holder's then current address, at which time all missed Distributions shall be made to such holder, without interest. Unless otherwise provided by applicable law or the Bankruptcy Rules, all claims for undeliverable Distributions shall be made within sixty (60) days after the date such undeliverable Distribution was initially made. After such date (as applicable), all unclaimed property shall be remitted to the Debtor; the holder of any such Claim shall not be entitled to any other or further Distribution under this Plan on account of such Claim and such Claim shall be deemed disallowed for purposes of any such Distribution.

### **6.14 Time Bar to Cash Payments**

All uncashed Distributions shall be handled in accordance with this Article, unless provided otherwise by applicable law. Checks issued by the Debtors in respect of any Allowed Claim shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. The holder of the Allowed Claim to whom such check originally was issued shall make a request for re-issuance of any check to the Plan Administrator. Any claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the ninety (90) day period following the date of issuance of such check; provided however checks issued for the final Distribution that become null and void in accordance with the provisions contained herein



shall not be re-issued and the holders of such Claims shall waive any right to the re-issuance of such checks. After such date, all funds held on account of such voided check shall be remitted to the Debtor; the holder of any such Claim shall not be entitled to any other or further Distribution under this Plan on account of such Claim and such Claim shall be deemed disallowed for purposes of any such Distribution.

If the Effective Date or any other date on which a transaction may occur under this Plan shall occur on a day that is not a Business Day, the transactions contemplated by this Plan to occur on such day shall instead occur on the next succeeding Business Day.

### **6.15 Additional Charges**

Except as may be expressly provided in the Plan or allowed by the Bankruptcy Court, no interest, penalty, attorney's fee or late charge shall be allowed or paid with respect to any Claim.

### **6.16 Treatment of Executory Contracts and Unexpired Leases**

#### **a. Assumption or Rejection of Executory Contracts and Unexpired Leases**

The contracts and leases listed on Exhibit A (the "Assumed Agreements") shall be assumed on the Effective Date and shall vest in the Debtor. Entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Section 365(a) of the Bankruptcy Code and a finding by the Court that each such assumption is in the best interests of the Debtors, their Estates, and all parties in interest in this Case. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) each Assumed Agreement is an executory contract or lease which may be assumed by the Debtors, (ii) there are no defaults of the Debtors, no cure payments owing, no compensation due for any actual pecuniary loss and there is adequate assurance of future performance with respect to of each Assumed Agreement, (iii) upon the Effective Date, each Assumed Agreement constitutes legal, valid, binding and enforceable contracts in accordance with the terms thereof, and (iv) the counter party to each Assumed Agreement is required to and ordered to perform under and honor the terms of such Assumed Agreement.

#### **b. Objections to Assumption and Assignments of Executory Contracts and Unexpired Leases**

With respect to an Assumed Agreement to which a timely objection to assumption on the terms and with the findings and conclusions of law specified above has been filed (each a "Contested Assumed Agreement"), the Debtors shall have five (5) business days after the date of entry of an order by the Court with respect to any such timely objection regarding (i) the nature, extent and amount of any default, if any, by the Debtors, (ii) the method of cure thereof, (iii) the method of providing compensation for any actual pecuniary damage as a result of any default, if any, and the method of providing adequate assurance of future performance, and (iv) all other matters pertaining to assumption of such Assumed Agreement, to assume any such Contested Assumed Agreement on the terms and conditions so specified in the order of the Court (or on such other terms and conditions as may be agreed to by the counter party to the Contested Assumed Agreement and the Debtor) by filing a written notice of assumption of such Contested

Assumed Agreement (the "Notice of Assumption") in the record of this Case. Any Contested Assumed Agreement which the Debtors elect to assume on the conditions agreed upon by the parties or specified in the order of the Court shall be assumed by filing a Notice of Assumption by the Debtors as of the Effective Date, and the Liquidating Debtor shall satisfy the conditions specified in the order of the Court (or such other terms and conditions as may be agreed to by the counter party to the Contested Assumed Agreement and the Liquidating Debtor), in connection with said Contested Assumed Agreement.

To the Debtors' knowledge, none of the Assumed Agreements have any cure amount due and owing. Therefore, this Plan and its Disclosure Statement shall serve as notice to any counterparty to the Assumed Agreements that no cure amount is due and owing. Failure by such counterparty to object to the assumption and allocation of such Assumed Agreement shall be deemed to waive any claim arising under such agreement prior to the Effective Date.

As of the Effective Date, except for the Assumed Agreements, the Debtors shall be deemed to have rejected any and all unexpired leases and executory contracts to which it is a party and that the Debtors have not previously rejected or assumed pursuant to Section 365 of the Bankruptcy Code. The Confirmation Order shall constitute approval of rejection of such contracts and leases. Such contracts shall be deemed rejected as of the day before the Petition Date.

Any Claim arising from a rejected executory contract or unexpired lease shall be a Rejection Claim. A Rejection Claim shall be treated as a General Unsecured Claim under this Plan if, but only if, a proof of Claim is filed within thirty (30) days after entry of the Confirmation Order.

**c. Payments Related to Assumption of Executory Contracts and Unexpired Leases**

Any monetary defaults, including claims for actual pecuniary loss, under each Executory Contract and unexpired lease to be assumed under the Plan shall be satisfied, pursuant to § 365(b)(1) of the Bankruptcy Code, by payment of the cure amount, if any, or as otherwise agreed by the parties, or as ordered by the Bankruptcy Court in cash within ninety (90) days following the Effective Date, or on such other terms as may be agreed to by the parties to such Executory Contract or unexpired lease. In the event of a dispute regarding: (i) the amount of any cure or pecuniary loss payment; (ii) the ability of Reorganized Debtors to provide adequate assurance of future performance under the contract or lease to be assumed, if required; (iii) any other matter pertaining to assumption, the cure, or pecuniary loss payments required by § 365(b)(1) of the Bankruptcy Code shall be made within a reasonable time following entry of a Final Order resolving the dispute and approving assumption.

**6.17 Bar Date for Rejection Damages**

If the rejection of an Executory Contract or unexpired lease pursuant to Article 11 of the Plan gives rise to a Rejection Claim by the other party or parties to such contract or lease, such Rejection Claim, to the extent that it is timely Filed and is an Allowed Claim, shall be classified

in Class 4; provided, however, that the Unsecured Claim arising from rejection shall be forever barred and shall not be enforceable against the Debtors, the Reorganized Debtors, their successors or properties, unless a proof of Claim is Filed and served on the Reorganized Debtors within thirty (30) days after the Bankruptcy Court's entry of the Confirmation Order.

#### **6.18 Pending Claims and Retention of Causes of Action**

**THE PLAN DOES NOT AND IS NOT INTENDED TO RELEASE CAUSES OF ACTION, INCLUDING AVOIDANCE ACTIONS, AND ALL SUCH RIGHTS OF CAUSES OF ACTION, INCLUDING AVOIDANCE ACTIONS, ARE SPECIFICALLY RESERVED IN FAVOR OF THE REORGANIZED DEBTOR ON BEHALF OF THE HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS.**

Any and all Causes of Action which the Debtors may have, including, but not limited to Avoidance Actions, which may be enforceable under any statute, shall be preserved and shall constitute Property of the Estate to be conveyed to Reorganized Debtors in accordance with the Plan. After the Effective Date, the Reorganized Debtors, in their sole discretion, shall evaluate the potential Causes of Action, including Avoidance Actions, and determine whether to pursue any such Causes of Action, including Avoidance Actions. The Debtors' Statement of Financial Affairs identifies the parties who received payments and transfers from the Debtors, which payments and transfers may be avoidable under the Bankruptcy Code. In particular, Section 6 of the Debtors' Statement of Financial Affairs identifies those parties that received transfers from the Debtors during the ninety (90) days preceding the Filing Date, which transfers may be avoidable under Chapter 5 of the Bankruptcy Code.

Debtors did not make any payments to creditors 90 days prior to filing subject to Avoidance Actions.

#### **ADDITIONALLY, YOU MAY BE SUED IF:**

1. You breached a duty of care to the Debtors
2. You committed an actionable tort or offense against the Debtors.
3. You breached a contract with the Debtors.
4. You are an insurer and you issued a policy that covers any claim reserved and/or preserved herein.
5. You were or are a creditor and you received a payment on a prior debt within ninety (90) days before the Petition Date;
6. You were or are an insider of the Debtors and you received a Transfer in connection with a prior debt within one (1) year before the Petition Date;
7. You received any payments or property from the Debtors for goods or services you did not deliver or provide before the Petition Date;
8. You received any payments of property from the Debtors without providing reasonably equivalent value;
9. You received pre-payments, advances, or deposits from the Debtors which you did not earn;
10. You were involved in pending litigation with the Debtors at the time of the

- Petition Date or have been sued thereafter;
11. You owe to the Debtors any money under a contract or as a result of your breach of contract with the Debtors;
  12. Potential claims against you or any of your affiliates are described or referred to in this Disclosure Statement; or
  13. The Debtors have any Claim against you under state or federal law, whether in contract or in tort, whether known or unknown.

The Reorganized Debtors will continue to litigate, compromise or otherwise resolve any Avoidance Actions to other Causes of Action commenced prior to the Effective Date by the Debtor-in-Possession.

After the Effective Date, the Reorganized Debtors shall prosecute, compromise or otherwise resolve any and all Causes of Action, including Avoidance Actions that the Reorganized Debtors determine should be pursued. The Reorganized Debtors shall retain counsel on an appropriate basis to prosecute any Causes of Action including the Avoidance Actions. The Bankruptcy Court shall retain jurisdiction to adjudicate any and all Causes of Action including Avoidance Actions and approve any settlement thereof. The net proceeds of the Causes of Action, including Avoidance Actions, shall be distributed, first, in payment of the litigation fees and expenses of the Reorganized Debtors, and second, for distribution pursuant to the bankruptcy priority rules.

#### **6.19 Exemption from Transfer Taxes**

Pursuant to § 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

### **VII. CONFIRMATION OF THE PLAN**

#### **7.01 Feasibility—not applicable**

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation is proposed in the Plan. The Plan satisfies section 1129(a)(11) of the Bankruptcy Code because the Debtors' plan proposes liquidation.

#### **7.02 Best Interest Test**

Even if the Plan is accepted by each class of holders of Claims and Interests, the Bankruptcy Code requires that the Bankruptcy Court find that the Plan is in the "best interests" of all holders of Claims or Interests that are impaired by the Plan and that have not accepted the Plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires

a Bankruptcy Court to find either that (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member who has not accepted the plan with property of a value, as of the Effective Date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

To calculate the probable distribution to members of each impaired class of holders of claims or interests if a debtor were liquidated under chapter 7, a Bankruptcy Court must determine the aggregate dollar amount that would be generated from the Debtors' assets if its chapter 11 case were converted to a case under chapter 7 of the Bankruptcy Code. This "liquidation value" would consist, in the present case, of a distribution of Debtors' assets by a chapter 7 trustee under Chapter 7 of the Bankruptcy Code.

The amount available to pay unsecured creditors would be reduced by the claims of secured creditors to the extent of the value of their collateral and by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the chapter 7 case and the chapter 11 case. Costs of a liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a chapter 7 trustee, as well as of counsel and other professionals retained by the chapter 7 trustee, asset disposition expenses, all unpaid expenses incurred by the debtor in the chapter 11 case (such as compensation of attorneys, financial advisors, and accountants) that are allowed in the chapter 7 case, litigation costs, and claims arising from the operations of the debtors during the pendency of the bankruptcy case.

Once the Bankruptcy Court ascertains the recoveries in liquidation of holders of secured and priority claims, it must then determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If such distribution has a value greater than the distributions to be received by creditors and equity security holders under a Debtors' plan, then such plan is not in the best interests of creditors and equity security holders.

The Plan is a liquidating plan, as permitted under the Bankruptcy Code and applicable case law.

The Debtors believe that each member of each Class of Claims and Interests will receive at least as much, if not more, under the Plan as they would receive if the Debtors were liquidated in chapter 7 cases. More specifically, a liquidation of the Debtors would impair and delay recoveries to all stakeholders and clearly is not in the best interests of estate constituencies. Accordingly, it is clear that holders of Claims and Interests will fare much better under the Plan than in a Chapter 7 liquidation.

## **VIII. ALTERNATIVES TO THE PLAN**

### **8.01 General**

The Debtors believe that the Plan affords the holders of Claims the potential for the greatest realization on the Debtors' assets and, therefore, is in the best interests of such holders.

If the Plan is not confirmed, however, the theoretical alternatives include: (a) an alternative plan of reorganization; (b) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code; or (c) dismissal of the Chapter 11 Case

## **8.02 Alternative Plans**

If the Plan is not confirmed, the Debtors or any other party in interest in the case could attempt to formulate and propose a different plan. Other parties may propose alternative plans, but the Debtors do not believe that any other plan will provide a greater recovery for the Creditors than proposed by Debtors' Plan, or that any such plans will be feasible.

## **8.03 Liquidation Under Chapter 7 or Dismissal**

If the Plan is not confirmed, the case could be dismissed or converted to a chapter 7. If the case were converted to a proceeding under chapter 7, the Debtors believe that holders of Allowed Claims would receive a distribution under the Plan greater than, what they would receive in a chapter 7 liquidation. See section 7.02 herein above for a detailed analysis. If the case were dismissed, creditors would be free to assert their rights unhampered by the Bankruptcy Code. Under current conditions, the Debtors believe the Plan provides a greater opportunity for recovery by holders of Allowed Claims than does a dismissal.

A chapter 7 trustee would not likely be familiar with the intricacies of Debtors' assets, liability, and corporate structure. Thus, an additional layer of advisors and experts would need to be retained by the chapter 7 trustee, giving rise to additional administrative expenses that would be entitled to priority. Finally, the Debtors assert that expenses associated with the Plan will be less than those associated with the administrative priority fees of a chapter 7 liquidation.

The Plan is a liquidating plan, as permitted under the Bankruptcy Code and applicable case law.

The Debtors believe that each member of each Class of Claims and Interests will receive at least as much, if not more, under the Plan as they would receive if the Debtors were liquidated in chapter 7 cases. More specifically, a liquidation of the Debtors would impair and delay recoveries to all stakeholders and clearly is not in the best interests of estate constituencies. Accordingly, it is clear that holders of Claims and Interests will fare much better under the Plan than in Chapter 7 liquidation.

## **IX. RISK FACTORS**

The Projections provided herein and in the Plan are based on numerous assumptions that are an integral part of the Projections. The assumptions and estimates underlying the Projections are inherently uncertain, and are subject to business risk, economic risk, competitive risk, and other uncertainties that could materially affect the accuracy of the Projections. Consequently, the Projections contained in this Disclosure Statement are not intended to be, nor should they be received as, representations that the Projections will be achieved.

## **X. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

The transactions contemplated by the confirmation of the Plan may have an impact on the tax treatment received with respect to distributions under the Plan. That impact may be adverse to a creditor. The Debtors have attempted to structure the Plan to preserve any valuable tax attributes.

An analysis of federal income tax consequences of the Plan to Creditors and the Debtors requires a review of the Internal Revenue Code, the Treasury regulations promulgated there under, judicial authority, and current administrative rulings and practice. The Plan and its related tax consequences are complex. Neither the Debtors nor the Debtors' counsel have requested a ruling from the Internal Revenue Service with respect to these matters. Accordingly, no assurance can be given as to the Internal Revenue Service's interpretation of the Plan.

**THE TRANSACTIONS CONTEMPLATED BY THE CONFIRMATION OF THE PLAN MAY HAVE AN IMPACT ON THE TAX TREATMENT OF ANY CREDITOR. THAT IMPACT MAY BE ADVERSE TO THE CREDITOR. NOTHING HEREIN INTENDED TO BE ADVICE OR OPINION AS TO THE TAX IMPACT OF THE PLAN ON ANY INDIVIDUAL CREDITOR. EACH CREDITOR IS CAUTIONED TO OBTAIN INDEPENDENT AND COMPETENT TAX ADVICE PRIOR TO VOTING ON THE PLAN.**

## **XI. DISCHARGE UPON THE EFFECTIVE DATE/ALTERNATIVES**

### **11.01 Discharge Upon the Effective Date**

In accordance with 11 U.S.C. § 1141(d)(5)(B), the Debtors hereby give notice that they are seeking an Order from this Court allowing discharge upon confirmation of the Plan on the Effective Date of all claims and liens which existed prior to confirmation of the Plan.

**The Debtors hereby gives notice that they intend to seek the above referenced relief at the hearing on confirmation of the Plan. The discharge will be fully effective against all creditors regardless of whether they have voted to accept or reject the Plan and regardless of whether the Plan is confirmed by consent or by resort to the provisions of section 1129(b) of the Bankruptcy Code. Except as otherwise provided in the Plan, on the Effective Date, all Property of the Estate shall vest in the Reorganized Debtors.**

To the fullest extent allowed by the Bankruptcy Code, on the Confirmation Date, and subject to the terms of this Plan, the Debtors shall be discharged from, and this Plan shall constitute an extinguishment and novation of, any debt or Claim of whatever character that arose before the Confirmation Date, and any debt or Claim of a kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not

- (a) a proof of Claim based on such debt is filed or deemed filed under section 501 of the Bankruptcy Code;
- (b) such Claim is allowed under section 502 of the Bankruptcy Code; or

- (c) the holder of such Claim has accepted the Plan.

Notwithstanding 11 U.S.C. Section 523(a)(1)(B)(i), Debtors shall be discharged from all federal income tax liability, penalties, interest, and additions to tax for the following taxable years: 12/31/2001, 12/31/2002, 12/31/2003, 12/31/2004, 12/31/2005, 12/31/2006, 12/31/2007, and 12/31/2010.

On the Confirmation Date, all Liens against any assets and property, except for Liens as explicitly provided in the Plan, shall be deemed extinguished and discharged.

Any litigation, including counterclaims, pending against the Debtors as of the Petition Date shall be deemed resolved and restructured by the provisions of this Plan, and shall be dismissed with prejudice immediately after the Effective Date.

Except as otherwise stated in the Plan, the payments promised in the Plan constitute new contractual obligations that replace those obligations to creditors that existed prior to the Effective Date.

Creditors may not take any action to enforce either pre-confirmation obligations or obligations due under the Plan, so long as the Debtor is not in material default under the Plan. If the Debtor is in material default under the Plan, affected creditors may: (i) take any action permitted under nonbankruptcy law to enforce the terms of the Plan; or (ii) move to dismiss this case or to convert this case to a chapter 7 bankruptcy case.

## **11.02 Alternatives**

In the event the Bankruptcy Court does not approve the foregoing upon the Effective Date, the Debtors shall not receive a discharge until the Court enters a Discharge Order pursuant to 11 U.S.C. § 1141(d)(5)(A) upon completion of all payments required under the Plan. The Debtors reserve the right to not seek the relief set forth in Section 11.1 at the Confirmation Hearing. If the Court does not approve the relief set forth in Section 11.1, the Bankruptcy Case shall be closed following the Effective Date upon certification by the Debtors of Substantial Consummation of the Plan, subject to reopening for: (i) modification pursuant to section 1127(e) of the Bankruptcy Code, and/or (ii) entry of the Discharge Order pursuant to section 1141(d)(5)(A) upon completion of all payments required under the Plan.

## **11.03 Plan Injunction Pending Discharge**

Except as otherwise expressly provided in the Plan, pending entry of the Discharge Order, all Persons who have been, are, or may be holders of Claims against the Debtors arising on or before the Effective Date shall be enjoined from taking any of the following actions against or affecting the Debtors, the Reorganized Debtors, their estate, and there-vested Property of the Estate, and/or the Property of the Reorganized Debtors, regarding such Claims:

- (i) commencing, conducting, or continuing in any manner, directly or indirectly, any



suit, action, or other proceeding of any kind against the Reorganized Debtors, their estate, or the Property of the Estate, including without limitation, the revested Property of the Estate, including, all suits, actions, and proceedings that are pending against the Debtors and/or the Reorganized Debtors on the Effective Date, which shall be deemed withdrawn and dismissed with prejudice;

- (ii) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Debtors and/or Reorganized Debtors, its estate, or the Property of the Estate, including without limitation, the revested Property of the Estate;
- (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien against the Debtors and/or the Reorganized Debtors, its estate, or the Property of the Estate, including the revested Property of the Estate;
- (iv) asserting any right of subrogation, setoff, or recoupment of any kind, directly or indirectly, against any obligation due the Debtors and/or the Reorganized Debtors, the estate, or the Property of the Estate, including without limitation, the revested Property of the Estate; and (v) proceeding in any manner and in any place whatsoever that does not conform to or comply with the provisions of the Plan.

Upon entry of the Discharge Order, this injunction shall be permanent.

## **XII. CONDITIONS PRECEDENT**

The effectiveness of the Plan is subject, in addition to the requirements provided in § 1129 of the Bankruptcy Code, to satisfaction of the following conditions precedent (any of which may be waived by the Debtors in their sole and unlimited discretion):

- a. All actions, documents and agreements necessary to implement the Plan shall have been effected or executed;
- b. The Debtors shall have received all authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions or documents that are determined by the Debtors to be necessary to implement the Plan; and
- c. Entry of a Confirmation Order that is a Final Order in form and substance suitable to Debtor.

## **XIII. JURISDICTION OF THE COURT**

The Court shall retain and have exclusive jurisdiction over this Bankruptcy Case for the purposes stated in items (1) through (16) below. If the Court abstains from exercising, or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this Bankruptcy Case, this section shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

1. To determine any and all objections and proceedings involving the allowance, estimation, classification and subordination of Claim, including any counterclaim;
2. To determine any and all applications for allowance of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan;
3. To determine any applications pending on the Effective Date for the rejection or assumption of executory contracts or unexpired leases or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which the Debtors are a party or with respect to which the Debtors may be liable, and to hear and determine, and if need be to liquidate, any and all Claims arising therefrom;
4. To determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending on the Effective Date;
5. To consider any modifications of the Plan, remedy any defect or omission or reconcile any inconsistency in any order of the Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;
6. To determine all controversies, suits, disputes and proceedings that may arise in connection with the interpretation, enforcement, Consummation or performance of the Plan or any Person's obligations hereunder;
7. To determine all controversies, suits, disputes and proceedings that may arise in connection with the Plan;
8. To hear and determine any Claim belonging to the Debtors, and to consider and act on the compromise and settlement of any other Claim against, or cause of action asserted by, the Debtors;
9. To recover all assets of the Debtors and Property of the Debtors' Estate, wherever located;
10. To hear and determine matters concerning state, local, and federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under § 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the date that any final distribution is made);
11. To enter an Order closing the Bankruptcy Case subject to reopening as set forth in Section XI herein;
12. To enter a Discharge Order as set forth in Section XI herein;

13. To enforce the Plan Injunction pending discharge set forth in Section XI herein;
14. To enter a Final Decree closing the Bankruptcy Case;
15. To issue orders in aid of execution of the Plan to the extent authorized by § 1142 of the Bankruptcy Code; and
16. To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

#### **XIV. MISCELLANEOUS**

##### **14.01 Amendment or Modification of the Plan**

Modifications of the Plan may be proposed in writing by the Plan Proponents at any time before Confirmation, provided that the Plan, as modified, meets the requirements of § 1122 and 1123 of the Bankruptcy Code, and the Plan Proponents shall have complied with § 1125 of the Bankruptcy Code. The Plan may be modified at any time after Confirmation and before its substantial Consummation, provided that the Plan, as modified, meets the requirements of §§ 1122 and 1123 of the Bankruptcy Code, and the Court after notice and hearing, confirms the Plan, as modified, under § 1129 of the Bankruptcy Code, and the circumstances warrant such modification. At any time after the Confirmation Date, the Reorganized Debtors, without the approval of the Court, may modify the Plan to remedy any defect or omission, or reconcile any such inconsistencies in the Plan or in the Confirmation Order, as such matters may be necessary to carry out the purposes, intent, and effect of the Plan, provided that such modification does not materially or adversely affect the interest of Creditors.

##### **14.02 Effective Date**

The Effective Date will be the first Business Day that is thirty (30) days after the Confirmation Date in which: (i) no stay of the Confirmation Order is in effect; and (ii) all conditions to the effectiveness set forth in the Plan have been satisfied or waived in accordance with the terms of the Plan. No payments to creditors will be made prior to the Effective Date.

##### **14.03 Due Authorization by Creditors**

Each and every Creditor who elects to participate in the distributions provided for herein warrants that he is authorized to accept the distributions provided for in the Plan in consideration of his Claim against the Debtors, and that there are no outstanding commitments, agreements, understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by him under the Plan.

##### **14.04 Courts of Competent Jurisdiction**

If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise

without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction 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.

#### **14.05 Governing Law**

Except to the extent that the Bankruptcy Code or other federal law that may be applicable, provides otherwise, the rights, duties and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas without reference to the laws of other jurisdictions.

#### **14.06 Privileged Communications; Work Product**

For purpose of any proprietary, confidential, or privileged information or communication, including attorney-client privileged communications, and documents that would otherwise constitute attorney work product, the Reorganized Debtors shall succeed to the interest of the Debtors and the Debtors' Estate.

#### **14.07 Further Assurance**

If at any time, the Debtors shall consider, or be advised, that any further releases, assurances or documents are reasonably necessary or desirable to carry out the provisions of the Plan and the transactions contemplated in the Plan, the holders of Claims shall, upon reasonable request, execute and deliver any and all documents and assurances, and do all things necessary or appropriate to carry out fully the provisions hereof.

#### **14.08 Successor Bound**

The Plan shall, on the Effective Date, be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Debtors and the holders of Claims.

### **XV. DEFAULT PROVISIONS**

#### **15.01 Default and Remedies**

Secured creditor's security documents are ratified to the extent they are not inconsistent with the terms of the plan. In the event Debtors defaultss in any provision of the confirmed plan, the affected creditor may pursue any applicable remedies it may otherwise be entitled to under applicable Federal or State law, such as, but not limited to, a request for Plan modification or dismissal or conversion of this case.

In the event of default of a plan payment, the creditor shall provide written notice to the Debtors and Debtors' attorney of the default providing 90 days opportunity to cure the default, and, in the event the default remains uncured, may pursue applicable Federal or State law remedies. Nothing herein shall limit the rights of the UST, creditors, or parties in interest from exercising any rights or remedies provided by applicable bankruptcy law.

**XVI. CONCLUSION & RECOMMENDATION**

THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ANY OF THE ALTERNATIVES DESCRIBED ABOVE AND THAT THE PLAN IS DESIGNED TO PROVIDE GREATER RECOVERIES THAN THOSE AVAILABLE IN ANY OTHER FORM OF LIQUIDATION OR REORGANIZATION. ANY OTHER ALTERNATIVE WOULD CAUSE SIGNIFICANT DELAY AND UNCERTAINTY, AS WELL AS ADDITIONAL ADMINISTRATIVE COSTS. THUS, THE DEBTORS RECOMMENDS CONFIRMATION OF THE PLAN.

DONE: See Exhibits

# Exhibit A

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN

CASE NAME: Kevin Kliefoth

Petition Date:

9/13/2015

CASE NUMBER 15-11194

THIS REPORT IS FOR THE MONTH/YEAR

Jul-16

(example: MAY/1998)

All Individual Debtor-in-Possession Checking, Savings, Brokerage Accounts:

All Non-Debtor-in-Possession Accounts:

BANK NAME:

ACCOUNT NO.

BANK NAME:

ACCOUNT NO.

1. Plains Capitol Bank DIP
2. Plains Capitol Bank DIP
3. Well Fargo DIP

- 200009522
- 200009514
- 9550060503

1. Wells Fargo--OLD
2. Wells Fargo--DIP
3. \_\_\_\_\_

- 9560064617
- 7385472456
- \_\_\_\_\_

(attach list if needed)

(attach list if needed)

A copy of a reconciled statement should be attached for each and all accounts.

\$243,558.31

8,433.50

\$251,991.81

Total Disbursements from MOR-7 + Total Disbursements from MFR-2 =

Total Disbursements

(When the debtor is a sole proprietorship)

(When the debtor is an individual)

\*\*\* The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

**REQUIRED INSURANCE MAINTAINED**

AS OF SIGNATURE DATE

EXP.

DATE

<u>HOME OWNERS</u>	<u>YES( ) NO (X)</u>	<u>-- --</u>
<u>AUTO</u>	<u>YES(X) NO ( )</u>	<u>-- --</u>
<u>OTHER</u>	<u>YES( ) NO ( )</u>	<u>-- --</u>
<u>OTHER</u>	<u>YES( ) NO ( )</u>	<u>-- --</u>

CIRCLE ONE

Are all post-petition liabilities, including taxes, being paid within term Yes No

Have any pre-petition liabilities been paid? Yes No

If so, describe: \_\_\_\_\_

Were any assets disposed of outside the normal course of business? Yes No

If so, describe: \_\_\_\_\_

Are all U.S. Trustee Quarterly Fee Payments current? Yes No

What is the status of your Plan of Reorganization? In Progress

ATTORNEY NAME: Kimberly Nash

FIRM: Fred Walker P.C.

ADDRESS: 609 Castle Ridge Rd Ste 220

CITY, STATE, ZIP: Austin, Tx 78746

TELEPHONE: 512-330-9977

I certify under penalty of perjury that the following complete Monthl Financial Report (MFR), consisting of MFR-1 through MFR-3 plus attachments, is true and correct.

SIG/s/ Kevin Kliefoth  
(ORIGINAL SIGNATURE)

DATE: 10/21/2016

This FORM is for INDIVIDUALS ONLY

CASE NAME: Kevin Kliefoth

CASE NUMBER: 15-11194

<b>CASH RECEIPTS AND DISBURSEMENTS</b>	<b>SCHEDULE I &amp; J</b>	<b>MONTH Mar-16</b>	<b>MONTH Apr-16</b>	<b>MONTH May-16</b>	<b>MONTH Jun-16</b>	<b>MONTH Jul-16</b>	<b>MONTH Aug-16</b>
1. CASH-BEGINNING OF MONTH		11740.95	9871.64	12294.95	8628.44	2179.54	
<b>RECEIPTS:</b>							
2. Wages, Salary, Commissions (net)	6,066.67	10,829.28	6,131.40	6,678.58	4,710.68	4,789.65	
3. Rents, Royalties, Dividends, Interest							
4. Social Security, Pensions, etc.							
5. Other (attach list)		0.00	4,379.33	6,636.61	3,299.12	7,089.29	
<b>TOTAL RECEIPTS</b>	<b>6,066.67</b>	<b>10,829.28</b>	<b>10,510.73</b>	<b>13,315.19</b>	<b>8,009.80</b>	<b>11,884.94</b>	
Draw from (Contribution to) Operation of Business MOR-7							
<b>DISBURSEMENTS:</b>							
6. Rent or Home Mortgage Payment	2,800.00	2,300.00	2,300.00	4,600.00	2,300.00	0.00	
7. Utilities (electric/gas, water, telephone)	470.00	291.19	385.70	398.93	471.78	195.42	
8. Home Maintenance (repairs and upkeep)	1,075.00	0.00	0.00	0.00	0.00	0.00	
9. Food, Clothing, Laundry, and Dry Cleaning, Per Care	585.00	937.63	366.42	342.71	640.56	308.94	
10. Medical and Dental	100.00	0.00	0.00	0.00	110.00	0.00	
11. Transportation (not including car payment)	400.00	270.18	287.17	66.08	304.14	279.56	
12. Recreations, Clubs, and Entertainment	125.94	457.75	152.15	0.00	36.00	0.00	
13. Insurance (not included in wages or home mortgage)	2,048.75	1,716.00	988.00	5,788.00	1,109.00	1,109.00	
14. Taxes (not included in wages or home mortgage)	2,500.00	0.00		0.00	0.00	0.00	
15. Auto Payment	0.00	0.00		0.00	0.00	0.00	
16. -Credit Cards Spousal Support	1,200.00	1,200.00		1,200.00	1,200.00	1,200.00	
17. OTHER	50.00	5,525.84	3,607.98	4,585.98	8,287.22	5,337.58	
<b>TOTAL DISBURSEMENTS (for individual)</b>	<b>11,354.69</b>	<b>12,698.59</b>	<b>8,087.42</b>	<b>16,981.70</b>	<b>14,458.70</b>	<b>8,433.50</b>	
18. PROFESSIONAL FEES		0.00				0.00	
19. U.S. TRUSTEE FEES	1,700.00	0.00				0.00	
(attach list if needed)	13,054.69	12,698.59	8,087.42	16,981.70	14,458.70	8,433.50	
20. NET CASH FLOW	-6,988.02	-1,869.31	2,423.31	-3,666.51	-6,448.90	3,451.49	
21. CASH - END OF MONTH	-6,988.02	9,871.64	12,294.95	8,628.44	2,179.54	5,631.03	0.00

MFR-2

Revised 07/01/98



This FORM is for INDIVIDUALS ONLY

CASE NAME: Kevin Kliefoth

CASE NUMBER: 15-11194

CASH RECEIPTS AND DISBURSEMENTS	SCHEDULE I & J	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
		Sept 13- Sept 30	Oct-15	15-Nov	15-Dec	16-Jan	16-Feb
1. CASH-BEGINNING OF MONTH		1513.83	1613.92	4912.64	8504.45	14076.67	13459.1
<b>RECEIPTS:</b>							
2. Wages, Salary, Commissions (net)	6,066.67	594.24	5,659.92	4,686.40	19,174.22	8,497.49	4,688.52
3. Rents, Royalties, Dividends, Interest							
4. Social Security, Pensions, etc.							
5. Other (attach list)			2,466.31	4,837.68	162.17	59.73	255.20
<b>TOTAL RECEIPTS</b>	<b>6,066.67</b>	<b>594.24</b>	<b>8,126.23</b>	<b>9,524.08</b>	<b>19,336.39</b>	<b>8,557.22</b>	<b>4,943.72</b>
Draw from (Contribution to) Operation of Business MOR-7							
<b>DISBURSEMENTS:</b>							
6. Rent or Home Mortgage Payment	2,800.00	0.00	2,300.00	2,300.00	2,300.00	2,300.00	0.00
7. Utilities (electric/gas, water, telephone)	470.00	158.91	293.47	507.43	384.98	351.88	494.73
8. Home Maintenance (repairs and upkeep)	1,075.00	0.00	0.00	0.00	0.00	0.00	
9. Food, Clothing, Laundry, and Dry Cleaning, Per Care	585.00	177.78	525.92	508.86	596.16	446.72	293.11
10. Medical and Dental	100.00	0.00	0.00	301.82	574.00	127.00	0.00
11. Transportation (not including car payment)	400.00	114.47	199.47	317.31	940.37	545.45	495.24
12. Recreations, Clubs, and Entertainment	125.94	20.00	40.00	181.78	357.71	325.49	120.65
13. Insurance (not included in wages or home mortgage)	2,048.75	0.00	626.98	612.99	2,964.00	0.00	988.00
14. Taxes (not included in wages or home mortgage)	2,500.00	0.00		0.00	0.00	0.00	0.00
15. Auto Payment	0.00	0.00		0.00	0.00	0.00	0.00
16. <del>Credit Cards</del> Spousal Support	1,200.00			0.00	4,800.00	1,200.00	1,200.00
17. OTHER	50.00	20.00	841.67	1,202.08	846.95	3,878.25	3,070.14
<b>TOTAL DISBURSEMENTS (for individual)</b>	<b>11,354.69</b>	<b>491.16</b>	<b>4,827.51</b>	<b>5,932.27</b>	<b>13,764.17</b>	<b>9,174.79</b>	<b>6,661.87</b>
18. PROFESSIONAL FEES		0.00					
19. U.S. TRUSTEE FEES	1,700.00	0.00					
(attach list if needed)	13,054.69	491.16	4,827.51	5,932.27	13,764.17	9,174.79	6,661.87
20. NET CASH FLOW	-6,988.02	103.08	3,298.72	3,591.81	5,572.22	-617.57	-1,718.15
21. CASH - END OF MONTH	-6,988.02	1,616.91	4,912.64	8,504.45	14,076.67	13,459.10	11,740.95

MFR-2

Revised 07/01/98

This FORM is for INDIVIDUALS ONLY

CASE NAME: Kevin Kliefoth

CASE NUMBER: 15-11194

<b>POST-PETITION LIABILITIES</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
<b>SECURED:</b>						
(attach list)						
<b>TOTAL SECURED</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>UNSECURED:</b>						
(attach list)						
<b>TOTAL UNSECURED</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>TAXES:</b>						
(attach list)						
<b>TOTAL TAXES</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POST-PETITION LIABILITIES (for individual)</b>	0.00	0.00	0.00	0.00	0.00	0.00

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.  
Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH sept	MONTH Oct	MONTH Nov	MONTH Dec	MONTH Jan	MONTH Feb	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July
1. Kevin Kliefoth post filing only	594.24	8,126.23	25,124.61	25,124.61	11,424.44	5,600.00	7,762.19	7,762.19	6,678.58	4,710.68	5,967.78
2. Robert Kliefoth	1,887.20	4,745.29	6,454.75	2,875.00	4,527.33	2,300.00	2,883.01	2,883.01	2,953.13	2,412.75	2,779.19
3. Barbara Kliefoth										4,500.00	1,500.00
4.											
5.											
6.											
<b>TOTAL INSIDERS (MOR-1)</b>	<b>\$2,481.44</b>	<b>\$12,871.52</b>	<b>\$31,579.36</b>	<b>\$27,999.61</b>	<b>\$15,951.77</b>	<b>\$7,900.00</b>	<b>\$10,645.20</b>	<b>\$10,645.20</b>	<b>\$9,631.71</b>	<b>\$11,623.43</b>	<b>\$10,246.97</b>

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.											
2.											
3.											
4.											
5.											
6.											
<b>TOTAL PROFESSIONALS (MOR-1)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**MOR-9**

Revised 07/01/98

MOR-1

UNITED STATES BANKRUPTCY COURT

CASE NAME: Kevin Kliefoth  
 CASE NUMBER: 15-11194  
 PROPOSED PLAN DATE: #####

PETITION DATE: 9/13/2015  
 DISTRICT OF TEXAS: Western District of Texas  
 DIVISION: Austin

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

YEAR

MONTH	Sept	October	November	December	January	Feb	March	April	May	June	July	2015 & 2016
REVENUES (MOR-6)	379,180.38	203,068.84	429,830.85	373,308.38	120,712.51	285,282.78	305,448.37	211,029.09	110,448.90	363,482.96	242,641.46	
INCOME BEFORE INT. DEPREC./TAX (MOR-6)	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	
NET INCOME (LOSS) (MOR-6)	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	
PAYMENTS TO INSIDERS (MOR-9)	2,481.44	12,871.52	31,579.36	27,999.61	15,951.77	7,900.00	10,645.20	8,401.05	9,631.71	11,623.43	10,246.97	
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
TOTAL DISBURSEMENTS (MOR-7)	165,503.56	282,095.85	309,542.03	343,416.97	228,276.85	256,112.22	356,785.77	263,831.84	272,096.82	235,296.06	243,558.31	

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE		EXP. DATE
CASUALTY	YES ( X ) NO ( )	___-___-___
LIABILITY	YES ( x ) NO ( )	___-___-___
VEHICLE	YES ( x ) NO ( )	___-___-___
WORKER'S	YES ( x ) NO ( )	___-___-___
OTHER	YES ( ) NO ( )	___-___-___

CIRCLE ONE

Are all accounts receivable being collected within terms? **Yes**

Are all post-petition liabilities, including taxes, being paid within terms? **Yes**

Have any pre-petition liabilities been paid? **No**

If so, describe \_\_\_\_\_

Are all funds received being deposited into DIP bank accounts? **Yes**

Were any assets disposed of outside the normal course of business? **No**

If so, describe \_\_\_\_\_

Are all U.S. Trustee Quarterly Fee Payments current? **Yes**

What is the status of your Plan of Reorganization? \_\_\_\_\_

ATTORNEY NAME: Fred Walker P.C.  
 FIRM NAME: Fred Walker P.C.  
 ADDRESS: 609 Castle Ridge Rd Ste 220  
Austin, Tx 787  
 CITY, STATE, ZIP: \_\_\_\_\_  
 TELEPHONE/FAX: \_\_\_\_\_

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED X Kevin Kliefoth TITLE: \_\_\_\_\_  
 (ORIGIAL SIGNATURE)  
 Kevin Kliefoth  
 (PRINT NAME OF SIGNATORY) DATE Revised 07/01/98

MOR-1

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**COMPARATIVE BALANCE SHEETS**

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9.13.15	9.30.15	10.31.15	11.30.15	12.31.15	1.31.16	2.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16
<b>CURRENT ASSETS</b>												
Cash	132,362.84	141,459.18	231,862.29	203,133.02	268,060.38	335,280.43	278,174.15	315,641.02	239,734.22	96,962.43	60,701.94	69,474.06
Accounts Receivable, Net	225,000.00	406,416.03	269,342.72	350,287.43	441,044.79	193,482.73	232,089.69	245,846.27	238,094.15	159,933.25	309,009.79	309,933.47
Inventory: Lower of Cost or Market	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Prepaid Expenses												
Investments												
Other												
<b>TOTAL CURRENT ASSETS</b>	<b>407,362.84</b>	<b>597,875.21</b>	<b>551,205.01</b>	<b>603,420.45</b>	<b>759,105.17</b>	<b>578,763.16</b>	<b>560,263.84</b>	<b>611,487.29</b>	<b>527,828.37</b>	<b>306,895.68</b>	<b>419,711.73</b>	<b>429,407.53</b>
PROPERTY, PLANT & EQUIP. @ COST	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Less Accumulated Depreciation												
<b>NET BOOK VALUE OF PP &amp; E</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>
<b>OTHER ASSETS</b>												
1. Tax Deposits												
2. Investments in Subsidiaries												
3. Electric Deposit												
4.												
<b>TOTAL ASSETS</b>	<b>\$419,362.84</b>	<b>\$609,875.21</b>	<b>\$563,205.01</b>	<b>\$615,420.45</b>	<b>\$771,105.17</b>	<b>\$590,763.16</b>	<b>\$572,263.84</b>	<b>\$623,487.29</b>	<b>\$539,828.37</b>	<b>\$318,895.68</b>	<b>\$431,711.73</b>	<b>\$441,407.53</b>

\* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**COMPARATIVE BALANCE SHEETS**

<b>LIABILITIES &amp; OWNER'S EQUITY</b>	<b>FILING DATE*</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
	9.13.15	9.30.15	10.31.15	11.30.15	12.31.15	01.31.16	2.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16
<b>LIABILITIES</b>												
POST-PETITION LIABILITIES(MOR-4)		33,485.71	35,386.78	76,706.66	61,225.18	1,728.00	22,725.77	19,576.02	19,217.42	7,532.46	5,405.61	8,970.39
<b>PRE-PETITION LIABILITIES</b>												
Notes Payable - Secured												
Priority Debt												
Federal Income Tax												
FICA/Withholding												
Unsecured Debt												
Other	211,779.97											
<b>TOTAL PRE-PETITION LIABILITIES</b>	211,779.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	211,779.97	33,485.71	35,386.78	76,706.66	61,225.18	1,728.00	22,725.77	19,576.02	19,217.42	7,532.46	5,405.61	8,970.39
<b>OWNER'S EQUITY (DEFICIT)</b>												
PREFERRED STOCK												
COMMON STOCK												
ADDITIONAL PAID-IN CAPITAL	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09
RETAINED EARNINGS: Filing Date	345,376.85											
RETAINED EARNINGS: Post Filing Date		161,458.24	67,249.11	159,245.27	190,303.43	177,052.19	158,693.26	156,197.34	156,197.34	166,211.01	287,775.74	238,679.24
<b>TOTAL OWNER'S EQUITY (NET WORTH)</b>	493,123.94	309,205.33	214,996.20	306,992.36	338,050.52	324,799.28	306,440.35	303,944.43	303,944.43	313,958.10	435,522.83	386,426.33
<b>TOTAL LIABILITIES &amp; OWNERS EQUITY</b>	\$704,903.91	\$342,691.04	\$250,382.98	\$383,699.02	\$399,275.70	\$326,527.28	\$329,166.12	\$323,520.45	\$323,161.85	\$321,490.56	\$440,928.44	\$395,396.72

\* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH sept	MONTH october	MONTH november	MONTH december	MONTH jan	MONTH feb	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July
<b>TRADE ACCOUNTS PAYABLE</b>	10,585.73	4,679.90	32,819.46	30,861.38	26,661.16	22,725.77	19,576.02	19,217.42	7,532.46	5,405.61	8,970.39
TAX PAYABLE											
Federal Payroll Taxes											
State Payroll Taxes											
Ad Valorem Taxes											
Other Taxes	15,105.84	30,706.88	43,887.20	22,569.66							
TOTAL TAXES PAYABLE	15,105.84	30,706.88	43,887.20	22,569.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION											
ACCRUED INTEREST PAYABLE											
ACCRUED PROFESSIONAL FEES*											
OTHER ACCRUED LIABILITIES											
1. federal taxes	7,794.14			7,794.14							
2.											
3.											
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	<b>\$33,485.71</b>	<b>\$35,386.78</b>	<b>\$76,706.66</b>	<b>\$61,225.18</b>	<b>\$26,661.16</b>	<b>\$22,725.77</b>	<b>\$19,576.02</b>	<b>\$19,217.42</b>	<b>\$7,532.46</b>	<b>\$5,405.61</b>	<b>\$8,970.39</b>

\*Payment requires Court Approval

**MOR-4**

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**AGING OF POST-PETITION LIABILITIES**  
MONTH 07.31.16

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	OTHER
0-30	5,405.61	0.00	0.00	5,405.61		
31-60	0.00	0.00				
61-90	0.00	0.00				
91+	0.00	0.00				
<b>TOTAL</b>	<b>\$5,405.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,405.61</b>	<b>\$0.00</b>	<b>\$0.00</b>

**AGING OF ACCOUNTS RECEIVABLE**

MONTH	9.30.15	10.31.15	11.30.15	12.31.15	01.31.16	02.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16
0-30 DAYS	331,864.70	153,635.38	247,284.48	354,447.66	113,985.55	165,703.75	181,684.17	180,453.76	101,105.99	259,814.20	239,905.37
31-60 DAYS	55,200.46	55,239.33	35,604.07	18,883.49	41,797.92	20,562.10	1,964.14	7,276.19	19,271.62	9,628.83	39,257.50
61-90 DAYS	19,350.87	51,786.26	51,102.08	32,521.56	16,918.75	15,824.66	14,433.19	1,910.50	6,110.19	19,271.62	7,680.33
91+ DAYS		8,681.75	16,296.80	35,192.08	20,780.51	29,999.18	47,764.77	48,453.70	33,445.45	19,295.14	23,090.27
<b>TOTAL</b>	<b>\$406,416.03</b>	<b>\$269,342.72</b>	<b>\$350,287.43</b>	<b>\$441,044.79</b>	<b>\$193,482.73</b>	<b>\$232,089.69</b>	<b>\$245,846.27</b>	<b>\$238,094.15</b>	<b>\$159,933.25</b>	<b>\$308,009.79</b>	<b>\$309,933.47</b>

**MOR-5**

Revised 07/01/98



CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

STATEMENT OF INCOME (LOSS)

	MONTH 9.30.15	MONTH 10.31.15	MONTH 11.30.15	MONTH 12.31.15	MONTH 01.31.16	MONTH 02.28.16	MONTH 03.31.16	MONTH 04.30.16	MONTH 05.31.16	MONTH 06.30.16	MONTH 07.31.16	FILING TO DATE
REVENUES (MOR-1)	379,180.38	203,068.84	429,830.85	373,308.38	120,712.51	285,282.78	305,448.37	211,029.09	110,448.90	363,482.96	242,641.46	3,024,434.52
TOTAL COST OF REVENUES	6,139.54	42,467.64	32,839.32	20,803.94	25,815.99	46,287.23	54,197.22	41,036.92	56,449.49	31,595.38	33,337.93	390,970.60
GROSS PROFIT	373,040.84	160,601.20	396,991.53	352,504.44	94,896.52	238,995.55	251,251.15	169,992.17	53,999.41	331,887.58	209,303.53	2,633,463.92
<b>OPERATING EXPENSES:</b>												
Selling & Marketing	338.84											338.84
General & Administrative	137,353.87	150,446.78	178,122.72	176,452.18	163,853.62	102,649.78	191,219.09	133,675.27	137,226.89	124,183.65	122,650.90	1,617,834.75
Insiders Compensation												0.00
Professional Fees												0.00
Other-Indirect Costs	11,828.55	94,977.55	124,529.89	146,160.85	24,808.61	89,612.96	85,183.69	67,959.84	63,757.46	67,404.76	73,379.68	849,603.84
Other-Freight/Shipping	4,094.52	8,210.57	2,342.76	2,548.11	3,332.37	1,090.98	4,085.00	7,225.70	787.51	2,651.51	3,904.58	40,273.61
<b>TOTAL OPERATING EXPENSES</b>	<b>153,615.78</b>	<b>253,634.90</b>	<b>304,995.37</b>	<b>325,161.14</b>	<b>191,994.60</b>	<b>193,353.72</b>	<b>280,487.78</b>	<b>208,860.81</b>	<b>201,771.86</b>	<b>194,239.92</b>	<b>199,935.16</b>	<b>2,508,051.04</b>
INCOME BEFORE INT. DEPR/TAX (MOR-1)	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	125,412.88
INTEREST EXPENSE												0.00
DEPRECIATION												0.00
OTHER (INCOME) EXPENSE*												0.00
OTHER ITEMS**												0.00
TOTAL INT, DEPR & OTHER ITEMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE TAXES	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	125,412.88
FEDERAL INCOME TAXES												0.00
<b>NET INCOME (LOSS) (MOR-1)</b>	<b>\$219,425.06</b>	<b>(\$93,033.70)</b>	<b>\$91,996.16</b>	<b>\$27,343.30</b>	<b>(\$97,098.08)</b>	<b>\$45,641.83</b>	<b>(\$29,236.63)</b>	<b>(\$38,868.64)</b>	<b>(\$147,772.45)</b>	<b>\$137,647.66</b>	<b>\$9,368.37</b>	<b>125,412.88</b>

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

**MOR-6**

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
 CASE NUMBER: 15-11194

CASH RECEIPTS AND DISBURSEMENTS	MONTH 30-Sep	MONTH 31-Oct	MONTH 11/30/2015	MONTH 12/31/2015	MONTH 1/31/2016	MONTH 02.28.16	MONTH 03.31.16	MONTH 04.30.16	MONTH 05.31.16	MONTH 06.30.16	MONTH 07.31.16	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$75,081.10	\$129,593.31	\$200,253.49	\$117,910.20	\$455,180.46	\$630,852.40	\$573,907.32	\$578,421.99	\$540,529.47	\$469,800.70	\$445,744.70	\$445,744.70
<b>RECEIPTS:</b>												
2. CASH SALES	190,155.77	64,464.06	38,041.13	387,748.96	366,855.61	192,246.08	192,246.08	214,569.62	110,448.90	197,046.70	242,641.46	2,196,464.37
3. COLLECTION OF ACCOUNTS RECEIVABLE	29,860.00	288,291.97	189,157.61	292,938.27	37,093.18	10,494.99	170,354.36	13,644.70	90,919.15	14,193.36	28,780.64	1,135,868.23
4. LOANS & ADVANCES (attach list)												0.00
5. SALE OF ASSETS												0.00
6. OTHER (attach list)												0.00
<b>TOTAL RECEIPTS**</b>	<b>220,015.77</b>	<b>352,756.03</b>	<b>227,198.74</b>	<b>680,687.23</b>	<b>403,948.79</b>	<b>202,741.07</b>	<b>362,600.44</b>	<b>228,214.32</b>	<b>201,368.05</b>	<b>211,240.06</b>	<b>271,422.10</b>	<b>3,362,192.60</b>
(Withdrawal) Contribution by Individual Debtor MFR-2*												0.00
<b>DISBURSEMENTS:</b>												
7. NET PAYROLL	93,104.85	67,714.10	78,407.36	131,659.29	119,586.49	62,265.23	129,733.36	98,060.68	87,482.28	84,232.00	65,867.15	1,018,112.79
8. TAXES PAID					3,200.00	18,426.51	27,034.85	13,961.39	15,103.69	10,904.51	6,722.06	95,353.01
9. TELEPHONE					2,483.10	2,109.10	752.77	923.16	949.53	210.24	1,801.41	9,229.31
10. SECURED/RENTAL/LEASES	4,663.99	742.56		1,531.79	545.07	187.71	1,956.60	31,909.27	40,942.50	43,976.50	43,342.50	169,798.49
11. UTILITIES & TELEPHONE	8,570.37	2,078.46	8,167.50	8,480.59	1,342.50	11,538.46	16,498.93	9,212.62	8,169.97	7,359.34	7,869.47	89,288.21
12. INSURANCE	7,876.96			2,771.49	2,771.49	5,549.98		6,458.82		2,485.29	2,719.05	30,633.08
13. INVENTORY PURCHASES												0.00
14. VEHICLE EXPENSES	3,540.45	2,492.22	2,980.48	2,155.77	2,766.93	2,155.11	2,514.98	1,301.72	1,614.62	556.10	4,202.21	26,280.59
15. TRAVEL & ENTERTAINMENT	282.07						475.21	2,566.35	946.76	728.56	414.62	5,413.57
16. REPAIRS, MAINTENANCE & SUPPLIES	2,368.32		1,834.16	1,374.22	5,062.45	7,748.63	900.74	2,736.30	1,752.89	890.29	2,270.90	26,938.90
17. ADMINISTRATIVE & SELLING											0.00	0.00
18. OTHER (attach list) list below	45,096.55	208,743.51	218,152.53	195,443.82	90,518.82	146,131.49	176,918.33	96,701.53	115,134.58	82,653.23	104,773.94	1,480,268.33
<b>TOTAL DISBURSEMENTS FROM OPERATIONS</b>	<b>165,503.56</b>	<b>281,770.85</b>	<b>309,542.03</b>	<b>343,416.97</b>	<b>228,276.85</b>	<b>256,112.22</b>	<b>356,785.77</b>	<b>263,831.84</b>	<b>272,096.82</b>	<b>233,996.06</b>	<b>239,983.31</b>	<b>2,951,316.28</b>
19. PROFESSIONAL FEES												0.00
20. U.S. TRUSTEE FEES		325.00					3,573.93	1,300.00	2,275.00	1,300.00	3,575.00	12,348.93
21. OTHER REORGANIZATION EXPENSES (attach list)												0.00
<b>TOTAL DISBURSEMENTS**</b>	<b>165,503.56</b>	<b>282,095.85</b>	<b>309,542.03</b>	<b>343,416.97</b>	<b>228,276.85</b>	<b>259,686.15</b>	<b>358,085.77</b>	<b>266,106.84</b>	<b>272,096.82</b>	<b>235,296.06</b>	<b>243,558.31</b>	<b>2,963,665.21</b>
22. NET CASH FLOW	54,512.21	70,660.18	-82,343.29	337,270.26	175,671.94	-56,945.08	4,514.67	-37,892.52	-70,728.77	-24,056.00	27,863.79	398,527.39
23. CASH - END OF MONTH (MOR-2)	\$129,593.31	\$200,253.49	\$117,910.20	\$455,180.46	\$630,852.40	\$573,907.32	\$578,421.99	\$540,529.47	\$469,800.70	\$445,744.70	\$473,608.49	473,608.49

\* Applies to Individual debtors only

\*\*Numbers for the current month should balance (match)

Revised 07/01/98

**MOR-7**

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

**line 18 list -Sept**

contract labor	15354.16
freight & shipping	3569.21
bank & merchant fee	2472.34
small equipment	1125.4
marketing	103.69
miscellaneous	195.96
supplies	4755.55
wireless & pagers	535.67
cogs	3570.24
raw material	13414.33
<b>total</b>	<b>\$45,096.55</b>

**line 18 list -october**

contract labor	17340.85
freight & shipping	7563.81
bank & merchant	992.76
small equipment	3133.84
marketing	242
miscellaneous	112
supplies	803.95
wireless & pagers	469.14
cogs	42478.92
raw materials	63732.26
subcontractors	259.48
rent	71614.5
<b>total</b>	<b>\$208,743.51</b>

**line 18 list -november**

contract labor	32417.79
freight & shipping	3373.03
bank & merchant	2662.55
small equipment	
marketing	1089
miscellaneous	1800
supplies	1897.09
wireless & page	951.97
cogs	32839.86
raw materials	50143.87
subcontractors	
rent	90977.37
<b>total</b>	<b>\$218,152.53</b>

line 18 list -December

line 18 list - Jan 2016

line 18 list - Feb 2016

contract labor	13427.17
freight & shipping	769.22
bank & merchant fee	10796.95
small equipment	3.89
marketing	1720.39
miscellaneous	7961.34
supplies	1714.89
wireless & pagers	491.9
cogs	20803.94
raw materials	31365.72
subcontractors	18959.48
rent	87428.93
<b>total</b>	<b>\$195,443.82</b>

contract labor	13578.1
freight & shipping	3332.37
bank & merchant	3495.65
small equipment	564.98
marketing	181.86
miscellaneous	1300
supplies	378.55
wireless & pagers	992.01
cogs	25827.27
raw materials	34803.03
subcontractors	1600
rent	4465
<b>total</b>	<b>\$90,518.82</b>

contract labor	2249.72
freight & shipping	1090.98
bank & merchant	1360.1
small equipment	0
marketing	0
miscellaneous	101.32
supplies	4933.21
wireless & page	492.73
cogs	46275.95
raw materials	29247.54
subcontractors	11137.01
rent	49242.93
<b>total</b>	<b>\$146,131.49</b>

**line 18 list - March 2016**

contract labor	3984.48
freight & shipping	463.1
bank & merchant fee	2400.8
small equipment	342.53
marketing	0
miscellaneous	135.75
supplies	2536.73
wireless & pagers	492.73
cogs	54197.22
raw materials	46870.4
subcontractors	14647.33
rent	50847.26
<b>total</b>	<b>\$176,918.33</b>

**line 18 list - April 2016**

contract labor	16334.53
freight & shipping	7295.7
bank & merchant	1511.59
small equipment	562.82
marketing	0
miscellaneous	0
supplies	5085.88
wireless & pagers	492.41
cogs	41025.64
raw materials	19248.06
subcontractors	2005.94
rent	3138.96
<b>total</b>	<b>\$96,701.53</b>

**line 18 list - may 2016**

contract labor	19837.67
freight & shipping	787.51
bank & merchant	2018.65
small equipment	30.72
marketing	128.22
miscellaneous	23.85
supplies	6.46
wireless & page	492.56
cogs	56449.49
raw materials	29900.48
subcontractors	1600
rent	3858.97
<b>total</b>	<b>\$115,134.58</b>

**line 18 list - June 2016**

contract labor	2000
freight & shipping	151.5
bank & merchant fee	2154.26
small equipment	0
marketing	0
miscellaneous	3500
supplies	1153.41
wireless & pagers	503.4
cogs	31595.38
raw materials	22051.95
subcontractors	17899.7
rent	1643.63
<b>total</b>	<b>\$82,653.23</b>

**line 18 list - July 2016**

contract labor	1600
freight & shipping	3904.58
bank & merchant	962.17
small equipment	0
marketing	53.59
miscellaneous	386.96
supplies	5053.81
wireless & pagers	568.56
cogs	33337.93
raw materials	43225.26
subcontractors	13558.49
rent	2122.59
<b>total</b>	<b>\$104,773.94</b>

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** Jul-16

BANK NAME	wells fargo-0503	plains capital-9522	plains capital-9514	american-7522	
ACCOUNT NUMBER	#	#	#		
ACCOUNT TYPE	OPERATING	OPERATING	OPERATING	OPERATING	TOTAL
BANK BALANCE	29,325.58	73,342.94	2,962.45	14.90	\$105,645.87
DEPOSITS IN TRANSIT			0.00		\$0.00
OUTSTANDING CHECKS	10,750.06	22,842.92	2,578.83	0.00	\$36,171.81
ADJUSTED BANK BALANCE	\$18,575.52	\$50,500.02	\$383.62	\$14.90	\$69,474.06
BEGINNING CASH - PER BOOKS	16,096.33	44,584.17	6.54	14.90	\$60,701.94
RECEIPTS*	21,720.74	248,153.38	1,547.98	0.00	\$271,422.10
TRANSFERS BETWEEN ACCOUNTS		0.00	0.00		\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2					\$0.00
CHECKS/OTHER DISBURSEMENTS*	19,241.55	242,237.53	1,170.90	0.00	\$262,649.98
ENDING CASH - PER BOOKS	\$18,575.52	\$50,500.02	\$383.62	\$14.90	\$69,474.06

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN

CASE NAME: Kevin Kliefoth

Petition Date:

9/13/2015

CASE NUMBER 15-11194

THIS REPORT IS FOR THE MONTH/YEAR May-16 (example: MAY/1998)

All Individual Debtor-in-Possession Checking, Savings, Brokerage Accounts:

BANK NAME:	ACCOUNT NO.
1. Plains Capitol Bank DIP	200009522
2. Plains Capitol Bank DIP	200009514
3. Well Fargo DIP	9550060503

(attach list if needed)

All Non-Debtor-in-Possession Accounts:

BANK NAME:	ACCOUNT NO.
1. Wells Fargo--OLD	9560064617
2. Wells Fargo--DIP	7385472456
3.	

(attach list if needed)

A copy of a reconciled statement should be attached for each and all accounts.

\$228,416.36	12,748.22	\$241,164.58
Total Disbursements from MOR-7 + Total Disbursements from MFR-2 =		Total Disbursements
(When the debtor is a sole proprietorship)		(When the debtor is an individual)

\*\*\* The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

**REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE**

	YES( ) NO (X)	EXP. DATE
HOME OWNERS	YES( ) NO (X)	-- --
AUTO	YES(X) NO ( )	-- --
OTHER	YES( ) NO ( )	-- --
OTHER	YES( ) NO ( )	-- --

Are all post-petition liabilities, including taxes, being paid within term Yes ~~No~~  
 Have any pre-petition liabilities been paid? Yes ~~No~~  
 If so, describe: \_\_\_\_\_  
 Were any assets disposed of outside the normal course of business? Yes ~~No~~  
 If so, describe: \_\_\_\_\_  
 Are all U.S. Trustee Quarterly Fee Payments current? Yes ~~No~~  
 What is the status of your Plan of Reorganization? In Progress

ATTORNEY NAME: Kimberly Nash  
 FIRM: Fred Walker P.C.  
 ADDRESS: 609 Castle Ridge Rd Ste 220  
 CITY, STATE, ZIP: Austin, Tx 78746  
 TELEPHONE: 512-330-9977

I certify under penalty of perjury that the following complete Monthl Financial Report (MFR), consisting of MFR-1 through MFR-3 plus attachments, is true and correct.

SIG/s/ Kevin Kliefoth  
(ORIGINAL SIGNATURE)

DATE: 10/21/16 #

This FORM is for INDIVIDUALS ONLY

CASE NAME: Kevin Kliefoth

CASE NUMBER: 15-11194

<b>CASH RECEIPTS AND DISBURSEMENTS</b>	<b>SCHEDULE I &amp; J</b>	<b>MONTH Mar-16</b>	<b>MONTH Apr-16</b>	<b>MONTH May-16</b>	<b>MONTH Jun-16</b>	<b>MONTH Jul-16</b>	<b>MONTH Aug-16</b>
1. CASH-BEGINNING OF MONTH		11740.95	9871.64	12294.95	8628.44	2179.54	5631.03
<b>RECEIPTS:</b>							
2. Wages, Salary, Commissions (net)	6,066.67	10,829.28	6,131.40	6,678.58	4,710.68	4,789.65	12,469.05
3. Rents, Royalties, Dividends, Interest							
4. Social Security, Pensions, etc.							
5. Other (attach list)		0.00	4,379.33	6,636.61	3,299.12	7,089.29	0.00
<b>TOTAL RECEIPTS</b>	<b>6,066.67</b>	<b>10,829.28</b>	<b>10,510.73</b>	<b>13,315.19</b>	<b>8,009.80</b>	<b>11,884.94</b>	<b>12,469.05</b>
Draw from (Contribution to) Operation of Business MOR-7							
<b>DISBURSEMENTS:</b>							
6. Rent or Home Mortgage Payment	2,800.00	2,300.00	2,300.00	4,600.00	2,300.00	0.00	4,600.00
7. Utilities (electric/gas, water, telephone)	470.00	291.19	385.70	398.93	471.78	195.42	910.79
8. Home Maintenance (repairs and upkeep)	1,075.00	0.00	0.00	0.00	0.00	0.00	0.00
9. Food, Clothing, Laundry, and Dry Cleaning, Per Care	585.00	937.63	366.42	342.71	640.56	308.94	570.20
10. Medical and Dental	100.00	0.00	0.00	0.00	110.00	0.00	0.00
11. Transportation (not including car payment)	400.00	270.18	287.17	66.08	304.14	279.56	659.32
12. Recreations, Clubs, and Entertainment	125.94	457.75	152.15	0.00	36.00	0.00	20.56
13. Insurance (not included in wages or home mortgage)	2,048.75	1,716.00	988.00	5,788.00	1,109.00	1,109.00	1,109.00
14. Taxes (not included in wages or home mortgage)	2,500.00	0.00		0.00	0.00	0.00	0.00
15. Auto Payment	0.00	0.00		0.00	0.00	0.00	0.00
16. -Credit Cards Spousal Support	1,200.00	1,200.00		1,200.00	1,200.00	1,200.00	0.00
17. OTHER	50.00	5,525.84	3,607.98	4,585.98	8,287.22	5,337.58	4,876.35
<b>TOTAL DISBURSEMENTS (for individual)</b>	<b>11,354.69</b>	<b>12,698.59</b>	<b>8,087.42</b>	<b>16,981.70</b>	<b>14,458.70</b>	<b>8,433.50</b>	<b>12,748.22</b>
18. PROFESSIONAL FEES		0.00				0.00	0.00
19. U.S. TRUSTEE FEES	1,700.00	0.00				0.00	0.00
(attach list if needed)	13,054.69	12,698.59	8,087.42	16,981.70	14,458.70	8,433.50	12,748.22
20. NET CASH FLOW	-6,988.02	-1,869.31	2,423.31	-3,666.51	-6,448.90	3,451.49	-279.17
21. CASH - END OF MONTH	-6,988.02	9,871.64	12,294.95	8,628.44	2,179.54	5,631.03	5,351.86

MFR-2

Revised 07/01/98

This FORM is for INDIVIDUALS ONLY

CASE NAME: Kevin Kliefoth

CASE NUMBER: 15-11194

CASH RECEIPTS AND DISBURSEMENTS	SCHEDULE I & J	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
		Sept 13- Sept 30	Oct-15	15-Nov	15-Dec	16-Jan	16-Feb
1. CASH-BEGINNING OF MONTH		1513.83	1613.92	4912.64	8504.45	14076.67	13459.1
<b>RECEIPTS:</b>							
2. Wages, Salary, Commissions (net)	6,066.67	594.24	5,659.92	4,686.40	19,174.22	8,497.49	4,688.52
3. Rents, Royalties, Dividends, Interest							
4. Social Security, Pensions, etc.							
5. Other (attach list)			2,466.31	4,837.68	162.17	59.73	255.20
<b>TOTAL RECEIPTS</b>	<b>6,066.67</b>	<b>594.24</b>	<b>8,126.23</b>	<b>9,524.08</b>	<b>19,336.39</b>	<b>8,557.22</b>	<b>4,943.72</b>
Draw from (Contribution to) Operation of Business MOR-7							
<b>DISBURSEMENTS:</b>							
6. Rent or Home Mortgage Payment	2,800.00	0.00	2,300.00	2,300.00	2,300.00	2,300.00	0.00
7. Utilities (electric/gas, water, telephone)	470.00	158.91	293.47	507.43	384.98	351.88	494.73
8. Home Maintenance (repairs and upkeep)	1,075.00	0.00	0.00	0.00	0.00	0.00	
9. Food, Clothing, Laundry, and Dry Cleaning, Per Care	585.00	177.78	525.92	508.86	596.16	446.72	293.11
10. Medical and Dental	100.00	0.00	0.00	301.82	574.00	127.00	0.00
11. Transportation (not including car payment)	400.00	114.47	199.47	317.31	940.37	545.45	495.24
12. Recreations, Clubs, and Entertainment	125.94	20.00	40.00	181.78	357.71	325.49	120.65
13. Insurance (not included in wages or home mortgage)	2,048.75	0.00	626.98	612.99	2,964.00	0.00	988.00
14. Taxes (not included in wages or home mortgage)	2,500.00	0.00		0.00	0.00	0.00	0.00
15. Auto Payment	0.00	0.00		0.00	0.00	0.00	0.00
16. <del>Credit Cards</del> Spousal Support	1,200.00			0.00	4,800.00	1,200.00	1,200.00
17. OTHER	50.00	20.00	841.67	1,202.08	846.95	3,878.25	3,070.14
<b>TOTAL DISBURSEMENTS (for individual)</b>	<b>11,354.69</b>	<b>491.16</b>	<b>4,827.51</b>	<b>5,932.27</b>	<b>13,764.17</b>	<b>9,174.79</b>	<b>6,661.87</b>
18. PROFESSIONAL FEES		0.00					
19. U.S. TRUSTEE FEES	1,700.00	0.00					
(attach list if needed)	13,054.69	491.16	4,827.51	5,932.27	13,764.17	9,174.79	6,661.87
20. NET CASH FLOW	-6,988.02	103.08	3,298.72	3,591.81	5,572.22	-617.57	-1,718.15
21. CASH - END OF MONTH	-6,988.02	1,616.91	4,912.64	8,504.45	14,076.67	13,459.10	11,740.95

MFR-2

Revised 07/01/98

This FORM is for INDIVIDUALS ONLY

CASE NAME: Kevin Kliefoth

CASE NUMBER: 15-11194

<b>POST-PETITION LIABILITIES</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
<b>SECURED:</b>						
(attach list)						
<b>TOTAL SECURED</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>UNSECURED:</b>						
(attach list)						
<b>TOTAL UNSECURED</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>TAXES:</b>						
(attach list)						
<b>TOTAL TAXES</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POST-PETITION LIABILITIES (for individual)</b>	0.00	0.00	0.00	0.00	0.00	0.00



MOR-1

UNITED STATES BANKRUPTCY COURT

CASE NAME: Kevin Kleifoth  
 CASE NUMBER: 15-11194  
 PROPOSED PLAN DATE: #####

PETITION DATE: 9/13/2016  
 DISTRICT OF TEXAS: Western District of Texas  
 DIVISION: Austin

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

YEAR

MONTH	Sept	October	November	December	January	Feb	March	April	May	June	July	Aug	2015 & 2016
REVENUES (MOR-6)	379,180.38	203,068.84	429,830.85	373,308.38	120,712.51	285,282.78	305,448.37	211,029.09	110,448.90	363,482.96	242,641.46	205,054.51	
INCOME BEFORE INT; DEPREC/TAX (MOR-6)	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	-18,243.79	
NET INCOME (LOSS) (MOR-6)	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	-18,243.79	
PAYMENTS TO INSIDERS (MOR-9)	2,481.44	12,871.52	31,579.36	27,999.61	15,951.77	7,900.00	10,645.20	8,401.05	9,631.71	11,623.43	10,246.97	18,571.40	
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL DISBURSEMENTS (MOR-7)	165,503.56	282,095.85	309,542.03	343,416.97	228,276.85	256,112.22	356,785.77	263,831.84	272,096.82	235,296.06	243,558.31	228,416.36	

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED		EXP. DATE	
CASUALTY	YES (x) NO ( )	___-___-___	Are all accounts receivable being collected within terms? <b>Yes</b>
LIABILITY	YES (x) NO ( )	___-___-___	Are all post-petition liabilities, including taxes, being paid within terms? <b>Yes</b>
VEHICLE	YES (x) NO ( )	___-___-___	Have any pre-petition liabilities been paid? <b>No</b>
WORKERS	YES (x) NO ( )	___-___-___	If so, describe _____
OTHER	YES (x) NO ( )	___-___-___	Are all funds received being deposited into DIP bank accounts? <b>Yes</b>
			Were any assets disposed of outside the normal course of business? <b>No</b>
			If so, describe _____
			Are all U.S. Trustee Quarterly Fee Payments current? <b>Yes</b>
			What is the status of your Plan of Reorganization? <u>30-Oct</u>

ATTORNEY NAME: Fred Walker  
 FIRM NAME: Fred E Walker P.C.  
 ADDRESS: 609 Castle Ridge Rd Ste 220  
 CITY, STATE, ZIP: Austin, Tx 78746  
 TELEPHONE/FAX: 512-330-9977

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED x \_\_\_\_\_ /s/ Kevin Kleifoth  
 (ORIGINAL SIGNATURE)

Kevin Kleifoth 10/21/2016  
 (PRINT NAME OF SIGNATORY) DATE Revised 07/01/98

MOR-1

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**COMPARATIVE BALANCE SHEETS**

<b>ASSETS</b>	<b>FILING DATE*</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
	9.13.15	9.30.15	10.31.15	11.30.15	12.31.15	1.31.16	2.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16	08.31.16
<b>CURRENT ASSETS</b>													
Cash	132,362.84	141,459.18	231,862.29	203,133.02	268,060.38	335,280.43	278,174.15	315,641.02	239,734.22	96,962.43	60,701.94	69,474.06	88,493.56
Accounts Receivable, Net	225,000.00	406,416.03	269,342.72	350,287.43	441,044.79	193,482.73	232,089.69	245,846.27	238,094.15	159,933.25	309,009.79	309,933.47	255,249.46
Inventory: Lower of Cost or Market	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Prepaid Expenses													
Investments													
Other													
<b>TOTAL CURRENT ASSETS</b>	<b>407,362.84</b>	<b>597,875.21</b>	<b>551,205.01</b>	<b>603,420.45</b>	<b>759,105.17</b>	<b>578,763.16</b>	<b>560,263.84</b>	<b>611,487.29</b>	<b>527,828.37</b>	<b>306,895.68</b>	<b>419,711.73</b>	<b>429,407.53</b>	<b>393,743.02</b>
<b>PROPERTY, PLANT &amp; EQUIP. @ COST</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>
Less Accumulated Depreciation													
<b>NET BOOK VALUE OF PP &amp; E</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>
<b>OTHER ASSETS</b>													
1. Tax Deposits													
2. Investments in Subsidiaries													
3. Electric Deposit													
4.													
<b>TOTAL ASSETS</b>	<b>\$419,362.84</b>	<b>\$609,875.21</b>	<b>\$563,205.01</b>	<b>\$615,420.45</b>	<b>\$771,105.17</b>	<b>\$590,763.16</b>	<b>\$572,263.84</b>	<b>\$623,487.29</b>	<b>\$539,828.37</b>	<b>\$318,895.68</b>	<b>\$431,711.73</b>	<b>\$441,407.53</b>	<b>\$405,743.02</b>

\* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**COMPARATIVE BALANCE SHEETS**

<b>LIABILITIES &amp; OWNER'S EQUITY</b>	<b>FILING DATE*</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
	9.13.15	9.30.15	10.31.15	11.30.15	12.31.15	01.31.16	2.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16	08.31.16
<b>LIABILITIES</b>													
POST-PETITION LIABILITIES(MOR-4)		33,485.71	35,386.78	76,706.66	61,225.18	1,728.00	22,725.77	19,576.02	19,217.42	7,532.46	5,662.97	8,970.39	5,662.97
PRE-PETITION LIABILITIES													
Notes Payable - Secured													
Priority Debt													
Federal Income Tax													
FICA/Withholding													
Unsecured Debt													
Other	211,779.97												
TOTAL PRE-PETITION LIABILITIES	211,779.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	<b>211,779.97</b>	<b>33,485.71</b>	<b>35,386.78</b>	<b>76,706.66</b>	<b>61,225.18</b>	<b>1,728.00</b>	<b>22,725.77</b>	<b>19,576.02</b>	<b>19,217.42</b>	<b>7,532.46</b>	<b>5,662.97</b>	<b>8,970.39</b>	<b>5,662.97</b>
<b>OWNER'S EQUITY (DEFICIT)</b>													
PREFERRED STOCK													
COMMON STOCK													
ADDITIONAL PAID-IN CAPITAL	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09	147,747.09
RETAINED EARNINGS: Filing Date	345,376.85												
RETAINED EARNINGS: Post Filing Date		161,458.24	67,249.11	159,245.27	190,303.43	177,052.19	158,693.26	156,197.34	156,197.34	166,211.01	287,775.74	238,679.24	216,935.45
TOTAL OWNER'S EQUITY (NET WORTH)	493,123.94	309,205.33	214,996.20	306,992.36	338,050.52	324,799.28	306,440.35	303,944.43	303,944.43	313,958.10	435,522.83	386,426.33	364,682.54
<b>TOTAL LIABILITIES &amp; OWNERS EQUITY</b>	<b>\$704,903.91</b>	<b>\$342,691.04</b>	<b>\$250,382.98</b>	<b>\$383,699.02</b>	<b>\$399,275.70</b>	<b>\$326,527.28</b>	<b>\$329,166.12</b>	<b>\$323,520.45</b>	<b>\$323,161.85</b>	<b>\$321,490.56</b>	<b>\$441,185.80</b>	<b>\$395,396.72</b>	<b>\$370,345.51</b>

\* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	sept	october	november	december	jan	feb	March	April	May	June	July	Aug
<b>TRADE ACCOUNTS PAYABLE</b>	10,585.73	4,679.90	32,819.46	30,861.38	26,661.16	22,725.77	19,576.02	19,217.42	7,532.46	5,662.97	8,970.39	5,662.97
<b>TAX PAYABLE</b>												
Federal Payroll Taxes												
State Payroll Taxes												
Ad Valorem Taxes												
Other Taxes	15,105.84	30,706.88	43,887.20	22,569.66								
<b>TOTAL TAXES PAYABLE</b>	15,105.84	30,706.88	43,887.20	22,569.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SECURED DEBT POST-PETITION</b>												
<b>ACCRUED INTEREST PAYABLE</b>												
<b>ACCRUED PROFESSIONAL FEES*</b>												
<b>OTHER ACCRUED LIABILITIES</b>												
1. federal taxes	7,794.14			7,794.14								
2.												
3.												
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	\$33,485.71	\$35,386.78	\$76,706.66	\$61,225.18	\$26,661.16	\$22,725.77	\$19,576.02	\$19,217.42	\$7,532.46	\$5,662.97	\$8,970.39	\$5,662.97

\*Payment requires Court Approval

**MOR-4**

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**AGING OF POST-PETITION LIABILITIES**  
MONTH 08.31.16

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	OTHER
0-30	5,662.97	0.00	0.00	5,662.97		
31-60	0.00	0.00				
61-90	0.00	0.00				
91+	0.00	0.00				
<b>TOTAL</b>	<b>\$5,662.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,662.97</b>	<b>\$0.00</b>	<b>\$0.00</b>

**AGING OF ACCOUNTS RECEIVABLE**

MONTH	9.30.15	10.31.15	11.30.15	12.31.15	01.31.16	02.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16	08.31.16
0-30 DAYS	331,864.70	153,635.38	247,284.48	354,447.66	113,985.55	165,703.75	181,684.17	180,453.76	101,105.99	259,814.20	239,905.37	185,495.98
31-60 DAYS	55,200.46	55,239.33	35,604.07	18,883.49	41,797.92	20,562.10	1,964.14	7,276.19	19,271.62	9,628.83	39,257.50	7,885.48
61-90 DAYS	19,350.87	51,786.26	51,102.08	32,521.56	16,918.75	15,824.66	14,433.19	1,910.50	6,110.19	19,271.62	7,680.33	35,844.38
91+ DAYS		8,681.75	16,296.80	35,192.08	20,780.51	29,999.18	47,764.77	48,453.70	33,445.45	19,295.14	23,090.27	26,023.62
<b>TOTAL</b>	<b>\$406,416.03</b>	<b>\$269,342.72</b>	<b>\$350,287.43</b>	<b>\$441,044.79</b>	<b>\$193,482.73</b>	<b>\$232,089.69</b>	<b>\$245,846.27</b>	<b>\$238,094.15</b>	<b>\$159,933.25</b>	<b>\$308,009.79</b>	<b>\$309,933.47</b>	<b>\$255,249.46</b>

**MOR-5**

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

STATEMENT OF INCOME (LOSS)

	MONTH 9.30.15	MONTH 10.31.15	MONTH 11.30.15	MONTH 12.31.15	MONTH 01.31.16	MONTH 02.28.16	MONTH 03.31.16	MONTH 04.30.16	MONTH 05.31.16	MONTH 06.30.16	MONTH 07.31.16	MONTH 08.31.16	FILING TO DATE
REVENUES (MOR-1)	379,180.38	203,068.84	429,830.85	373,308.38	120,712.51	285,282.78	305,448.37	211,029.09	110,448.90	363,482.96	242,641.46	205,054.51	3,024,434.52
TOTAL COST OF REVENUES	6,139.54	42,467.64	32,839.32	20,803.94	25,815.99	46,287.23	54,197.22	41,036.92	56,449.49	31,595.38	33,337.93	2,380.93	390,970.60
GROSS PROFIT	373,040.84	160,601.20	396,991.53	352,504.44	94,896.52	238,995.55	251,251.15	169,992.17	53,999.41	331,887.58	209,303.53	202,673.58	2,633,463.92
<b>OPERATING EXPENSES:</b>													
Selling & Marketing	338.84												338.84
General & Administrative	137,353.87	150,446.78	178,122.72	176,452.18	163,853.62	102,649.78	191,219.09	133,675.27	137,226.89	124,183.65	122,650.90	145,385.44	1,617,834.75
Insiders Compensation													0.00
Professional Fees													0.00
Other-Indirect Costs	11,828.55	94,977.55	124,529.89	146,160.85	24,808.61	89,612.96	85,183.69	67,959.84	63,757.46	67,404.76	73,379.68	74,968.09	849,603.84
Other-Freight/Shipping	4,094.52	8,210.57	2,342.76	2,548.11	3,332.37	1,090.98	4,085.00	7,225.70	787.51	2,651.51	3,904.58	563.84	40,273.61
TOTAL OPERATING EXPENSES	153,615.78	253,634.90	304,995.37	325,161.14	191,994.60	193,353.72	280,487.78	208,860.81	201,771.86	194,239.92	199,935.16	220,917.37	2,508,051.04
INCOME BEFORE INT. DEPR/TAX (MOR-1)	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	-18,243.79	125,412.88
INTEREST EXPENSE													0.00
DEPRECIATION													0.00
OTHER (INCOME) EXPENSE*													0.00
OTHER ITEMS**													0.00
TOTAL INT, DEPR & OTHER ITEMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE TAXES	219,425.06	-93,033.70	91,996.16	27,343.30	-97,098.08	45,641.83	-29,236.63	-38,868.64	-147,772.45	137,647.66	9,368.37	-18,243.79	125,412.88
FEDERAL INCOME TAXES													0.00
NET INCOME (LOSS) (MOR-1)	\$219,425.06	(\$93,033.70)	\$91,996.16	\$27,343.30	(\$97,098.08)	\$45,641.83	(\$29,236.63)	(\$38,868.64)	(\$147,772.45)	\$137,647.66	\$9,368.37	(\$18,243.79)	125,412.88

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
	30-Sep	31-Oct	11/30/2015	12/31/2015	1/31/2016	02.28.16	03.31.16	04.30.16	05.31.16	06.30.16	07.31.16	08.31.16	DATE	
1. CASH-BEGINNING OF MONTH	\$75,081.10	\$129,593.31	\$200,253.49	\$117,910.20	\$455,180.46	\$630,852.40	\$573,907.32	\$578,421.99	\$540,529.47	\$469,800.70	\$445,744.70	\$473,608.49	\$445,744.70	
<b>RECEIPTS:</b>														
2. CASH SALES	190,155.77	64,464.06	38,041.13	387,748.96	366,855.61	192,246.08	192,246.08	214,569.62	110,448.90	197,046.70	242,641.46	136,123.31	2,196,464.37	
3. COLLECTION OF ACCOUNTS RECEIVABLE	29,860.00	288,291.97	189,157.61	292,938.27	37,093.18	10,494.99	170,354.36	13,644.70	90,919.15	14,193.36	28,780.64	18,562.27	1,135,868.23	
4. LOANS & ADVANCES (attach list)													0.00	
5. SALE OF ASSETS													0.00	
6. OTHER (attach list)													0.00	
<b>TOTAL RECEIPTS**</b>	<b>220,015.77</b>	<b>352,756.03</b>	<b>227,198.74</b>	<b>680,687.23</b>	<b>403,948.79</b>	<b>202,741.07</b>	<b>362,600.44</b>	<b>228,214.32</b>	<b>201,368.05</b>	<b>211,240.06</b>	<b>271,422.10</b>	<b>154,685.58</b>	<b>3,362,192.60</b>	
(Withdrawal) Contribution by Individual Debtor MFR-2*													0.00	
<b>DISBURSEMENTS:</b>														
7. NET PAYROLL	93,104.85	67,714.10	78,407.36	131,659.29	119,586.49	62,265.23	129,733.36	98,060.68	87,482.28	84,232.00	65,867.15	94,502.53	1,018,112.79	
8. TAXES PAID					3,200.00	18,426.51	27,034.85	13,961.39	15,103.69	10,904.51	6,722.06	5,662.97	95,353.01	
9. TELEPHONE					2,483.10	2,109.10	752.77	923.16	949.53	210.24	1,801.41	1,169.41	9,229.31	
10. SECURED/RENTAL/LEASES	4,663.99	742.56		1,531.79	545.07	187.71	1,956.60	31,909.27	40,942.50	43,976.50	43,342.50	43,976.50	169,798.49	
11. UTILITIES & TELEPHONE	8,570.37	2,078.46	8,167.50	8,480.59	1,342.50	11,538.46	16,498.93	9,212.62	8,169.97	7,359.34	7,869.47	6,973.36	89,288.21	
12. INSURANCE	7,876.96			2,771.49	2,771.49	5,549.98		6,458.82		2,485.29	2,719.05	2,719.05	30,633.08	
13. INVENTORY PURCHASES													0.00	
14. VEHICLE EXPENSES	3,540.45	2,492.22	2,980.48	2,155.77	2,766.93	2,155.11	2,514.98	1,301.72	1,614.62	556.10	4,202.21	4,269.40	26,280.59	
15. TRAVEL & ENTERTAINMENT	282.07						475.21	2,566.35	946.76	728.56	414.62	79.45	5,413.57	
16. REPAIRS, MAINTENANCE & SUPPLIES	2,368.32		1,834.16	1,374.22	5,062.45	7,748.63	900.74	2,736.30	1,752.89	890.29	2,270.90	2,345.76	26,938.90	
17. ADMINISTRATIVE & SELLING											0.00	0.00	0.00	
18. OTHER (attach list) list below	45,096.55	208,743.51	218,152.53	195,443.82	90,518.82	146,131.49	176,918.33	96,701.53	115,134.58	82,653.23	104,773.94	66,717.93	1,480,268.33	
<b>TOTAL DISBURSEMENTS FROM OPERATIONS</b>	<b>165,503.56</b>	<b>281,770.85</b>	<b>309,542.03</b>	<b>343,416.97</b>	<b>228,276.85</b>	<b>256,112.22</b>	<b>356,785.77</b>	<b>263,831.84</b>	<b>272,096.82</b>	<b>233,996.06</b>	<b>239,983.31</b>	<b>228,416.36</b>	<b>2,951,316.28</b>	
19. PROFESSIONAL FEES													0.00	
20. U.S. TRUSTEE FEES		325.00				3,573.93	1,300.00	2,275.00		1,300.00	3,575.00	0.00	12,348.93	
21. OTHER REORGANIZATION EXPENSES (attach list)													0.00	
<b>TOTAL DISBURSEMENTS**</b>	<b>165,503.56</b>	<b>282,095.85</b>	<b>309,542.03</b>	<b>343,416.97</b>	<b>228,276.85</b>	<b>259,686.15</b>	<b>358,085.77</b>	<b>266,106.84</b>	<b>272,096.82</b>	<b>235,296.06</b>	<b>243,558.31</b>	<b>228,416.36</b>	<b>2,963,665.21</b>	
22. NET CASH FLOW	54,512.21	70,660.18	-82,343.29	337,270.26	175,671.94	-56,945.08	4,514.67	-37,892.52	-70,728.77	-24,056.00	27,863.79	-73,730.78	398,527.39	
23. CASH - END OF MONTH (MOR-2)	\$129,593.31	\$200,253.49	\$117,910.20	\$455,180.46	\$630,852.40	\$573,907.32	\$578,421.99	\$540,529.47	\$469,800.70	\$445,744.70	\$473,608.49	\$399,877.71	473,608.49	

\* Applies to Individual debtors only

\*\*Numbers for the current month should balance (match)

Revised 07/01/98

**MOR-7**

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

<b>line 18 list -Sept</b>		<b>line 18 list -october</b>		<b>line 18 list -november</b>	
contract labor	15354.16	contract labor	17340.85	contract labor	32417.79
freight & shipping	3569.21	freight & shipping	7563.81	freight & shippir	3373.03
bank & merchant fee	2472.34	bank & merchant	992.76	bank & merchar	2662.55
small equipment	1125.4	small equipment	3133.84	small equipment	
marketing	103.69	marketing	242	marketing	1089
miscellaneous	195.96	miscellaneous	112	miscellaneous	1800
supplies	4755.55	supplies	803.95	supplies	1897.09
wireless & pagers	535.67	wireless & pager:	469.14	wireless & page	951.97
cogs	3570.24	cogs	42478.92	cogs	32839.86
raw material	13414.33	raw materials	63732.26	raw materials	50143.87
<b>total</b>	<b>\$45,096.55</b>	subcontractors	259.48	subcontractors	
		rent	71614.5	rent	90977.37
		<b>total</b>	<b>\$208,743.51</b>	<b>total</b>	<b>\$218,152.53</b>
<b>line 18 list -December</b>		<b>line 18 list - Jan 2016</b>		<b>line 18 list - Feb 2016</b>	
contract labor	13427.17	contract labor	13578.1	contract labor	2249.72
freight & shipping	769.22	freight & shipping	3332.37	freight & shippir	1090.98
bank & merchant fee	10796.95	bank & merchant	3495.65	bank & merchar	1360.1
small equipment	3.89	small equipment	564.98	small equipmen	0
marketing	1720.39	marketing	181.86	marketing	0

miscellaneous	7961.34	miscellaneous	1300	miscellaneous	101.32
supplies	1714.89	supplies	378.55	supplies	4933.21
wireless & pagers	491.9	wireless & pager:	992.01	wireless & page	492.73
cogs	20803.94	cogs	25827.27	cogs	46275.95
raw materials	31365.72	raw materials	34803.03	raw materials	29247.54
subcontractors	18959.48	subcontractors	1600	subcontractors	11137.01
rent	87428.93	rent	4465	rent	49242.93
<b>total</b>	<b>#####</b>	<b>total</b>	<b>\$90,518.82</b>	<b>total</b>	<b>\$146,131.49</b>

<b>line 18 list - March 2016</b>		<b>line 18 list - April 2016</b>		<b>line 18 list - may 2016</b>	
contract labor	3984.48	contract labor	16334.53	contract labor	19837.67
freight & shipping	463.1	freight & shipping	7295.7	freight & shippir	787.51
bank & merchant fee	2400.8	bank & merchant	1511.59	bank & merchar	2018.65
small equipment	342.53	small equipment	562.82	small equipmen	30.72
marketing	0	marketing	0	marketing	128.22
miscellaneous	135.75	miscellaneous	0	miscellaneous	23.85
supplies	2536.73	supplies	5085.88	supplies	6.46
wireless & pagers	492.73	wireless & pager:	492.41	wireless & page	492.56
cogs	54197.22	cogs	41025.64	cogs	56449.49
raw materials	46870.4	raw materials	19248.06	raw materials	29900.48
subcontractors	14647.33	subcontractors	2005.94	subcontractors	1600
rent	50847.26	rent	3138.96	rent	3858.97
<b>total</b>	<b>#####</b>	<b>total</b>	<b>\$96,701.53</b>	<b>total</b>	<b>\$115,134.58</b>

<b>line 18 list - June 2016</b>		<b>line 18 list - July 2016</b>		<b>line 18 list - Aug 2016</b>	
contract labor	2000	contract labor	1600	contract labor	3090
freight & shipping	151.5	freight & shipping	3904.58	freight & shippir	563.84
bank & merchant fee	2154.26	bank & merchant	962.17	bank & merchar	1531.84
small equipment	0	small equipment	0	small equipmen	0
marketing	0	marketing	53.59	marketing	53.59
miscellaneous	3500	miscellaneous	386.96	miscellaneous	0
supplies	1153.41	supplies	5053.81	supplies	5691.74
wireless & pagers	503.4	wireless & pager:	568.56	wireless & page	1050.52
cogs	31595.38	cogs	33337.93	cogs	2380.93
raw materials	22051.95	raw materials	43225.26	raw materials	31412.93
subcontractors	17899.7	subcontractors	13558.49	subcontractors	19469.98
rent	1643.63	rent	2122.59	rent	1472.56
<b>total</b>	<b>\$82,653.23</b>	<b>total</b>	<b>\$104,773.94</b>	<b>total</b>	<b>\$66,717.93</b>



CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** Aug-16

BANK NAME	wells fargo-0503	plains capital-9522	plains capital-9514	american-7522	
ACCOUNT NUMBER	#	#	#		
ACCOUNT TYPE	OPERATING	OPERATING	OPERATING	OPERATING	TOTAL
BANK BALANCE	32,662.13	90,797.68	3,714.94	9.90	\$127,184.65
DEPOSITS IN TRANSIT			0.00		\$0.00
OUTSTANDING CHECKS	12,978.96	22,842.92	2,869.21		\$38,691.09
ADJUSTED BANK BALANCE	\$19,683.17	\$67,954.76	\$845.73	\$9.90	\$88,493.56
BEGINNING CASH - PER BOOKS	18,575.52	50,500.02	383.62	14.90	\$69,474.06
RECEIPTS*	35,779.62	118,905.96	0.00	0.00	\$154,685.58
TRANSFERS BETWEEN ACCOUNTS		15,000.00	2,000.00		\$17,000.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2					\$0.00
CHECKS/OTHER DISBURSEMENTS*	34,671.97	116,451.22	1,537.89	5.00	\$152,666.08
ENDING CASH - PER BOOKS	\$19,683.17	\$67,954.76	\$845.73	\$9.90	\$88,493.56

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

CASE NAME: Kevin Kliefoth  
CASE NUMBER: 15-11194

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.  
Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH sept	MONTH Oct	MONTH Nov	MONTH Dec	MONTH Jan	MONTH Feb	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH Aug
1. Kevin Kliefoth post filing only	594.24	8,126.23	25,124.61	25,124.61	11,424.44	5,600.00	7,762.19	7,762.19	6,678.58	4,710.68	5,967.78	12,469.05
2. Robert Kliefoth	1,887.20	4,745.29	6,454.75	2,875.00	4,527.33	2,300.00	2,883.01	2,883.01	2,953.13	2,412.75	2,779.19	2,602.35
3. Barbara Kliefoth										4,500.00	1,500.00	3,500.00
4.												
5.												
6.												
<b>TOTAL INSIDERS (MOR-1)</b>	<b>\$2,481.44</b>	<b>\$12,871.52</b>	<b>\$31,579.36</b>	<b>\$27,999.61</b>	<b>\$15,951.77</b>	<b>\$7,900.00</b>	<b>\$10,645.20</b>	<b>\$10,645.20</b>	<b>\$9,631.71</b>	<b>\$11,623.43</b>	<b>\$10,246.97</b>	<b>\$18,571.40</b>

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.												
2.												
3.												
4.												
5.												
6.												
<b>TOTAL PROFESSIONALS (MOR-1)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**MOR-9**

Revised 07/01/98

UNITED STATES BANKRUPTCY COURT  
 WESTERN DISTRICT OF TEXAS  
 AUSTIN

CASE NAME: Barbara Kliefoth

Petition Date:

CASE NUMBER 16-10817

THIS REPORT IS FOR THE MONTH/YEAR Aug-16 (example: MAY/1998)

All Individual Debtor-in-Possession Checking, Savings, Brokerage

All Non-Debtor-in-Possession Accounts:

BANK NAME:	ACCOUNT NO.	BANK NAME:	ACCOUNT NO.
1. Wells Fargo	xxxx98061		
2. Wells Fargo Savings	xxxx3221		
3. _____	_____		

(attach list if needed)

(attach list if needed)

A copy of a reconciled statement should be attached for each and all accounts.

\$3,028.72 \$3,028.72 Total Disbursements from MOR-7 + Total Disbursements from MFR-2 = Total Disbursements

(When the debtor is a sole proprietorship)

(When the debtor is an individual)

\*\*\* The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

**REQUIRED INSURANCE MAINTAINED**  
**AS OF SIGNATURE DATE**

HOME OWNERS	YES ( ) NO (x)	EXP. DATE
AUTO	YES(x) NO ( )	-- --
OTHER	YES ( ) NO ( )	-- --
OTHER	YES ( ) NO ( )	-- --

Are all post-petition liabilities, including taxes, being paid within term  
 Have any pre-petition liabilities been paid?

CIRCLE ONE  
 Yes  
 No

If so, describe:

Were any assets disposed of outside the normal course of business?

If so, describe:

Are all U.S. Trustee Quarterly Fee Payments current?

What is the status of your Plan of Reorganization?

No

No

In Progress

ATTORNEY NA Kimberly Nash

FIRM: Fred E Walker P.C.

ADDRESS: 609 Castle Ridge Rd Ste 220

Austin, TX 78746

CITY, STATE, ZIP

TELEPHONE: 512-330-9977 512-330-1686

I certify under penalty of perjury that the following complete Monthl Financial Report (MFR), consisting of MFR-1 through MFR-3 plus attachments, is true and correct.

SIGNED: Barbara Kliefoth DATE: 10/28/16  
 (ORIGINAL SIGNATURE)

This FORM is for INDIVIDUALS ONLY

CASE NUMBER: 16-10817

CASE NAME: Barbara Kliefoth

CASH RECEIPTS AND DISBURSEMENTS	SCHEDULE I & J	MONTH					MONTH
		August	Sep-16	Oct-16	MONTH	MONTH	
1. CASH-BEGINNING OF MONTH		0	1.16				
RECEIPTS:							
2. Wages, Salary, Commissions (net)	1,022.67	894.88	1,228.07				
4. Transfer from Savings Account	135.00	90.00					
5. Other Support Payments	1,400.00	4,000.00					
TOTAL RECEIPTS	2,422.67	3,029.88	5,318.07	0.00	0.00	0.00	
Draw from (Contribution to) Operation of Business MOR-7							
DISBURSEMENTS:							
6. Rent or Home Mortgage Payment	1,250.00	1,403.00	2,520.00				
7. Utilities (electric/gas, water, telephone)	225.00	669.41	778.53				
8. Home Maintenance (repairs and upkeep)		190.68					
9. Food, Clothing, Laundry, and Dry Cleaning	420.00	526.27	856.31				
10. Medical and Dental	130.00	90.78	103.52				
11. Transportation (not including car payment)	200.00	215.73	300.14				
12. Recreations, Clubs, and Entertainment	106.67	123.53	41.00				
13. Insurance (not included in wages or home mortgage)	0.00						
14. Transfer to Savings Account	0.00		75.00				
15. Auto Payment							
16. Credit Cards							
17. OTHER Personal Care	35.00						
TOTAL DISBURSEMENTS (for individual)	2,366.67	3,028.72	4,865.18	0.00	0.00	0.00	
18. PROFESSIONAL FEES							
19. U.S. TRUSTEE FEES							
(attach list if needed)							
20. NET CASH FLOW	2,366.67	3,028.72	4,865.18	0.00	0.00	0.00	
	56.00	1.16	452.89	0.00	0.00	0.00	
21. CASH - END OF MONTH	56.00	1.16	454.05	0.00	0.00	0.00	

MFR-2

Revised 07/01/98

This FORM is for INDIVIDUALS ONLY

CASE NAME: Barbara Kliefoth CASE NUMBER: 16-10817

POST-PETITION LIABILITIES	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
<b>SECURED:</b>							
(attach list)							
<b>TOTAL SECURED</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>UNSECURED:</b>							
(attach list)							
<b>TOTAL UNSECURED</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TAXES:</b>							
(attach list)							
<b>TOTAL TAXES</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POST-PETITION LIABILITIES (for individual)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN

CASE NAME: Barbara Kliefoth

Petition Date:

CASE NUMBER 16-10817

THIS REPORT IS FOR THE MONTH/YEAR

Sep-16

(example: MAY/1998)

All Individual Debtor-in-Possession Checking, Savings, Brokerage

All Non-Debtor-in-Possession Accounts:

Accounts:

BANK NAME:

ACCOUNT NO.

BANK NAME:

ACCOUNT NO.

1. Wells Fargo

XXXX98061

1.

2. Wells Fargo Savings

XXXX3221

2.

3. \_\_\_\_\_

(attach list if needed)

(attach list if needed)

A copy of a reconciled statement should be attached for each and all accounts.

\$4,865.18

\$4,865.18

Total Disbursements from MOR-7 + Total Disbursements from MFR-2 =

Total Disbursements

(When the debtor is a sole proprietorship)

(When the debtor is an individual)

\*\*\* The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

CIRCLE ONE

**REQUIRED INSURANCE MAINTAINED  
AS OF SIGNATURE DATE**

	YES( )	NO (x)	EXP. DATE
HOME OWNERS	YES(x)	NO ( )	---
AUTO	YES(x)	NO ( )	---
OTHER	YES( )	NO ( )	---
OTHER	YES( )	NO ( )	---

Are all post-petition liabilities, including taxes, being paid within term **Yes**

Have any pre-petition liabilities been paid? **No**

If so, describe: \_\_\_\_\_

Were any assets disposed of outside the normal course of business? **No**

If so, describe: \_\_\_\_\_

Are all U.S. Trustee Quarterly Fee Payments current? **No**

What is the status of your Plan of Reorganization? In Progress

ATTORNEY NA Kimberly Nash

FIRM: Fred E Walker P.C.

ADDRESS: 609 Castle Ridge Rd Ste 220

Austin, TX 78746

CITY, STATE, ZIP

TELEPHONE: 512-330-9977 512-330-1686

I certify under penalty of perjury that the following complete Monthly Financial Report (MFR), consisting of MFR-1 through MFR-3 plus attachments, is true and correct.

SIGNED:

*Barbara Kliefoth*  
(ORIGINAL SIGNATURE)

DATE:

10/28/16

This FORM is for INDIVIDUALS ONLY

CASE NAME: Barbara Kliefoth

CASE NUMBER: 16-10817

CASH RECEIPTS AND DISBURSEMENTS	SCHEDULE I & J	MONTH											
		August	Sep-16	Oct-16									
CASH-BEGINNING OF MONTH		0	1.16										
RECEIPTS:													
1. Wages, Salary, Commissions (net)		1,022.67	894.88		1,228.07								
2. Transfer from Savings Account			135.00		90.00								
3. Other Support Payments		1,400.00	2,000.00		4,000.00								
TOTAL RECEIPTS		2,422.67	3,029.88		5,318.07								0.00
Draw from (Contribution to) Operation of Business MOR-7													
DISBURSEMENTS:													
1. Rent or Home Mortgage Payment		1,250.00	1,403.00		2,520.00								
2. Utilities (electric/gas, water, telephone)		225.00	669.41		778.53								
3. Home Maintenance (repairs and upkeep)					190.68								
4. Food, Clothing, Laundry, and Dry Cleaning		420.00	526.27		856.31								
5. Medical and Dental		130.00	90.78		103.52								
6. Transportation (not including car payment)		200.00	215.73		300.14								
7. Recreation, Clubs, and Entertainment		106.67	123.53		41.00								
8. Insurance (not included in wages or home mortgage)		0.00	0.00		75.00								
9. Transfer to Savings Account		0.00											
10. Auto Payment													
11. Credit Cards													
12. OTHER Personal Care		35.00											
TOTAL DISBURSEMENTS (for individual)		2,366.67	3,028.72		4,865.18								0.00
PROFESSIONAL FEES													
U.S. TRUSTEE FEES													
(attach list if needed)		2,366.67	3,028.72		4,865.18								0.00
NET CASH FLOW		56.00	1.16		452.89								0.00
CASH - END OF MONTH		56.00	1.16		454.05								0.00

MFR-2

Revised 07/01/98

This FORM is for INDIVIDUALS ONLY

CASE NAME: Barbara Kliefoth

CASE NUMBER: 16-10817

POST-PETITION LIABILITIES	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
SECURED:							
attach list)							
TOTAL SECURED	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UNSECURED:							
attach list)							
TOTAL UNSECURED	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAXES:							
attach list)							
TOTAL TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL POST-PETITION LIABILITIES (for individual)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MFR-3

Revised 07/01/98



# Exhibit B

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

<b>IN RE:</b>	§	
	§	<b>CASE NO. 15-11194</b>
	§	<b>CASE NO. 16-10817</b>
<b>KEVIN KLIEFOTH</b>	§	
<b>and</b>	§	<b>CHAPTER 11</b>
<b>BARBARA KLIEFOTH</b>	§	
	§	<b>Substantively Consolidated</b>
<b>DEBTORS</b>	§	

---

**PLAN OF LIQUIDATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

---

THIS CHAPTER 11 PLAN IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT. THIS CHAPTER 11 PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. ACCORDINGLY, THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE, 11 U.S.C. § 1125. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

Fred E. Walker, P.C.  
609 Castle Ridge Rd., Ste 220  
Austin, TX 78746  
(512) 330-9977 Office  
(512) 330-1686 Facsimile

Counsel for the Debtor and Debtor in Possession

---

**INDIVIDUAL DEBTORS' CHAPTER 11 PLAN OF LIQUIDATION**

---

Kevin Kliefoth and Barbara Kliefoth, the above-named Debtors and Debtors in Possession propose the following Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code.

**ARTICLE I.**  
**SUMMARY OF THE PLAN AND DISTRIBUTIONS TO CREDITORS**

The Plan contemplates: (1) full payment in cash, or as otherwise agreed, upon the Effective Date, of all Allowed Administrative Claims; (2) full payment in cash, or as otherwise agreed, upon the Effective Date, of all Allowed Priority Claims, including Priority Tax Claims; (3) full payment in cash, upon the Effective Date, of the Allowed Secured Claim of the United States Treasury – Internal Revenue Service, including, to the extent authorized by 11 U.S.C. § 506(b), interest, any reasonable fees, costs, or charges; (4) upon the Effective Date, granting each creditor holding an Allowed Unsecured Claim a pro-rata distribution of the proceeds from the liquidation of assets owned by the Debtors used in the operation of the sole proprietorships doing business as Walltech and Office Outlet.

Additionally: (1) upon the effective date, Debtors shall abandon all assets located at their place of business, 2800 Industrial Terrace, Austin, TX 78758-7604, to their landlord, RUT 3-4-7 LTD; (2) Debtor Kevin Kliefoth shall implement the liquidation and wind down contemplated by this Plan, including monetizing or abandoning any Assets, pursuing, settling or abandoning all Remaining Causes of Action, resolving all Claims and distributing Cash pursuant to this plan; and (3) each executory contract and unexpired lease to which either Kevin Kliefoth or Barbara Kliefoth is a party which has not previously been assumed or rejected shall be deemed rejected unless expressly assumed pursuant to the Plan as set forth in the attached Exhibit A. All objections to Claims not allowed herein must be filed within ninety (90) days following the Confirmation Date of the Plan, unless extended by the Bankruptcy Court.

**ARTICLE II.**  
**DEFINITIONS**

Except as otherwise indicated, the terms used in the Plan have the definitions and rules of construction used in the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court and the United States District Court for the Western District of Texas. In addition, the following terms shall have the following meanings:

- 2.1 Administrative Claims: Any claim, including but not limited to claims for compensation of professionals, made pursuant to Section 330 of the Code and claims entitled to

administrative priority pursuant to Section 507 (a)(1) of the Code, other than an Insider Claim.

- 2.2 Allowed Claims: A claim (a) with respect to which a proof of claim has been filed with the Court within the applicable period of limitation fixed by the Federal Rules of Bankruptcy Procedure, Rule 3003, or (b) scheduled in the list of creditors prepared and filed with the Court pursuant to Federal Rules of Bankruptcy Procedure, Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, and in either case, as to which no objection to the allowance thereof has been filed within any applicable period of limitation fixed by Federal Rules of Bankruptcy Procedure, Rule 3007 or an order of the Court, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal and as to which no appeal is pending. An Allowed Claim shall not include unmatured or post-petition interest unless otherwise stated hereafter in the Plan.
- 2.3 Allowed Secured Claim: An Allowed Claim secured by a lien, security interest, mortgage or other interest in property in which the Debtor(s) have an interest, or which is subject to setoff under Section 553 of the Code, to the extent of the value pursuant to Section 506(a) of the Code of the property or to the extent of the amount is subject to said setoff as the case may be. An Allowed Secured Claim may include post-petition interest if permitted under Section 506 of the Code.
- 2.4 Bar Date: The Bar date to file a Proof of Claim in Kevin Kliefoth case was **January 19, 2016**. The bar date to file a POC in Barbara Kliefoth's case is **November 7, 2016**.
- 2.5 Confirmation Date: The date upon which the Order of Confirmation is entered by the Court.
- 2.6 Claim: "Claim" shall have that meaning specified by Section 101(4) of the Code.
- 2.7 Code: The United States Bankruptcy Code, being Title 11 of the United States Code as enacted in 1978 and thereafter amended.
- 2.8 Court: The United States Bankruptcy Court for the Western District of Texas, Austin Division, or any successor Court, or in the event there shall be no Court designated to succeed it, a Court of competent jurisdiction.
- 2.9 Creditor: Any person having a claim against Debtors.
- 2.10 Debtors: Kevin Kliefoth and Barbara Kliefoth, individuals and the Debtors-in-Possession.
- 2.11 Effective Date of Plan. The effective date of the Plan shall be the thirtieth (30<sup>th</sup>) day after the date on which the confirmation order confirming the plan is entered, unless stayed pursuant to Bankruptcy Rule 8005 by order of an appropriate court.

- 2.12 Final Order: An order of the Bankruptcy Court which has not been reversed, stayed, modified, or amended and the time to appeal from or to seek review of rehearing of such order shall have expired and which shall have become final in accordance with the rules of the bankruptcy procedure and the local bankruptcy rules.
- 2.13 Order of Confirmation: The order entered by the Court confirming the Plan in accordance with the provisions of Chapter 11 of the Code.
- 2.14 Plan: The Chapter 11 Plan of Reorganization as amended, modified or altered in accordance with the Code.
- 2.15 Priority Claim: Any claim entitled to priority pursuant to section 507(a) of the Code other than Cost Claims and Insider Claims.
- 2.16 Tax Claim: Any claim entitled to priority under 11 U.S.C. 507(a)(7).
- 2.17 Term of the Plan: That period after the Effective Date during which payments are being made to creditors.

**ARTICLE III.**  
**GENERAL PROVISIONS**

The following general terms and conditions apply to the Plan:

- 3.1 Claims: Various types of claims are defined in the Plan. The Plan is intended to deal with all claims against Debtors and of whatever character whether or not contingent or liquidated and whether or not allowed by the Court pursuant to section 502(a) of the Code. However, only those claims allowed pursuant to section 502(a) of the Code will receive treatment afforded by the Plan in Article IV.
- 3.2 Disbursing Agent: The Debtors shall make all disbursements under the Plan.
- 3.3 Time for Filing Claims: All Creditors, other than Creditors having Cost Claims, including Creditors having damage claims by reason of section 1124(2)(c) of the Code, must have filed proofs of claim if necessary by the Bar Date.
- 3.4 Modifications to Plan: Section 1127(a) permits the Debtors to amend or modify the Plan any time prior to confirmation. Post-confirmation modifications of the Plan are allowed under Section 1127(b), if the proposed modification is offered before the Plan has been substantially consummated or pursuant to an article of the confirmed Plan authorizing the intended modification. The Debtors reserve the right to amend or modify the Plan at any time at which such modification is permitted under the Bankruptcy Code.
- 3.5 If the Debtors are individuals, the plan may be modified at any time after confirmation of the plan but before the completion of payments under the plan, whether or not the plan

has been substantially consummated, upon request of the Debtors, the United States Trustee, or the holder of an allowed unsecured claim, to:

- a. increase or reduce the amount of payments on claims of a particular class provided for by the plan;
- b. extend or reduce the time period for such payments; or
- c. alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under this plan.

3.6 In the event that the Debtors propose to modify the Plan prior to the Confirmation Order, further disclosure 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 who has previously accepted the Plan. If the proposed pre-confirmation modification is material and adverse, or if a post-confirmation modification is sought, the Trustee intends to supplement the Disclosure Statement to describe the changes made in the Plan and the reasons for any proposed modifications.

3.7 Allowed Secured Claim: Secured creditors whose claims are timely filed and which are not objected to will be paid at least the amount of their claim. The status of security of such claims shall be determined in accordance with Section 506 of the Bankruptcy Code and Bankruptcy rules 3001 and 3002.

An Allowed claim of a creditor is secured by a lien on property is a secured claim to the extent of the value of such creditor's interest, and is an unsecured claim to the extent that the value of such creditor's interest is less than the amount of such allowed claim. To the extent that a lien secured a claim against the Debtors that is not an allowed secured claim, such lien is void. Upon payment of an allowed secured claim, the creditor shall release its liens or security interest as to anything securing payment thereof, and shall deliver title or appropriate release to Debtors at such time.

3.8 Retention of Liens: A secured creditor shall retain its liens to the extent of its allowed secured claim and shall receive deferred cash payments at least equal to the allowed amount of its claim with a present value at the Plan's Effective Date at least equal to the value of such secured creditor's interest in the property securing its lien, unless the plan provides for different treatment. All secured creditors will retain their liens until all payments have been made. A secured creditor shall release its lien or security interest as to anything securing payment of its allowed secured claim upon completion of the payments designated in the plan. This includes delivering evidence of clear title to Debtor(s).

- 3.9 Interest and Penalties: Unless otherwise provided herein, no interest, penalty or late charge shall be allowed on any account subsequent to the filing of the petition herein, except that interest shall be allowed to fully secured creditors in accordance with Section 506(b) of the Bankruptcy Code.
- 3.10 Severability. If any provision of the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect on any other provision of the Plan.
- 3.10 Binding Effect. The rights and obligations of any entity named or referred to in the Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 3.12 Captions. The headings contained in the Plan are for convenience of reference only and do not affect the meaning or interpretation of the Plan.
- 3.13 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise provided for in the Plan.

**ARTICLE IV.**  
**TREATMENT OF ADMINISTRATIVE CLAIMS**  
**AND PROFESSIONAL CLAIMS**

- 4.1 Administrative Claims: Except to the extent that any entity entitled to payment of any Allowed Administrative Claim agrees to a different treatment, each holder of an Allowed Administrative Claim shall receive Cash in an amount equal to such Allowed Administrative Claim on the later of the Effective Date or the date such Administrative Claim becomes an Allowed Administrative Claim, or as soon thereafter as practicable, but not to exceed the later of (i) ten (10) business days from the date such Administrative Claim becomes an Allowed Administrative Claim; or (ii) ten (10) business days from the date of the Effective Date; provided, however, those Administrative Claims representing liabilities incurred in the ordinary course of business by the Debtors on or after the Petition Date or assumed by the Debtors pursuant to this Plan or an order of the Court shall be paid by the Debtor in accordance with the terms and conditions of the particular transactions and any agreements relating thereto or any order of the Court.
- 4.2 Administrative Claim Bar Date: This Plan constitutes a motion to fix and establish an administrative bar date of thirty (30) days following the Confirmation Date. Upon entry of the Confirmation Order, the Debtors shall provide notice of such Administrative Claim Bar Date to every Person that may assert an Administrative Claim against the Debtors.
- 4.3 Administrative Claim Objection Deadline: This Plan constitutes a motion to fix and establish a deadline to object to timely filed Administrative Claims, such deadline being

sixty (60) days following entry of the Confirmation Order.

- 4.4 Administrative Claim Reserve: On the Effective Date, with funds on deposit held by the Debtors' Attorney, Fred E. Walker P.C. IOLTA, the Liquidating Debtor will fund the Administrative Claim Reserve in the amount of \$50,000. The funds in the Administrative Claim Reserve shall be released and paid over to those holders of Allowed Administrative Claims. Any funds remaining in the Administrative Claim Reserve following payment of all Allowed Administrative Claims shall be paid to the United States Treasury – Internal Revenue Service on account of its secured claim. In the event the Administrative Claim Reserve is insufficient to pay all Administrative Claims in full the balance of the Allowed Administrative Claims shall be paid pro-rata with the remaining Administrative Claimants from the proceeds from the collection of accounts receivable owed to Mr. Kliefoth's sole proprietorships doing business as Walltech and Office Outlet. All Allowed Administrative Claims shall be paid in full prior to making any distribution from the sales proceeds to unsecured creditors.
- 4.5 Applications for Compensation pursuant to section 330 of the Code made by professionals employed pursuant to section 327 of the Code may be heard at Confirmation; all professionals making such Applications may file such Applications in time to give notice of hearing on the Applications at the hearing on Confirmation
- 4.6 In any such Application for Compensation described in section 4.5 above, such professional shall estimate the amount of fees and expenses to be incurred by the professional between the date the Application is filed and the date of Confirmation. Professionals will be permitted to amend such Applications to reduce the amount of fees and expenses filed in Order to reflect actual fees and expenses incurred up to and including Confirmation
- 4.7 Claims of Professionals: Any Claims of Professionals approved by the Court shall be paid from the Administrative Claim Reserve in cash in such amounts as are allowed by Final Order of the Court within ten (10) days following the date such Claim of a Professional becomes an Allowed Administrative Claim.
- 4.8 Claims of Professionals Bar Date: This Plan constitutes a motion to fix and establish a bar date of thirty (30) days following the Effective Date for the filing of final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date. All Professionals seeking compensation for unpaid services rendered or reimbursement of expenses incurred through and including the Effective Date shall file their respective applications no later than such date as set forth in this Section. Upon entry of the Confirmation Order, the Debtors shall provide notice of such Bar Date to every Person that may assert a Claim for Professional fees against the Debtors.
- 4.9 Claims of Professionals Objection Deadline: This Plan constitutes a motion to fix and establish a deadline to object to timely filed Claims of Professionals, such deadline being sixty (60) days following the Effective Date.



- 4.10 Professionals Account: To the extent not funded on the Effective Date, with funds on deposit held by the Debtors' Attorney, Fred E. Walker P.C. IOLTA, the balance of the Allowed Administrative Claims for Professional fees shall be paid pro-rata to the remaining Administrative Claimants from the proceeds from the collection of accounts receivable owed to Mr. Kliefoth's sole proprietorships doing business as Walltech and Office Outlet.
- 4.11 United States Trustee Fees: All fees owing to the United States Trustee pursuant to 28 U.S.C. § 1930 shall be paid by the debtor in cash as such fees become due.

**ARTICLE V.**  
**DIVISION OF CREDITORS INTO CLASSES**

- 5.1 Classification: As provided in section 1123(a) of the Bankruptcy Code, Administrative Claims shall not be classified for purposes of voting under the Plan. The Allowed Claims against the Debtors are classified as set forth in this Article. A Claim is in a particular Class only to the extent that such Claim fits within the description of such Class, and is in such other and different Class or Classes to the extent that the remainder of such Claim fits within the description of such other Class or Classes. Any dispute with respect to classification of Claims or impairment shall be resolved by the Court upon motion of the holder of such Claim affected thereby, with notice to the Debtors. This Plan shall only provide Distributions to Allowed Claims; except as expressly provided herein nothing within this Plan shall allow any Claim. The Allowed Claims are classified as follows:

**Class 1: Allowed Priority Tax Claims**

**Class 2: Allowed Secured Claim of United States Treasury – IRS**

**Class 3: Disallowed Secured Judgment Claim of AEL Financial, LLC**

**Class 4: Allowed General Unsecured Claims**

- 5.2 Impaired Classes of Claims: Claims in Classes 2, 3 and 4 are impaired under the Plan, and, therefore, shall be entitled to vote to accept or reject this Plan. Class 1 is unimpaired.
- 5.3 Impairment Controversies: If a controversy arises as to whether any Claim or any Class of Claims is impaired under the Plan, the Court shall, upon notice and a hearing, determine such controversy.
- 5.4 Elimination of Classes: Any impaired Class that is not occupied as of the date of the Confirmation Hearing by an Allowed Claim or a Claim temporarily allowed pursuant to Bankruptcy Rule 3018 shall be deemed deleted from the Plan for purposes of voting on acceptance or rejection of the Plan and determining whether the Plan has been accepted by such class pursuant to section 1129 of the Bankruptcy Code.

**ARTICLE VI.**  
**ACCEPTANCE OR REJECTION OF THIS PLAN**

- 6.1 Voting of Claims: Except as provided in this Article, holders of Claims in an impaired Class of Claims shall be entitled to vote to accept or reject this Plan as provided for in the order entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject this Plan.
- 6.2 Acceptance by a Class of Creditors: Consistent with section 1126(c) of the Bankruptcy Code and except as provided for in section 1126(e) of the Bankruptcy Code, a Class of Creditors shall have accepted this Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan.
- 6.3 Cramdown: If any Class of Claims shall fail to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code, the Bankruptcy Court may still confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code. The Plan Proponents will seek confirmation of the Plan pursuant to section 1129(b) with respect to any non-accepting Class.

**ARTICLE VII.**  
**TREATMENT OF CLAIMS**

**Class 1: Allowed Priority Tax Claims**

- 7.1 Allowed Priority Tax Claim arising under section 507(a)(8) of the Bankruptcy Code. The Class 1 claim consists of the Allowed Priority Tax Claim in the amount of SEVENTEEN THOUSAND SEVEN HUNDRED NINETY-NINE AND 79/100 DOLLARS (\$17,799.79) held by the Texas Comptroller of Public Accounts on behalf of the State of Texas, Texas Municipalities, Texas Counties, Special Purpose District and/or Texas Metropolitan or Regional Transportation Authorities; and the Allowed Priority Tax Claim in the amount of THREE THOUSAND SEVEN HUNDRED THIRTEEN AND 65/100 DOLLARS (\$3,713.65) held by the County of Williamson, Texas for AD Valorem Tax Claim for Business Personal Property located at 2112 Boardwalk RR.
- 7.2 Treatment: Each holder of an Allowed Priority Tax Claim shall be paid its Allowed Priority Tax Claim in such amount as is Allowed in full, in Cash, on the Effective Date or as soon as practicable thereafter.
- 7.3 Funding: Debtors shall pay the Class 1 Claims with Cash on hand on the Effective Date. Treatment: Each holder of an Allowed Priority Tax Claim shall be paid its Allowed Priority Tax Claim in such amount as is Allowed in full, in Cash, on the Effective Date or as soon as practicable thereafter.
- 7.4 Impairment & Voting: Class 1 is unimpaired.

**Class 2: Secured Claim of United States Treasury – Internal Revenue Service**

- 7.5 This Class shall consist of the Secured Claim of the United States Treasury – Internal Revenue Service.
- 7.6 Treatment: On the Effective Date, the Claim of United States Treasury – Internal Revenue Service shall be allowed as an Allowed Secured Claim in the amount of FIVE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$575,000.00) (the "Allowed United States Treasury – Internal Revenue Service Secured Claim") and an Allowed Unsecured Claim of ONE MILLION ONE HUNDRED FORTY TWO THOUSAND SEVEN HUNDRED FORTY TWO AND 26/100 DOLLARS (\$1,142,742.26) (the "Allowed United States Treasury – Internal Revenue Service Unsecured Claim"). The Allowed United States Treasury – Internal Revenue Service Secured Claim shall be paid in full, in Cash, on the Effective Date or as soon as practicable thereafter. The Allowed United States Treasury – Internal Revenue Service Unsecured Claim shall be paid pro-rata with the other Allowed Unsecured Claims.
- 7.7 Funding: Debtors shall pay the Class 2 Allowed United States Treasury – Internal Revenue Service Secured Claim with Cash on hand on the Effective Date. Debtor shall pay the Class 2 Allowed United States Treasury – Internal Revenue Service Unsecured Claim from proceeds received from the collection of accounts receivable.
- 7.8 Impairment & Voting: Class 2 is impaired. Acceptance of this Plan from holders of Class 2 Claims will be solicited.

**Class 3: Secured Judgment Claim of AEL Financial, LLC**

- 7.9 This Class shall consist of the claim of AEL Financial, LLC secured by a judgment lien on property in which the estate has an interest, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of such creditor's interest in the estate's interest in such property, or to the extent of the amount such subject to setoff, as the case may be.
- 7.10 Treatment: The Secured Judgment Claim of AEL Financial, LLC shall be allowed as a secured claim in the amount of ZERO DOLLARS (\$0.00) and an allowed unsecured claim in the amount of THIRTY ONE THOUSAND EIGHT HUNDRED FIFTY FIVE and 79/100 DOLLARS (\$31,855.79). On the Effective Date, the claim of AEL Financial, LLC shall receive a pro rata distribution along with the Class 4 Allowed Unsecured Claims.
- 7.11 Funding: Debtors shall pay the Allowed Class 3 Claim pro rata with other Allowed Unsecured Claims from proceeds received from the collection of accounts receivable.
- 7.12 Impairment & Voting: Class 3 is impaired. Acceptance of this Plan from holders of Class 3 Claims will be solicited.

**Class 4: Allowed General Unsecured Claims**

7.13 This Class shall consist of the following Allowed General Unsecured Claims

<b>Class 4 Allowed General Unsecured Claims</b>	<b>POC</b>	<b>Amount</b>	<b>Distribution</b>	<b>Impaired Class</b>
AEL Financial LLC		31,855.79	Pro Rata	
American Financial Mgmt., Inc	10	15,001.02	Pro Rata	
Amerigas		1,674.00	Pro Rata	
AT&T		218.00	Pro Rata	
Austin Public Library	9	20.00	Pro Rata	
Bank of America		3,599.00	Pro Rata	
Becket and Lee LLP, Attorney for American Express	6	859.00	Pro Rata	
Bobby Sullivan		23,279.46	Pro Rata	
Burch Fabrics		12,712.60	Pro Rata	
Capitol One N.A. /Kohls/Becket and Lee LLP	4 BK	1,001.46	Pro Rata	
CF Stinson		4,975.83	Pro Rata	
Charter Industrial Laminate	3	3,165.52	Pro Rata	
Chase Card		11,489.00	Pro Rata	
Chase Card		4,485.00	Pro Rata	
City of Austin Utility dba Austin Energy	8	16,928.44	Pro Rata	
Crandall Office Furniture	4	2,583.39	Pro Rata	
Discover Bank Discover Products, Inc.	2	16,850.30	Pro Rata	
DSA Office Furniture		18,854.70	Pro Rata	
Enterprise Rental		5,525.55	Pro Rata	
Hard Target Systems		778.00	Pro Rata	
Lykes Cartage Company, Inc.	13	2,035.93	Pro Rata	
Magna Design		12,684.00	Pro Rata	
Mayline Company, LLC	7	3,216.50	Pro Rata	
NDI		23,363.27	Pro Rata	
Network FOB		8,478.71	Pro Rata	
OmniMax		23,301.88	Pro Rata	
Open Plan System		8,000.00	Pro Rata	
Partsco		10,555.77	Pro Rata	
Penske Truck leasing Co., LP	5	536.65	Pro Rata	

Rhodes Office Furniture		7,250.00	Pro Rata	
RS Hughes CO		8,009.71	Pro Rata	
SSCK Holdings, LTD	15	91,934.00	Pro Rata	
Syncb/Care Credit/Recovery Mgt Systems	3 BK	1,124.00	Pro Rata	
Time Warner Cable		728.00	Pro Rata	
True Textile		3,230.00	Pro Rata	
United States Treasury	1	1,144,742.26	Pro Rata	
Verizon Wireless Bankruptcy Admin.		985.00	Pro Rata	
We Get It Done		25,716.20	Pro Rata	
Wells Fargo Cards Services	12	15,088.89	Pro Rata	
Workspace Solutions		6,138.00	Pro Rata	
<b>Total Unsecured Claims</b>		<b>1,572,974.83</b>		

- 7.14 Treatment and Funding of the Class 4 Allowed General Unsecured Claims: Each holder of an Allowed Class 4 Claim shall receive a Pro Rata share of the proceeds available from the collection of the Debtor's accounts receivable, if any.
- 7.15 No Interest: Allowed Class 4 Claims shall not include (i) any interest from and after the Petition Date; (ii) attorney's fees; and/or (ii) any penalty on such Claim.
- 7.16 Funding: Debtors shall pay the Allowed Class 4 Claims with funds available from the collection of accounts receivable, if any.
- 7.17 Debtors will accumulate the accounts receivable through May 31, 2017 and make a onetime pro rata distribution to Class 4 holders of allowed claims.
- 7.18 Impairment & Voting: Class 4 is impaired. Acceptance of this Plan from holders of Class 4 Claims will be solicited.

**ARTICLE VIII.**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

- 8.1 Continuing Duties of the Debtor: From and after the Effective Date, Debtors' bankruptcy estate shall continue in existence solely for the purposes consistent with the terms of this Plan, which include (1) effectuating the Wind Down, (2) liquidating the Assets, (3) enforcing and prosecuting Claims, interests, rights and privileges of the Liquidating Debtor and the Estate, (4) resolving Disputed Claims, (5) administering this Plan and taking such actions as are necessary to effectuate this Plan, and (6) filing appropriate tax returns.
- 8.2 Kevin Kliefoth shall continue as an employee of the bankruptcy estate for a period of 120 days following the effective date of this Plan in order to effectuate the liquidation and

Wind Down of the Estate. Kevin Kliefth's compensation shall be paid out of amounts collected from accounts receivable. Kevin Kliefth shall also maintain those books, records and bank accounts necessary to effectuate the liquidation and Wind Down of the Estate. Debtors shall continue to perform statutory duties of the Debtors and those conferred by and contemplated under this Plan until this Case is closed.

- 8.3 Vesting of Assets in Debtors: As of the Effective Date, except as otherwise provided in the Plan, all property claimed exempt by the debtors shall re-vest in the Debtors free and clear of all Claims, Liens, encumbrances and other interests of Creditors.
- 8.4 Funding of Cash Payments: As set forth in the Disclosure Statement, the funds necessary to make payments under the Plan will be made available from Cash available on the Effective Date and the proceeds from collection of the accounts receivable owed to Walltech and Office Outlet.
- 8.5 Retention of Causes of Action: In accordance with section 1123 (b)(3) of the Bankruptcy Code and under this Plan, Debtor will be vested with the right to object to proofs of Claim. Debtor shall have the right and power to object to proofs of Claim or Claims including those deemed allowed under the Bankruptcy Code. **THE RIGHT TO OBJECT TO ANY CREDITOR'S CLAIM IS RESERVED IN FAVOR OF THE DEBTOR REGARDLESS OF WHETHER THE CREDITOR HAS VOTED IN FAVOR OF OR AGAINST THE PLAN OF REORGANIZATION.** Except as released, settled and/or compromised herein, Debtor will be vested with the right to prosecute, compromise or otherwise resolve the Avoidance Actions.
- 8.6 Continuing Investigation: The Debtors' schedules of assets and liabilities identify Creditors whose Claims are Disputed. The investigation of potential objections to Claims or other Causes of Action has not been completed. **THE PLAN DOES NOT AND IS NOT INTENDED TO RELEASE ANY SUCH RIGHTS OF ACTION, OR ANY OBJECTIONS TO PROOFS OF CLAIM. ALL SUCH RIGHTS AND RIGHTS OF ACTION ARE SPECIFICALLY RESERVED IN FAVOR OF THE DEBTOR.**
- 8.7 Debtors shall continue to file post confirmation reports and pay US Trustee Quarterly Fees until such time Debtors file their Application for Final Decree Closing the Case and the court approves their application.

**ARTICLE IX.**  
**DISBURSING AGENT**

- 9.1 Distributions to Creditors provided for in this Plan will be made by Kevin Kliefth.

**ARTICLE X.**  
**PLAN ADMINISTRATOR**

- 10.1 Appointment of the Plan Administrator

Kevin Kliefoth is appointed as Plan Administrator under this Plan. As of the Effective Date, the Plan Administrator shall be responsible for implementing the liquidation and Wind Down contemplated by this Plan, including monetizing or abandoning any Assets, pursuing, settling or abandoning all Remaining Causes of Action, resolving all Claims and distributing Cash pursuant to this Plan. All Assets of the Estate not Distributed to the Holders of Claims on the Effective Date shall be managed and Distributed by the Plan Administrator pursuant to the terms of this Plan, and shall be held in the name of Debtor free and clear of all Liens, Claims, charges or other encumbrances against the Debtor, except for rights to such Distributions provided to Holders of Allowed Claims as provided herein.

#### 10.2 Actions Against the Plan Administrator

The Confirmation Order shall state that, without permission of the Bankruptcy Court, no judicial, administrative, arbitral or other action or proceeding shall be commenced against the Plan Administrator in its official capacity, with respect to its status, duties, powers, acts or omissions as Plan Administrator in any forum other than the Bankruptcy Court.

#### 10.3 Term and Compensation of the Plan Administrator

In his capacity as Plan Administrator, Kevin Kliefoth shall continue as an employee of the bankruptcy estate according to the same terms and conditions of his current compensation schedule for a period of 120 days following the effective date of this Plan in order to effectuate the liquidation and Wind Down of the Estate. Kevin Kliefoth's compensation shall be paid out of amounts collected from accounts receivable. Kevin Kliefoth shall also maintain those books, records and bank accounts necessary to effectuate the liquidation and Wind Down of the Estate. Debtors shall continue to perform statutory duties of the Debtors and those conferred by and contemplated under this Plan until this Case is closed.

#### 10.4 Powers of the Plan Administrator

(a) The Plan Administrator shall be a fiduciary and shall have all powers, authority and responsibilities specified in this Plan and the Plan Administrator Agreement. In particular, the Plan Administrator's rights, duties and powers shall include the following:

- (i) The Plan Administrator shall succeed to all such powers as would have been applicable to any of the Debtor's officers or managers with like effect as if authorized, exercised and taken by unanimous action of such officers or managers.
- (ii) The Plan Administrator shall be authorized to take all steps necessary to effectuate the Wind Down and to take such other actions as the Plan Administrator determines are in the best interests of the Holders of Claims.
- (iii) The Plan Administrator, in his reasonable business judgment, in an expeditious and orderly manner, and only to the extent necessary, shall cause Liquidating Debtor to liquidate, and convert all of the Assets to Cash and make all

Distributions in accordance with this Plan. The liquidation of the Assets may be accomplished either through the sale of the Assets (in whole or in combination), including the sale of Remaining Causes of Action, or through prosecution or settlement of any Remaining Causes of Action, or otherwise.

- (b) The Plan Administrator shall be expressly authorized to do the following:
- (i) institute, prosecute, collect, compromise and settle any Remaining Causes of Actions in accordance herewith and without further approval or application to the Bankruptcy Court, except as otherwise provided herein, including, prosecuting and/or settling the Remaining Causes of Action pending in any court of appropriate jurisdiction;
  - (ii) participate as a party or otherwise in any administrative, arbitral or other non-judicial proceeding and litigate or settle such Remaining Causes of Action on behalf of the Liquidating Debtor or the Estate, or to pursue such Remaining Causes of Actions to settlement or judgment;
  - (iii) to the extent necessary, open and maintain bank accounts in the name of the Debtors, draw checks and drafts thereon by the sole signature of the Plan Administrator and terminate such accounts as the Plan Administrator deems appropriate;
  - (iv) cause Debtors to make Distributions and take other actions consistent with this Plan and the implementation hereof, including the establishment, reevaluation, adjustment and maintenance of appropriate reserves in accordance with this Plan;
  - (v) cause Debtors to collect and liquidate all Assets pursuant to this Plan and to administer the Wind Down and closing of this Chapter 11 Case;
  - (vi) cause Debtors to file, prosecute or object to any Claims (Disputed or otherwise), and compromise or settle any Claims prior to or after objection, without supervision or approval of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the U.S. Trustee guidelines and requirements, other than those restrictions expressly imposed by this Plan, or to seek Bankruptcy Court approval for any Claims settlements made after objection;
  - (vii) cause Debtors to retain or engage professionals, employees and consultants, and to pay the from the Administrative Fund the reasonable fees and charges incurred by the Plan Administrator and Liquidating Debtors' professionals, employees and consultants that relate to the implementation of this Plan, without application to the Bankruptcy Court;



- (viii) cause Debtors to seek a determination from the Bankruptcy Court of tax liability under section 505 of the Bankruptcy Code and to pay from the Administrative Fund taxes, if any, related to the Debtor and for all returns filed for or on behalf of Debtor for all taxable periods through the closing of this Chapter 11 Case;
- (ix) cause Debtors to invest Cash or moneys received by Debtor or otherwise held by Debtor in accordance with this Plan (which shall be in compliance with section 345 of the Bankruptcy Code);
- (x) execute any documents or pleadings and take any other actions related to, or in connection with, the liquidation of the Assets and the exercise of the Plan Administrator's powers granted herein, including the exercise of Debtors' rights to conduct discovery and oral examination of any party under Bankruptcy Rule 2004;
- (xi) enter into any agreement or execute any document required by or consistent with this Plan, and perform all of the obligations thereunder;
- (xii) cause Debtors to abandon in any commercially reasonable manner any Assets that the Plan Administrator determines are of no benefit to Debtors;
- (xiii) cause Debtors to preserve Debtors' documents, as necessary, to pursue Remaining Causes of Action and conduct the Wind Down, and to abandon or destroy documents upon the Plan Administrator's determination that the documents are no longer necessary or beneficial to Debtor;
- (xiv) cause Debtors to purchase and maintain all insurance policies and pay from the Administrative Fund all insurance premiums and costs that the Plan Administrator deems necessary or advisable;
- (xv) administer payouts from the Professional Fee Claim escrow upon Bankruptcy Court approval of Professional Fee Claims; and
- (xvi) take all other actions not inconsistent with the provisions of this Plan, which the Plan Administrator deems reasonably necessary or desirable with respect to administering this Plan.

#### 10.5 Removal of Plan Administrator

Any party in interest may move the Bankruptcy Court for the removal of the Plan Administrator for cause upon providing notice to Debtor's counsel; provided, however,

that if Debtor or any other party in interest shall object to such removal within 21 days of such notice, such removal shall not be effective until approved by the Bankruptcy Court. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of any of his, her or its predecessors. Every successor Plan Administrator appointed pursuant hereto shall execute, acknowledge and deliver to the Bankruptcy Court an instrument in writing accepting such appointment. Thereupon, such successor Plan Administrator, without any further action required, shall become fully vested with all of the rights, powers, duties and obligations of his, her or its predecessor. Notwithstanding any other provision in this Plan, upon the removal of a Plan Administrator, a Plan Administrator shall continue to serve in such capacity until such time as (a) a successor Plan Administrator is identified and accepts the appointment, and (b) notice is provided to the Bankruptcy Court of such successor Plan Administrator.

#### 10.6 Retention of Professionals

(a) As of and after the Effective Date, the Plan Administrator may cause Debtor to retain professionals, including attorneys, accountants, investment or other financial advisors, auditors, disbursing agents, professionals from the Plan Administrator's own firm, if any, and other agents on behalf of Debtor, as necessary or desirable to carry out the actions necessary to effectuate the Wind Down and close this Chapter 11 Case. More specifically, as of and after the Effective Date, the Plan Administrator may cause Debtor to retain counsel in any matter related to the Estate, including counsel that has acted as counsel for the Debtor or the Creditors' Committee.

(b) Following the Effective Date, the Plan Administrator may cause Debtor to pay from the Administrative Fund, without application to the Bankruptcy Court or any other court of competent jurisdiction, professionals retained by Debtor as of and after the Effective Date.

### **ARTICLE XI.** **OBJECTION TO PROOFS OF CLAIM**

11.1 Objections to Claims: Except as otherwise provided in this Plan in connection with Administrative Claims and Claims of Professionals, objections to Claims must be filed with the Court and served in accordance with the Bankruptcy Rules by the later of (i) ninety (90) days following the Confirmation Date or (ii) thirty (30) days following the date such proof of Claim was timely filed; otherwise, such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code, unless an extension of such time period is sought by the Liquidating Debtor.

11.2 Responses to Objections: Prior to the expiration of twenty-one (21) days from receipt of an objection, the claimant whose Claim has been objected to must file with the Court and serve upon the objecting party a response to such Claim objection. Failure to file such a response within the twenty-one (21) day time period shall cause the Court to enter a default judgment against the non-responding claimant and thereby grant the relief requested in the claim objection.

**ARTICLE XII.**  
**PROVISIONS RELATING TO DISPUTED CLAIMS**

- 12.1 Distributions on Allowed Claims Only: Distributions under the Plan shall be made only to the holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the holder of that Disputed Claim shall not receive the consideration otherwise provided to holders of Claims in the same Class as such Claim under the Plan. Disallowance shall include any Assumed Agreement that has any outstanding balance owed to the Debtors. No Distribution shall be made to any holder of an Assumed Agreement unless and until such holder pays any outstanding amount due to the Debtors. No distributions shall be made to Holders of Class 4 Claims until Disputed Claims have been resolved.

**ARTICLE XIII.**  
**SETTLEMENT OF DISPUTED CLAIMS**

- 13.1 The Debtors will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure (ADD TO DISCLOSURE)

**ARTICLE XIV.**  
**DELIVERY OF DISTRIBUTIONS**

- 14.1 Record Date: The record date for purposes of this Plan will be May 31, 2017 (the "Record Date"). At the close of business on the Record Date, there shall be no further changes in the record holders of Claims. Debtors shall have no obligation to recognize any transfer of any such Claims occurring after the Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the transfer ledgers as of the close of business on the Record Date.
- 14.2 Delivery of Distributions and Undeliverable Distributions: Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the schedules filed by the Debtors with the Court unless superseded by the address as set forth on the proofs of Claim filed by such holders or other writing notifying the Debtors of a change of address. If any holder's Distribution is returned as undeliverable, unless otherwise provided by applicable law or local rule, no further Distributions to such holder shall be made unless and until the Plan Administrator is notified of such holder's then current address, at which time all missed Distributions shall be made to such holder, without interest. Unless otherwise provided by applicable law or the Bankruptcy Rules, all claims for undeliverable Distributions shall be made within sixty (60) days after the date such undeliverable Distribution was initially made. After such date (as applicable), all unclaimed property shall be remitted to the Debtor; the holder of any such Claim shall not be entitled to any other or further Distribution under this Plan on account of such Claim and such Claim shall be deemed disallowed for purposes of any such Distribution.
- 14.3 Time Bar to Cash Payments: All uncashed Distributions shall be handled in accordance

with this Article, unless provided otherwise by applicable law. Checks issued by the Debtors in respect of any Allowed Claim shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. The holder of the Allowed Claim to whom such check originally was issued shall make a request for re-issuance of any check to the Plan Administrator. Any claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the ninety (90) day period following the date of issuance of such check; provided however checks issued for the final Distribution that become null and void in accordance with the provisions contained herein shall not be re-issued and the holders of such Claims shall waive any right to the re-issuance of such checks. After such date, all funds held on account of such voided check shall be remitted to the Debtor; the holder of any such Claim shall not be entitled to any other or further Distribution under this Plan on account of such Claim and such Claim shall be deemed disallowed for purposes of any such Distribution.

- 14.4 Transactions on Business Days: If the Effective Date or any other date on which a transaction may occur under this Plan shall occur on a day that is not a Business Day, the transactions contemplated by this Plan to occur on such day shall instead occur on the next succeeding Business Day.

#### **ARTICLE XV.**

#### **CONDITIONS PRECEDENT TO EFFECTIVENESS OF THIS PLAN**

- 15.1 The effectiveness of this Plan is subject, in addition to the requirements provided in Section 1129 of the Bankruptcy Code, to satisfaction of the following conditions precedent:
- (a) All actions, documents and agreements necessary to implement the Plan shall have been effected or executed;
  - (b) The Debtors and the Plan Proponents shall have approved the form and terms of the Confirmation Order.

#### **ARTICLE XVI.**

#### **EXECUTORY CONTRACTS & LEASES**

- 16.1 Assumed Contracts: The contracts and leases listed on Exhibit A (the "Assumed Agreements") shall be assumed on the Effective Date and shall vest in the Debtor. Entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Section 365(a) of the Bankruptcy Code and a finding by the Court that each such assumption is in the best interests of the Debtors, their Estates, and all parties in interest in this Case. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) each Assumed Agreement is an executory contract or lease which may be assumed by the Debtors, (ii) there are no defaults of the Debtors, no cure payments owing, no compensation due for any actual pecuniary loss and there is adequate assurance of future performance with respect to of each Assumed Agreement, (iii) upon the Effective Date, each Assumed Agreement constitutes legal, valid, binding and

enforceable contracts in accordance with the terms thereof, and (iv) the counter party to each Assumed Agreement is required to and ordered to perform under and honor the terms of such Assumed Agreement.

- 16.2 **Contested Assumption:** With respect to an Assumed Agreement to which a timely objection to assumption on the terms and with the findings and conclusions of law specified above has been filed (each a "Contested Assumed Agreement"), the Debtors shall have five (5) business days after the date of entry of an order by the Court with respect to any such timely objection regarding (i) the nature, extent and amount of any default, if any, by the Debtors, (ii) the method of cure thereof, (iii) the method of providing compensation for any actual pecuniary damage as a result of any default, if any, and the method of providing adequate assurance of future performance, and (iv) all other matters pertaining to assumption of such Assumed Agreement, to assume any such Contested Assumed Agreement on the terms and conditions so specified in the order of the Court (or on such other terms and conditions as may be agreed to by the counter party to the Contested Assumed Agreement and the Debtor) by filing a written notice of assumption of such Contested Assumed Agreement (the "Notice of Assumption") in the record of this Case. Any Contested Assumed Agreement which the Debtors elect to assume on the conditions agreed upon by the parties or specified in the order of the Court shall be assumed by filing a Notice of Assumption by the Debtors as of the Effective Date, and the Liquidating Debtor shall satisfy the conditions specified in the order of the Court (or such other terms and conditions as may be agreed to by the counter party to the Contested Assumed Agreement and the Liquidating Debtor), in connection with said Contested Assumed Agreement.
- 16.3 **Notice:** To the Debtors' knowledge, none of the Assumed Agreements have any cure amount due and owing. Therefore, this Plan and its Disclosure Statement shall serve as notice to any counterparty to the Assumed Agreements that no cure amount is due and owing. Failure by such counterparty to object to the assumption and allocation of such Assumed Agreement shall be deemed to waive any claim arising under such agreement prior to the Effective Date.
- 16.4 **Agreements Not Assumed:** As of the Effective Date, except for the Assumed Agreements, the Debtors shall be deemed to have rejected any and all unexpired leases and executory contracts to which it is a party and that the Debtors have not previously rejected or assumed pursuant to Section 365 of the Bankruptcy Code. The Confirmation Order shall constitute approval of rejection of such contracts and leases. Such contracts shall be deemed rejected as of the day before the Petition Date.
- 16.5 **Claims Relating to Rejection:** Any Claim arising from a rejected executory contract or unexpired lease shall be a Rejection Claim. A Rejection Claim shall be treated as a General Unsecured Claim under this Plan if, but only if, a proof of Claim is filed within thirty (30) days after entry of the Confirmation Order.
- 16.6 **The Debtors assume the following executory contracts and Unexpired Leases**

- a. Store It All Self Storage  
15402 Kollmeyer Drive  
Lakeway, Tx 78734  
Storage Unit
- b. Tenex Properties  
13740 Research Blvd. Ste E-3  
Austin, Tx 78750  
Residential Lease
- e. Leaning Tower Properties  
P.O. Box 160483  
Austin, Tx 78716  
Residential Lease
- g. TriNet SOI  
P.O. Box 241448  
Charlotte, NC 28224

**ARTICLE XVII.**  
**DISCHARGE OF DEBTS AND LIENS**

- 17.1 Discharge: To the fullest extent allowed by the Bankruptcy Code, on the Confirmation Date, and subject to the terms of this Plan, the Debtors shall be discharged from, and this Plan shall constitute an extinguishment and novation of, any debt or Claim of whatever character that arose before the Confirmation Date, and any debt or Claim of a kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not
- (a) a proof of Claim based on such debt is filed or deemed filed under section 501 of the Bankruptcy Code;
  - (b) such Claim is allowed under section 502 of the Bankruptcy Code; or
  - (c) the holder of such Claim has accepted the Plan.
- 17.2 Notwithstanding 11 U.S.C. Section 523(a)(1)(B)(i), Debtors shall be discharged from all federal income tax liability, penalties, interest, and additions to tax for the following taxable years: 12/31/2001, 12/31/2002, 12/31/2003, 12/31/2004, 12/31/2005, 12/31/2006, 12/31/2007, and 12/31/2010.
- 17.3 On the Confirmation Date, all Liens against any assets and property, except for Liens as explicitly provided in the Plan, shall be deemed extinguished and discharged.
- 17.4 Any litigation, including counterclaims, pending against the Debtors as of the Petition Date shall be deemed resolved and restructured by the provisions of this Plan, and shall be dismissed with prejudice immediately after the Effective Date.

- 17.5 Plan Creates New Obligations. Except as otherwise stated in the Plan, the payments promised in the Plan constitute new contractual obligations that replace those obligations to creditors that existed prior to the Effective Date.
- 17.6 Creditor Action Restrained. Creditors may not take any action to enforce either pre-confirmation obligations or obligations due under the Plan, so long as the Debtor is not in material default under the Plan. If the Debtor is in material default under the Plan, affected creditors may: (i) take any action permitted under nonbankruptcy law to enforce the terms of the Plan; or (ii) move to dismiss this case or to convert this case to a chapter 7 bankruptcy case.

**ARTICLE XVIII.**  
**CONSUMMATION OF THE PLAN**

- 18.1 Retention of Jurisdiction: The Court shall retain and have exclusive jurisdiction over this Case for the purposes stated in items (a) through (m) below. If the Court abstains from exercising, or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this Case, this section shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.
- a. To determine any and all objections and proceedings involving the allowance, estimation, classification and subordination of Claim, including any counterclaim;
  - b. To determine any and all applications for allowance of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or this Plan;
  - c. To determine any applications pending on the Effective Date for the rejection or assumption of executory contracts or unexpired leases or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which one of the Debtors is a party or with respect to which one of the Debtors may be liable, and to hear and determine, and if need be to liquidate, any and all Claims arising therefrom;
  - d. To determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending on the Effective Date;
  - e. To consider any modifications of this Plan, remedy any defect or omission or reconcile any inconsistency in any order of the Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;

- f. To determine all controversies, suits, disputes and proceedings that may arise in connection with the interpretation, enforcement, consummation or performance of the Plan or any Person's obligations hereunder;
  - g. To determine all controversies, suits, disputes and proceedings that may arise in connection with this Plan;
  - h. To hear and determine any Claim belonging to the Debtors, and to consider and act on the compromise and settlement of any other Claim against, or cause of action asserted by, the Debtors;
  - i. To recover all assets of the Debtors and property of the Debtors' Estates, wherever located;
  - j. To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the date that any final distribution is made);
  - k. To enter a Final Decree closing the Case;
  - l. To issue orders in aid of execution of this Plan to the extent authorized by section 1142 of the Bankruptcy Code; and
  - m. To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with this Plan or the Confirmation Order.
- 18.2 Retained Jurisdiction for Taxes; Enforcement Remedies: Notwithstanding anything in this Plan to the contrary, the Bankruptcy Court shall not retain jurisdiction with respect to any such claims except for (i) resolving the amount of any such tax claim arising prior to confirmation, and (ii) enforcing the discharge provision of the Plan.
- 18.3 Modification of Plan: Modifications of this Plan may be proposed in writing by the Plan Proponents at any time before Confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Plan Proponents shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after Confirmation and before its substantial Consummation, provide that the Plan, as modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code, and the Court after notice and hearing, confirms the Plan, as



modified, under Section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. At any time after the Confirmation Date, the Plan Proponents and/or Liquidating Debtor, without the approval of the Court, may modify the Plan to remedy any defect or omission, or reconcile any such inconsistencies in the Plan or in the Confirmation Order, as such matters may be necessary to carry out the purposes, intent and effect of this Plan, provided that such modification does not materially or adversely affect the interest of Creditors.

- 18.4 Deemed Acceptance to Modifications: A holder of a Claim that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.
- 18.5 Revocation of Plan: The Plan Proponents reserve the right to revoke and withdraw this Plan before the entry of the Confirmation Order. If the Plan Proponents revoke or withdraw this Plan, or if confirmation of the Plan does not occur, then this Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

**ARTICLE XIX.**  
**MISCELLANEOUS**

- 19.1 Headings: Headings are utilized in this Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.
- 19.2 Due Authorization by Creditors: Each and every Creditor who elects to participate in the Distributions provided for herein warrants that he is authorized to accept in consideration of his Claim against the Debtor the Distributions provided for in this Plan and that there are no outstanding commitments, agreements, understandings, expressed or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by him under this Plan.
- 19.3 Exemption from Transfer Taxes: Pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by this Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.
- 19.4 Exculpation and Limitation of Liability: Except as otherwise provided in this Plan, neither the Debtors nor any of their respective present or former officers, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers, or agents, and its or their successors and assigns, as the case may be (collectively, the "Parties"), shall have or incur any claim, obligation, Cause of Action, or liability to one another or to any

holder of a Claim, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, or any of their successors or assigns, for any act or omission in connection with, or arising out of, the Debtors, the Case, negotiation and filing of the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan except for their willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

- 19.5 Privileged Communications; Work Product: For purpose of any proprietary, confidential or privileged information or communication, including attorney-client privileged communications, and documents that would otherwise constitute attorney work product, the Liquidating Debtor shall succeed to the interest of the Debtors and the Debtors' Estates.
- 19.6 Courts of Competent Jurisdiction: If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction 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.
- 19.7 Governing Law: Except to the extent that the Bankruptcy Code, or other federal law that may be applicable, provides otherwise, the rights, duties and obligations arising under this Plan shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas without reference to the laws of other jurisdictions.

**ARTICLE XX.**  
**DEFAULT AND REMEDIES**

- 20.1 Secured creditor's security documents are ratified to the extent they are not inconsistent with the terms of the plan. In the event Debtors default in any provision of the confirmed plan, the affected creditor may pursue any applicable remedies it may otherwise be entitled to under applicable Federal or State law, such as, but not limited to, a request for Plan modification or dismissal or conversion of this case.
- 20.2 In the event of default of a plan payment, the creditor shall provide written notice to the Debtors and Debtors attorney of the default providing 90 days opportunity to cure the default, and, in the event the default remains uncured, may pursue applicable Federal or State law remedies. Nothing herein shall limit the rights of the UST, creditors, or parties in interest from exercising any rights or remedies provided by applicable bankruptcy law

**ARTICLE XX.**  
**CLOSING THE CASE**

20.1 Once the estate has been fully administered as referred to in Bankruptcy Rule 3022, the Debtor, or other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. The Debtors may file an Application for Final Decree Closing the Case once the estate has been fully administered. Debtors anticipate filing an application to close their case approximately one hundred and eighty (180) days after the Effective Date of their plan. The UST and any creditor and party in interest may object to the closing of the case, but such objection must be filed with the Court.

Date: October 31, 2016

DEBTORS:

By: /s/ Kevin Kliefoth  
Kevin Kliefoth

By: /s/Barbara Kliefoth  
Barbara Kliefoth

ATTORNEY FOR DEBTORS:

FRED E. WALKER, P.C.

/s/ Kimberly L. Nash  
Fred E. Walker / 20700400  
Kimberly Nash / 24043840  
609 Castle Ridge Road, Suite 220  
Austin, TX 78746-6578  
(512) 330-9977 phone  
(512) 330-1686 fax

# Exhibit C

**Fill in this information to identify your case and this filing:**

Debtor 1	<u>Kevin</u>	<u>William</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<u>Barbara</u>	<u>Eliane</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <u>WESTERN DISTRICT OF TEXAS</u>			
Case number (if known)	<u>15-11194</u>		

Check if this is an amended filing

Official Form 106A/B

**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- No. Go to Part 2.
- Yes. Where is the property?

1.1. **943 Vanguard, Austin, TX 78734**

Single family residence

County \_\_\_\_\_

**What is the property?**

Check all that apply.

- Single-family home
- Duplex or multi-unit building
- Condominium or cooperative
- Manufactured or mobile home
- Land
- Investment property
- Timeshare
- Other 943 Vanguard, Austin, TX

**Who has an interest in the property?**

Check one.

- Debtor 1 only
- Debtor 2 only
- Debtor 1 and Debtor 2 only
- At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number: \_\_\_\_\_

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?	Current value of the portion you own?
<u>\$325,000.00</u>	<u>\$325,000.00</u>

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Fee Simple Absolute

Check if this is community property (see instructions)

Lot 2705 Lakeway, Section 16C, Travis County, Texas

Property Purchased Nov 1996

Purchased for \$275,000.00

Source of Valuation: Realtor's Market Analysis

Travis County CAD values property at \$412,097.00

This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here..... → \$325,000.00

**Part 2: Describe Your Vehicles**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

- No  
 Yes

3.1. **Who has an interest in the property?** Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Make: \_\_\_\_\_ Check one. **Current value of the entire property?** **Current value of the portion you own?**

Model: \_\_\_\_\_  Debtor 1 only \$24,100.00 \$24,100.00

Year: \_\_\_\_\_  Debtor 2 only

Approximate mileage: \_\_\_\_\_  Debtor 1 and Debtor 2 only

Other information: \_\_\_\_\_  At least one of the debtors and another

**2013 Hyundai Genesis**  **Check if this is community property**  
**Style: 5.0 R-Spec Sedan 4 Door** (see instructions)  
**Mileage: 45,000**  
**Source of Valuation: NADA**

This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

3.2. **Who has an interest in the property?** Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Make: \_\_\_\_\_ Check one. **Current value of the entire property?** **Current value of the portion you own?**

Model: \_\_\_\_\_  Debtor 1 only \$11,250.00 \$11,250.00

Year: \_\_\_\_\_  Debtor 2 only

Approximate mileage: \_\_\_\_\_  Debtor 1 and Debtor 2 only

Other information: \_\_\_\_\_  At least one of the debtors and another

**2013 Dodge Journey-V6**  **Check if this is community property**  
**Utility 4D SXT AWD** (see instructions)  
**Mileage:40,000**  
**Source of Valuation: Debtor**

This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

3.3. **Who has an interest in the property?** Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Make: \_\_\_\_\_ Check one.  
 Model: \_\_\_\_\_  Debtor 1 only  
 Year: \_\_\_\_\_  Debtor 2 only  
 Approximate mileage: \_\_\_\_\_  Debtor 1 and Debtor 2 only  
 \_\_\_\_\_  At least one of the debtors and another

Other information:  
**2008 Mercury Mountaineer-V6**  
**Utility 4D Premier AWD**  
**Mileage:120,000**  
**Source of Valuation: NADA**  
**Vehicle in possession of Son**

**Current value of the entire property?** \$5,500.00  
**Current value of the portion you own?** \$5,500.00

**Check if this is community property** (see instructions)

**This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.**

4. **Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**  
*Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories*

- No  
 Yes

5. Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here..... →

**\$40,850.00**

**Part 3: Describe Your Personal and Household Items**

Do you own or have any legal or equitable interest in any of the following items? **Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

6. **Household goods and furnishings**  
*Examples: Major appliances, furniture, linens, china, kitchenware*  
 No  
 Yes. Describe..... **See continuation page(s).** \$5,345.00

7. **Electronics**  
*Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games*  
 No  
 Yes. Describe..... \_\_\_\_\_

8. **Collectibles of value**  
*Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles*  
 No  
 Yes. Describe..... **Mrs. Kliefoth Spouse Books, Pictures** \$10.00

**This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.**

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**9. Equipment for sports and hobbies**

*Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

- No  
 Yes. Describe..... **Mr. Kliefoth's Residence Smoker, sporting goods** \$350.00

**This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.**

**10. Firearms**

*Examples:* Pistols, rifles, shotguns, ammunition, and related equipment

- No  
 Yes. Describe.....

**11. Clothes**

*Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories

- No  
 Yes. Describe..... **See continuation page(s).** \$700.00

**12. Jewelry**

*Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

- No  
 Yes. Describe.....

**13. Non-farm animals**

*Examples:* Dogs, cats, birds, horses

- No  
 Yes. Describe..... **Mrs. Kliefoth's 5 Dogs** \$50.00

**This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.**

**14. Any other personal and household items you did not already list, including any health aids you did not list**

- No  
 Yes. Give specific information.....

**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write the number here.....** **\$6,455.00**

**Part 4: Describe Your Financial Assets**

Do you own or have any legal or equitable interest in any of the following?

**Current value of the portion you own?**  
 Do not deduct secured claims or exemptions.

**16. Cash**

*Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

- No  
 Yes..... Cash: \$0.00



Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
First Name Middle Name Last Name

**17. Deposits of money**

*Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

No

Yes.....

Institution name:

- |                         |  |
|-------------------------|--|
| 17.1. Checking account: | <p><b>Wells Fargo, Walltech checking account 60503</b></p> <p>.</p> <p><b>This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.</b></p> <hr/> <p style="text-align: right;"><b>\$13,116.34</b></p>  |
| 17.2. Checking account: | <p><b>Plains Capital Bank, dba Office Outlet checking account 9514</b></p> <p>.</p> <p><b>(19,485.84 was under an IRS Levy) remaining balance \$11,321.98</b></p> <p>.</p> <p><b>This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.</b></p> <hr/> <p style="text-align: right;"><b>\$31,425.96</b></p> |
| 17.3. Checking account: | <p><b>Plains Capital Bank, dba Walltech checking account 9522</b></p> <p>.</p> <p><b>(46,401.00 was under an IRS Levy)</b></p> <p>.</p> <p><b>This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.</b></p> <hr/> <p style="text-align: right;"><b>\$57,283.49</b></p>                                    |
| 17.4. Checking account: | <p><b>America Bank of Texas, checking</b></p> <p>.</p> <p><b>This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.</b></p> <hr/> <p style="text-align: right;"><b>\$30,537.05</b></p>   |
| 17.5. Checking account: | <p><b>Wells Fargo Personal checking #4617 Debtor</b></p> <p>.</p> <p><b>This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.</b></p> <hr/> <p style="text-align: right;"><b>\$1,171.60</b></p>   |

Debtor 1	<b>Kevin</b> <small>First Name</small>	<b>William</b> <small>Middle Name</small>	<b>Kliefoth</b> <small>Last Name</small>	Case number (if known) <b>15-11194</b>
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17.6. Savings account: **Mrs. Kliefoth BOA checking/savings accounts**  
**Debtor has no information regarding these accounts**

.

**This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.**

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**\$175.55**

  

17.7. Other financial account: **Plains Capital Bank, Joint Escrow Account**

.

**(150,410.87 was under an IRS Levy) remaining balance \$0.00)**

.

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---

**\$150,410.87**

  

**18. Bonds, mutual funds, or publicly traded stocks**  
*Examples: Bond funds, investment accounts with brokerage firms, money market accounts*

No  
 Yes..... Institution or issuer name:

  

**19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**

No  
 Yes. Give specific information about them..... Name of entity: % of ownership:

  

**20. Government and corporate bonds and other negotiable and non-negotiable instruments**  
*Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.  
*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.

No  
 Yes. Give specific information about them..... Issuer name:

  

**21. Retirement or pension accounts**  
*Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans*

No  
 Yes. List each account separately. Type of account: Institution name:  
 401(k) or similar plan: **Transamerica 401(k).**

.

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**\$6,960.91**

  

Retirement account: **Social Security benefits, not being received at this time**

---

**Unknown**

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**22. Security deposits and prepayments**

Your share of all unused deposits you have made so that you may continue service or use from a company  
*Examples:* Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

- No  
 Yes..... Institution name or individual:

Security deposit on rental unit: **411 Dasher Deposit**

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**\$2,300.00**

Security deposit on rental unit: **dba Walltech & Office Outlet Deposits  
 Deposit with R U T 3-4-7 Ltd \$22,680.00  
 (was forfeited due to Motion to Reject Lease)  
 Deposit with SSCK Holdings \$13,662.35**

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**\$36,342.35**

**23. Annuities** (A contract for a specific periodic payment of money to you, either for life or for a number of years)

- No  
 Yes..... Issuer name and description:

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

- No  
 Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c)

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**

- No  
 Yes. Give specific information about them \_\_\_\_\_

**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property;**

*Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements

- No  
 Yes. Give specific information about them \_\_\_\_\_

**27. Licenses, franchises, and other general intangibles**

*Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

- No  
 Yes. Give specific information about them \_\_\_\_\_

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**Money or property owed to you?**

**Current value of the portion you own?**  
 Do not deduct secured claims or exemptions.

**28. Tax refunds owed to you**

- No
- Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

Federal:                     \$0.00  
 State:                     \$0.00  
 Local:                     \$0.00

**29. Family support**

*Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

- No
- Yes. Give specific information

Alimony:                     \$0.00  
 Maintenance:                     \$0.00  
 Support:                     \$0.00  
 Divorce settlement:                     \$0.00  
 Property settlement:                     \$0.00

**30. Other amounts someone owes you**

*Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

- No
- Yes. Give specific information

**31. Interests in insurance policies**

*Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

- No
- Yes. Name the insurance company of each policy and list its value.....

Company name: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Surrender or refund value: \_\_\_\_\_

**Ameritas term life insurance policy**

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**Debtors Children                     \$1.00**

**32. Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died

- No
- Yes. Give specific information

**33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment**

*Examples:* Accidents, employment disputes, insurance claims, or rights to sue

- No
- Yes. Describe each claim.....

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**

- No
- Yes. Describe each claim.....

**35. Any financial assets you did not already list**

- No
- Yes. Give specific information

**36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

**\$329,725.12**

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**

**37. Do you own or have any legal or equitable interest in any business-related property?**

- No. Go to Part 6.
- Yes. Go to line 38.

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

**38. Accounts receivable or commissions you already earned**

- No
- Yes. Describe.. **dba Walltech & Office Outlet Accounts Rec**

**\$225,000.00**

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**39. Office equipment, furnishings, and supplies**

*Examples:* Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones, desks, chairs, electronic devices

- No
- Yes. Describe.. **dba Walltech & Office Outlet furniture, racks, paint and glue equipment, saws, staple guns, screw guns**

**\$1,000.00**

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**40. Machinery, fixtures, equipment, supplies you use in business, and tools of your trade**

- No
- Yes. Describe.. **dba Walltech and Office Outlet tools, processing equipment, computers, electronic equipment, phone system. Includes 2 forklifts, 2 compressors.**

**\$11,000.00**

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Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**41. Inventory**

- No  
 Yes. Describe... **dba Walltech & Office Outlet Inventory** \$50,000.00

**Source of Valuation: Debtor estimates.  
 Debtor is in the process of having the inventory valued and will supplement these schedules.**

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**42. Interests in partnerships or joint ventures**

- No  
 Yes. Describe..... Name of entity: \_\_\_\_\_ % of ownership: \_\_\_\_\_

**43. Customer lists, mailing lists, or other compilations**

- No  
 Yes. **Do your lists include personally identifiable information** (as defined in 11 U.S.C. § 101(41A))?  
 No  
 Yes. Describe..... \_\_\_\_\_

**44. Any business-related property you did not already list**

- No  
 Yes. Give specific information.

**45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have attached for Part 5. Write that number here.....** → **\$287,000.00**

**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**  
 If you own or have an interest in farmland, list it in Part 1.

**46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**

- No. Go to Part 7.  
 Yes. Go to line 47.

**Current value of the portion you own?**  
 Do not deduct secured claims or exemptions.

**47. Farm animals**

*Examples: Livestock, poultry, farm-raised fish*

- No  
 Yes.... \_\_\_\_\_

**48. Crops--either growing or harvested**

- No  
 Yes. Give specific information..... \_\_\_\_\_

**49. Farm and fishing equipment, implements, machinery, fixtures, and tools of trade**

- No  
 Yes.... \_\_\_\_\_

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**50. Farm and fishing supplies, chemicals, and feed**

- No
- Yes....

**51. Any farm- and commercial fishing-related property you did not already list**

- No
- Yes. Give specific information.....

**52. Add the dollar value of all of your entries from Part 6, including any entries for pages you have attached for Part 6. Write that number here.....** → \$0.00

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

**53. Do you have other property of any kind you did not already list?**

*Examples: Season tickets, country club membership*

- No
- Yes. Give specific information.

**54. Add the dollar value of all of your entries from Part 7. Write that number here.....** → \$0.00

**Part 8: List the Totals of Each Part of this Form**

<b>55.</b>	Part 1: Total real estate, line 2.....		<b>\$325,000.00</b>
<b>56.</b>	Part 2: Total vehicles, line 5	<u>\$40,850.00</u>	
<b>57.</b>	Part 3: Total personal and household items, line 15	<u>\$6,455.00</u>	
<b>58.</b>	Part 4: Total financial assets, line 36	<u>\$329,725.12</u>	
<b>59.</b>	Part 5: Total business-related property, line 45	<u>\$287,000.00</u>	
<b>60.</b>	Part 6: Total farm- and fishing-related property, line 52	<u>\$0.00</u>	
<b>61.</b>	Part 7: Total other property not listed, line 54	<u>+ \$0.00</u>	
<b>62.</b>	Total personal property. Add lines 56 through 61.....	<span style="border: 1px solid black; padding: 2px;"><b>\$664,030.12</b></span>	Copy personal property total → <b>+ \$664,030.12</b>
<b>63.</b>	Total of all property on Schedule A/B. Add line 55 + line 62.....		<span style="border: 1px solid black; padding: 2px;"><b>\$989,030.12</b></span>

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
First Name Middle Name Last Name

6. Household goods and furnishings (details):

**Debtors Residence** \$700.00

Sofa, chair, coffee table, end tables with lamps, sofa table, bed, office chair, dishes, TV (2), stereo, hand tools, dresser, filing cabinet.

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

Sofa \$0.00; TV Stand & Storage Unit \$10.00; Bookcase \$25.00; China Cabinet \$100.00; China Cabinet Contents \$500.00; 56" Sony TV \$300.00; Chairs \$0.00 \$935.00

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

**Mrs. Kliefoth Bedrooms** \$400.00

Bed \$100.00; end tables \$50.00; TV \$100.00; 2 Dressers 150.00;

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

**Mrs. Kliefoth Dinning Room** \$700.00

Table Chairs \$200.00; Buffet \$500.00

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

**Mrs. Kliefoth Secondary Bedrooms** \$210.00

3 Beds \$100.00; 5 Dressers \$110.00

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

**Mrs. Kliefoth Office** \$300.00

Desk \$100.00; Credenza Hutch \$100.00; Office Chair \$100.00

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

**Mrs. Kliefoth** \$1,300.00

Refrigerator 2 @ \$250.00; Washer Dryer \$300.00; Small Appliances \$100.00; Dishware \$100.00; Pots & Pans \$300.00;

.  
 This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.



Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
First Name Middle Name Last Name

**Mrs. Kliefoth Gardening Tools \$300.00; Tools \$200.00** **\$800.00**  
**Outdoor furniture \$200.00; Grill \$100.00;**

.  
This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

11. Clothes (details):

**Man's Wearing apparel** **\$500.00**

.  
This community property asset is property of the Bankruptcy Estate of Kevin William Kliefoth; Chapter 11 bankruptcy Case No. 15-11194, now pending in the Western District of Texas, Austin Division; substantively consolidated with this case on October 21, 2016. The property is disclosed here for informational purposes only.

**Mrs. Kliefoth Woman's Wearing apparel** **\$200.00**

.  
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**Fill in this information to identify your case:**

Debtor 1	<u>Kevin</u>	<u>William</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<u>Barbara</u>	<u>Eliane</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <u>WESTERN DISTRICT OF TEXAS</u>			
Case number (if known)	<u>15-11194</u>		

Check if this is an amended filing

**Summary of Assets**

**Part 1: Summarize Assets**

**Assets**  
Value of what Debtors own

1. <i>Schedule A/B: Property</i> (Official Form 106A/B)	
1a. Copy line 55, Total real estate, from Schedule A/B.....	<u>\$325,000.00</u>
1b. Copy line 62, Total personal property, from Schedule A/B.....	<u>\$664,030.12</u>
1c. Copy line 63, Total of all property on Schedule A/B.....	<u>\$989,030.12</u>

# Exhibit D

**Fill in this information to identify your case:**

Debtor 1	<u>Kevin</u>	<u>William</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<u>Barbara</u>	<u>Eliane</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	<u>WESTERN DISTRICT OF TEXAS</u>		
Case number (if known)	<u>15-11194</u>		

Check if this is:

- An amended filing
- A supplement showing postpetition chapter 13 income as of the following date:

\_\_\_\_\_  
MM / DD / YYYY

Official Form 106I

**Schedule I: Your Income**

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Employment**

**1. Fill in your employment information.**

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

	<u>Debtor 1</u>	<u>Debtor 2 or non-filing spouse</u>
<b>Employment status</b>	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed
<b>Occupation</b>	<u>Senior Sales Representative</u>	<u>Cashier</u>
<b>Employer's name</b>	<u>Walltech</u>	<u>Home Goods</u>
<b>Employer's address</b>	<u>10519 Boyer Blvd</u> Number Street	<u>The Galleria</u> Number Street
	<u>Austin</u> TX <u>78758</u> City State Zip Code	<u>Bee Caves</u> TX <u>78738</u> City State Zip Code

How long employed there? \_\_\_\_\_

**Part 2: Give Details About Monthly Income**

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

	<u>For Debtor 1</u>	<u>For Debtor 2 or non-filing spouse</u>
<b>2. List monthly gross wages, salary, and commissions</b> (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	2. <u>\$6,066.67</u>	<u>\$1,213.31</u>
<b>3. Estimate and list monthly overtime pay.</b>	3. + <u>\$0.00</u>	<u>\$0.00</u>
<b>4. Calculate gross income.</b> Add line 2 + line 3.	4. <u>\$6,066.67</u>	<u>\$1,213.31</u>

Debtor 1 **Kevin** **William** **Kliefoth** Case number (if known) **15-11194**  
 First Name Middle Name Last Name

	For Debtor 1	For Debtor 2 or non-filing spouse
Copy line 4 here ..... → 4.	<b>\$6,066.67</b>	<b>\$1,213.31</b>
<b>5. List all payroll deductions:</b>		
5a. Tax, Medicare, and Social Security deductions	<b>\$989.73</b>	<b>\$190.65</b>
5b. Mandatory contributions for retirement plans	<b>\$0.00</b>	<b>\$0.00</b>
5c. Voluntary contributions for retirement plans	<b>\$0.00</b>	<b>\$0.00</b>
5d. Required repayments of retirement fund loans	<b>\$0.00</b>	<b>\$0.00</b>
5e. Insurance	<b>\$0.00</b>	<b>\$0.00</b>
5f. Domestic support obligations	<b>\$0.00</b>	<b>\$0.00</b>
5g. Union dues	<b>\$0.00</b>	<b>\$0.00</b>
5h. Other deductions. Specify: _____	<b>\$0.00</b>	<b>\$0.00</b>
<b>6. Add the payroll deductions.</b> Add lines 5a + 5b + 5c + 5d + 5e + 5f + 5g + 5h.	<b>\$989.73</b>	<b>\$190.65</b>
<b>7. Calculate total monthly take-home pay.</b> Subtract line 6 from line 4.	<b>\$5,076.94</b>	<b>\$1,022.66</b>
<b>8. List all other income regularly received:</b>		
8a. Net income from rental property and from operating a business, profession, or farm Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.	<b>\$11,849.46</b>	<b>\$0.00</b>
8b. Interest and dividends	<b>\$0.00</b>	<b>\$0.00</b>
8c. Family support payments that you, a non-filing spouse, or a dependent regularly receive Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement.	<b>\$0.00</b>	<b>\$1,400.00</b>
8d. Unemployment compensation	<b>\$0.00</b>	<b>\$0.00</b>
8e. Social Security	<b>\$0.00</b>	<b>\$0.00</b>
8f. Other government assistance that you regularly receive Include cash assistance and the value (if known) or any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies. Specify: _____	<b>\$0.00</b>	<b>\$0.00</b>
8g. Pension or retirement income	<b>\$0.00</b>	<b>\$0.00</b>
8h. Other monthly income. Specify: _____	<b>\$0.00</b>	<b>\$0.00</b>
<b>9. Add all other income.</b> Add lines 8a + 8b + 8c + 8d + 8e + 8f + 8g + 8h.	<b>\$11,849.46</b>	<b>\$1,400.00</b>
<b>10. Calculate monthly income.</b> Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse.	<b>\$16,926.40</b>	<b>\$2,422.66</b>
<b>11. State all other regular contributions to the expenses that you list in Schedule J.</b> Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives.  Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify: _____		<b>\$0.00</b>
<b>12. Add the amount in the last column of line 10 to the amount in line 11.</b> The result is the combined monthly income. Write that amount on the Summary of Your Assets and Liabilities and Certain Statistical Information, if it applies.		<b>\$19,349.06</b>
<b>13. Do you expect an increase or decrease within the year after you file this form?</b> <input checked="" type="checkbox"/> No. <b>None.</b> <input type="checkbox"/> Yes. Explain: _____		<b>Combined monthly income</b>

Debtor 1 **Kevin** **William** **Kliefoth** Case number (if known) **15-11194**  
First Name Middle Name Last Name

8a. Attached Statement (Debtor 1)

**Walltech/Office Outlet**

<b>Gross Monthly Income:</b>			<b><u>\$376,209.12</u></b>
<u>Expense</u>	<u>Category</u>	<u>Amount</u>	
Total Operating Cost	Operating Cost	<b>\$358,293.00</b>	
Back out Salary on Schedule I	Salary	<b>\$6,066.66</b>	
<b>Total Monthly Expenses</b>			<b><u>\$364,359.66</u></b>
<b>Net Monthly Income:</b>			<b><u><u>\$11,849.46</u></u></b>

**Fill in this information to identify your case:**

Debtor 1	<u>Kevin</u>	<u>William</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<u>Barbara</u>	<u>Eliane</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	<u>WESTERN DISTRICT OF TEXAS</u>		
Case number (if known)	<u>15-11194</u>		

Check if this is:

- An amended filing
- A supplement showing postpetition chapter 13 expenses as of the following date:

\_\_\_\_\_ MM / DD / YYYY

Official Form 106J

**Schedule J: Your Expenses**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Your Household**

1. Is this a joint case?

- No. Go to line 2.
- Yes. Does Debtor 2 live in a separate household?
  - No
  - Yes. Debtor 2 must file Official Form 106J-2, Expenses for Separate Household of Debtor 2.

2. Do you have dependents?

Do not list Debtor 1 and Debtor 2.  Do not state the dependents' names.	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out this information for each dependent.....	<table border="1"> <thead> <tr> <th>Dependent's relationship to Debtor 1 or Debtor 2</th> <th>Dependent's age</th> <th>Does dependent live with you?</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td><td><input type="checkbox"/> No <input type="checkbox"/> Yes</td></tr> <tr><td>_____</td><td>_____</td><td><input type="checkbox"/> No <input type="checkbox"/> Yes</td></tr> <tr><td>_____</td><td>_____</td><td><input type="checkbox"/> No <input type="checkbox"/> Yes</td></tr> <tr><td>_____</td><td>_____</td><td><input type="checkbox"/> No <input type="checkbox"/> Yes</td></tr> <tr><td>_____</td><td>_____</td><td><input type="checkbox"/> No <input type="checkbox"/> Yes</td></tr> <tr><td>_____</td><td>_____</td><td><input type="checkbox"/> No <input type="checkbox"/> Yes</td></tr> </tbody> </table>	Dependent's relationship to Debtor 1 or Debtor 2	Dependent's age	Does dependent live with you?	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
Dependent's relationship to Debtor 1 or Debtor 2	Dependent's age	Does dependent live with you?																					
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes																					
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes																					
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes																					
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes																					
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes																					
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes																					

3. Do your expenses include expenses of people other than yourself and your dependents?  No  Yes

**Part 2: Estimate Your Ongoing Monthly Expenses**

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental Schedule J, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on Schedule I: Your Income (Official Form 106I.)

	Your expenses
4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot. <b>If not included in line 4:</b>	4. <u>\$1,400.00</u>
4a. Real estate taxes	4a. _____
4b. Property, homeowner's, or renter's insurance	4b. <u>\$290.00</u>
4c. Home maintenance, repair, and upkeep expenses	4c. <u>\$75.00</u>
4d. Homeowner's association or condominium dues	4d. _____

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**Your expenses**

<b>5. Additional mortgage payments for your residence, such as home equity loans</b>	5.	_____
<b>6. Utilities:</b>		
6a. Electricity, heat, natural gas	6a.	_____ <b>\$200.00</b>
6b. Water, sewer, garbage collection	6b.	_____ <b>\$150.00</b>
6c. Telephone, cell phone, Internet, satellite, and cable services	6c.	_____ <b>\$120.00</b>
6d. Other. Specify: _____	6d.	_____
<b>7. Food and housekeeping supplies</b>	7.	_____ <b>\$425.00</b>
<b>8. Childcare and children's education costs</b>	8.	_____
<b>9. Clothing, laundry, and dry cleaning</b>	9.	_____ <b>\$100.00</b>
<b>10. Personal care products and services</b>	10.	_____ <b>\$60.00</b>
<b>11. Medical and dental expenses</b>	11.	_____ <b>\$100.00</b>
<b>12. Transportation.</b> Include gas, maintenance, bus or train fare. Do not include car payments.	12.	_____ <b>\$400.00</b>
<b>13. Entertainment, clubs, recreation, newspapers, magazines, and books</b>	13.	_____ <b>\$125.94</b>
<b>14. Charitable contributions and religious donations</b>	14.	_____ <b>\$50.00</b>
<b>15. Insurance.</b> Do not include insurance deducted from your pay or included in lines 4 or 20.		
15a. Life insurance	15a.	_____ <b>\$150.00</b>
15b. Health insurance	15b.	_____ <b>\$800.00</b>
15c. Vehicle insurance	15c.	_____ <b>\$808.75</b>
15d. Other insurance. Specify: <u>US Trustee Fees</u>	15d.	_____ <b>\$1,700.00</b>
<b>16. Taxes.</b> Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: _____	16.	_____
<b>17. Installment or lease payments:</b>		
17a. Car payments for Vehicle 1	17a.	_____
17b. Car payments for Vehicle 2	17b.	_____
17c. Other. Specify: _____	17c.	_____
17d. Other. Specify: <u>/ Add'l Rent Expense Spouse</u>	17d.	_____ <b>\$1,400.00</b>
<b>18. Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).</b>	18.	_____ <b>\$1,200.00</b>
<b>19. Other payments you make to support others who do not live with you.</b> Specify: _____	19.	_____



Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
First Name Middle Name Last Name

**20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.**

20a. Mortgages on other property	20a.	_____
20b. Real estate taxes	20b.	_____
20c. Property, homeowner's, or renter's insurance	20c.	_____
20d. Maintenance, repair, and upkeep expenses	20d.	<u>\$1,000.00</u>
20e. Homeowner's association or condominium dues	20e.	_____

21. Other. Specify: \_\_\_\_\_ 21. **+** \_\_\_\_\_

**22. Calculate your monthly expenses.**

22a. Add lines 4 through 21.	22a.	<u>\$10,554.69</u>
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 106J-2.	22b.	<u>\$2,366.67</u>
22c. Add line 22a and 22b. The result is your monthly expenses.	22c.	<u>\$12,921.36</u>

**23. Calculate your monthly net income.**

23a. Copy line 12 (your combined monthly income) from Schedule I.	23a.	<u>\$19,349.06</u>
23b. Copy your monthly expenses from line 22c above.	23b.	<u>-\$12,921.36</u>
23c. Subtract your monthly expenses from your monthly income. The result is your monthly net income.	23c.	<u>\$6,427.70</u>

**24. Do you expect an increase or decrease in your expenses within the year after you file this form?**

For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?

- No.  
 Yes.

Explain here:  
**Debtor plans to sell the community property house and expects to incur expenses getting the house ready for a quick sale. Currently the house is in a state of disrepari. Additionally Debtor expects that his spouse will need to vacate the house to allow the repairs and expects to incur additional rental expense.**

**Fill in this information to identify your case:**

Debtor 1	<u>Kevin</u>	<u>William</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<u>Barbara</u>	<u>Eliane</u>	<u>Kliefoth</u>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	<u>WESTERN DISTRICT OF TEXAS</u>		
Case number (if known)	<u>15-11194</u>		

Check if this is:

- An amended filing
- A supplement showing postpetition chapter 13 expenses as of the following date:

\_\_\_\_\_  
MM / DD / YYYY

Official Form 106J-2

**Schedule J-2: Expenses for Separate Household of Debtor 2**

12/15

Use this form for Debtor 2's separate household expenses ONLY IF Debtor 1 and Debtor 2 maintain separate households.

If Debtor 1 and Debtor 2 have one or more dependents in common, list the dependents on both Schedule J and this form. Answer the questions on this form only with respect to expenses for Debtor 2 that are not reported on Schedule J. Be as complete and accurate as possible. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Your Household**

1. Do you and Debtor 1 maintain separate households?

- No. Do not complete this form.
- Yes

2. Do you have dependents?

Do not list Debtor 1 but list all other dependents of Debtor 2 regardless of whether listed as a dependent of Debtor 1 on Schedule J.

Do not state the dependents' names.

- No
- Yes. Fill out this information for each dependent.....

Dependent's relationship to Debtor 2:	Dependent's age	Does dependent live with you?
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes

3. Do your expenses include expenses of people other than yourself, your dependents, and

- No
- Yes

**Part 2: Estimate Your Ongoing Monthly Expenses**

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on Schedule I: Your Income (Official Form 106I.)

Your expenses \_\_\_\_\_

4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot. <b>If not included in line 4:</b>	4. <u>\$1,250.00</u>
4a. Real estate taxes	4a. _____
4b. Property, homeowner's, or renter's insurance	4b. _____
4c. Home maintenance, repair, and upkeep expenses	4c. _____
4d. Homeowner's association or condominium dues	4d. _____

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
 First Name Middle Name Last Name

**Your expenses**

- 5. **Additional mortgage payments for your residence**, such as home equity loans 5. \_\_\_\_\_
- 6. **Utilities:**
  - 6a. Electricity, heat, natural gas 6a. \$80.00
  - 6b. Water, sewer, garbage collection 6b. \$30.00
  - 6c. Telephone, cell phone, Internet, satellite, and cable services 6c. \_\_\_\_\_
  - 6d. Other. Specify: Mobile Phone 6d. \$115.00
- 7. **Food and housekeeping supplies** 7. \$340.00
- 8. **Childcare and children's education costs** 8. \_\_\_\_\_
- 9. **Clothing, laundry, and dry cleaning** 9. \$80.00
- 10. **Personal care products and services** 10. \$35.00
- 11. **Medical and dental expenses** 11. \$130.00
- 12. **Transportation.** Include gas, maintenance, bus or train fare. Do not include car payments. 12. \$200.00
- 13. **Entertainment, clubs, recreation, newspapers, magazines, and books** 13. \$106.67
- 14. **Charitable contributions and religious donations** 14. \_\_\_\_\_
- 15. **Insurance.**  
Do not include insurance deducted from your pay or included in lines 4 or 20.
  - 15a. Life insurance 15a. \_\_\_\_\_
  - 15b. Health insurance 15b. \_\_\_\_\_
  - 15c. Vehicle insurance 15c. \_\_\_\_\_
  - 15d. Other insurance. Specify: \_\_\_\_\_ 15d. \_\_\_\_\_
- 16. **Taxes.** Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: \_\_\_\_\_ 16. \_\_\_\_\_
- 17. **Installment or lease payments:**
  - 17a. Car payments for Vehicle 1 17a. \_\_\_\_\_
  - 17b. Car payments for Vehicle 2 17b. \_\_\_\_\_
  - 17c. Other. Specify: \_\_\_\_\_ 17c. \_\_\_\_\_
  - 17d. Other. Specify: \_\_\_\_\_ 17d. \_\_\_\_\_
- 18. **Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).** 18. \_\_\_\_\_
- 19. **Other payments you make to support others who do not live with you.**  
Specify: \_\_\_\_\_ 19. \_\_\_\_\_

Debtor 1 Kevin William Kliefoth Case number (if known) 15-11194  
First Name Middle Name Last Name

**20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.**

- 20a. Mortgages on other property 20a. \_\_\_\_\_
- 20b. Real estate taxes 20b. \_\_\_\_\_
- 20c. Property, homeowner's, or renter's insurance 20c. \_\_\_\_\_
- 20d. Maintenance, repair, and upkeep expenses 20d. \_\_\_\_\_
- 20e. Homeowner's association or condominium dues 20e. \_\_\_\_\_

21. Other. Specify: \_\_\_\_\_ 21. + \_\_\_\_\_

22. **Your monthly expenses.** Add lines 4 through 21. The result is the monthly expenses of Debtor 2. Copy the result to line 22b of Schedule J to calculate the total expenses for Debtor 1 and Debtor 2. 22. **\$2,366.67**

23. Line not used on this form.

**24. Do you expect an increase or decrease in your expenses within the year after you file this form?**

For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?

No.  
 Yes. Explain here:

**None.**