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

IN RE:	§	**CASE NO. 16-11448**
	§	
TLA HOLDING, LLC	§	
	§	
	§	**CHAPTER 11**
	§	
	§	
Debtor in Possession.	§	

DISCLOSURE STATEMENT IN CONNECTION WITH FIRST PLAN OF REORGANIZATION DATED JULY 24, 2017, PROPOSED BY THE DEBTOR, TLA HOLDING, LLC

DATED: JULY 24, 2017
Austin, Texas

Frank B. Lyon
Texas Bar No. 12739800
TWO FAR WEST PLAZA, Suite 170
3508 Far West Boulevard
Austin, Texas 78731
512-345-8964 / 512-697-0047 (fax)
frank@franklyon.com

ATTORNEY FOR TLA HOLDING, LLC,
DEBTOR IN POSSESSION

NOTICE:

THIS DISCLOSURE STATEMENT IS NOT A SOLICITATION OF YOUR VOTE FOR THE DEBTOR'S PLAN OF REORGANIZATION. PRIOR TO ANY SUCH SOLICITATION, THE BANKRUPTCY COURT MUST APPROVE THIS DISCLOSURE STATEMENT AS HAVING ADEQUATE INFORMATION TO ENABLE THE CREDITORS TO MAKE AN INFORMED JUDGMENT ON THE PLAN. THEREFORE, THIS DISCLOSURE STATEMENT IS BEING SERVED ONLY UPON PARTIES-IN-INTEREST WHO HAVE REQUESTED NOTICE, AND IS FOR INFORMATION PURPOSES ONLY. THE BANKRUPTCY CLERK'S OFFICE WILL SEND NOTICE OF THE HEARING ON THE APPROVAL OF THIS DISCLOSURE STATEMENT TO ALL CREDITORS ON THE COURT'S MAILING MATRIX.

CONTENTS

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

IN RE:	§	**CASE NO. 16-11448**
	§	
TLA HOLDING, LLC	§	
	§	
	§	**CHAPTER 11**
	§	
	§	
Debtor in Possession.	§	

DISCLOSURE STATEMENT
IN CONNECTION WITH PLAN OF REORGANIZATION
DATED JULY 24, 2017,
PROPOSED BY THE DEBTOR, TLA HOLDING, LLC

I. INTRODUCTION.

TLA HOLDING, LLC (hereinafter referred to as the "Debtor" or the "Company"), filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et. seq.* (the "Bankruptcy Code" or the "Code") in the United States Bankruptcy Court for the Western District of Texas, Austin Division (the "Bankruptcy Court") on December 6, 2016 (the "Petition Date"). Since that time, it has continued to operate as a debtor in possession pursuant to the provisions of § 1108 of the Bankruptcy Code. The purpose of this Disclosure Statement (the "Disclosure Statement") is to provide the Creditors and other parties-in-interest adequate information to make an informed judgment about the Plan of Reorganization Dated July 24, 2017 (the "Plan"), filed by the Debtor on that date (a copy is incorporated herein for all purposes). Generally, this information includes, among other matters, a brief history of the Debtor, the Chapter 11 Case, a description of the current assets and liabilities of the Debtor, an explanation of how the Plan will function and an explanation of why the reorganization of the Debtor under the proposed Plan should result in a greater benefit to the Creditors than if the Chapter 11 Case were converted to a Chapter 7 case and a Chapter 7 trustee were appointed. To make an informed judgment about the Plan, you are urged to read the entire Disclosure Statement and the Plan.

Capitalized terms used but not defined in this Disclosure Statement are defined in the Plan.

A. Representations.

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.

NO REPRESENTATIONS OR OTHER STATEMENTS CONCERNING THE DEBTOR (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS

OR THE VALUE OF ITS ASSETS) ARE AUTHORIZED BY THE DEBTOR 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 DISCLOSURE 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 DEBTOR, FRANK B. LYON, TWO FAR WEST PLAZA, SUITE 170, 3508 FAR WEST BLVD., AUSTIN, TEXAS 78731, 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 DEBTOR HAS MADE EVERY REASONABLE EFFORT TO INSURE THAT THE INFORMATION CONTAINED HEREIN IS ACCURATE. THIS DISCLOSURE STATEMENT CONTAINS ONLY A BRIEF SUMMARY OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY THE TERMS AND PROVISIONS OF THE PLAN. EACH CREDITOR, INTEREST HOLDER AND PARTY-IN-INTEREST IS URGED TO REVIEW THE PLAN IN FULL PRIOR TO VOTING ON THE PLAN TO INSURE COMPLETE UNDERSTANDING OF THE PLAN AND THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT IS INTENDED FOR THE SOLE USE OF CREDITORS, INTEREST HOLDERS, AND OTHER PARTIES-IN-INTEREST TO MAKE AN INFORMED DECISION ABOUT THE PLAN.

B. Explanation of Chapter 11.

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, an attempt is made to restructure a business and/or a debtor's finances, so that the debtor may both continue to operate the enterprise and repay its creditors. Formulation of a plan of reorganization is the primary purpose of a reorganization proceeding under Chapter 11.

A Chapter 11 plan sets forth and governs the treatment and rights to be afforded to creditors and equity interest holders with respect to their claims against, and interests in, the debtor. According to § 1125 of the Bankruptcy Code, acceptances of a Chapter 11 plan may be solicited by the debtor only after a written disclosure statement approved by the bankruptcy court as containing adequate information has been provided to each creditor or equity interest holder. This Disclosure Statement is presented to Creditors and the Interest Holders of TLA Holding, LLC, to satisfy the disclosure requirements contained in § 1125 of the Bankruptcy Code.

II. INFORMATION CONCERNING THE DEBTOR.

A. General Pre-Bankruptcy History of the Debtor and Description of Its Business.

TLA Holding, LLC, (the "Debtor," or the "Company") was formed on December 13, 2013 by David Rumgay ("David") and his daughter, Tiffany Alaniz ("Tiffany"). David, who holds 51% of the equity interest in the Debtor, together with Tiffany who holds 49% of the equity interest in the Debtor, were and remain the Debtor's managers.

The Debtor was formed to be a holding company to own real estate to be leased to C&D Bobcat & Backhoe, LLC, an entity also owned by the principals of the Debtor. C&D Bobcat was formed to be in the oil and gas service business, building locations and doing construction work for the oil and gas business. When the turndown in the oil and gas hit C&D Bobcat, C&D Bobcat was not able to make its lease payments to the Debtor and the Debtor was not able to make its note payments to Northstar Bank on the Pleasanton Yard.

B. The Bankruptcy Case.

1. Summary of Significant Events during the Bankruptcy Case.

The following is a summary of significant orders entered in this case between the Petition Date and the date of the filing of this Disclosure Statement:

Date	Title	Summary
12/6/16	Order for Relief	Debtor's Chapter 11 Petition filed
12/30/16	Schedules and Statement of Financial Affairs	Schedules of the Debtor's assets and liabilities and its Statement of Financial Affairs filed
01/12/17	Creditors Meeting held and concluded	
01/25/17	Order Granting Application to Employ Frank B. Lyon, Attorney entered	Approved the employment of Frank B. Lyon and Catherine Lenox as attorneys for the Debtor
01/2016 – 07/2017	Reports of Operations filed	Monthly Reports for December 2016 through June 2017, showing Debtor's revenues, expenses and disbursements
4/3/17	Agreed Order entered regarding Motion for Relief from Stay filed by Northstar Bank	Agreement reached for adequate protection payments to Debtor's primary secured creditor
4/1717	Order Granting Application to Employ Roxanne Adler as real estate broker	Real estate broker employed to sell or lease the Pleasanton Yard

2. Operations during the Bankruptcy Case.

Below is a summary of the Debtor's Monthly Operating Reports ("MORs") filed in the Case, which show its income and disbursements for each month from January 2017 through June 2017. The Monthly Operating Reports have been prepared by David Rumgay. In summary, those MORs show revenues, operating expenses, and net income during the Bankruptcy Case as follows:

	Income	Expenses	Cash Profit
January 2017	1,175.90	235.87	940.03
February 2017	1,240.03	613.26	626.67
March 2017	626.67	313.38	313.29
April 2017	0.00	0.00	0.00
May 2017	0.00	0.00	0.00
June 2017	8,313.31	3,798.28	4,515.03
TOTALS	11,355.91	4,960.79	6,395.02

Thus, gross sales have averaged $1,892.65 per month, and net income $1,065.84 per month. The Debtor's post-petition net income, while variable to date, is expected to improve and stabilize now that the a portion of the Pleasanton Yard has been leased for $6,000.00 per month.

The Debtor has been receiving contributions from C&D Bobcat & Backhoe, LLC during the Bankruptcy Case. On June 21, 2017, the Debtor signed a twelve-month lease for 6 acres of the Pleasanton Yard with W-W Services, LLC for $6,000.00 per month. After payment of the real estate commission of $3,320.00 due to Roxanne Adler, such monthly rentals will be used to pay taxes, insurance and the payments due to Independent Bank due under the Agreed Order entered on April 3, 2017 and this Plan.

C. Future Management and Operations of the Debtor.

After Confirmation, the Debtor will continue to operate its business. Tiffany Alaniz and David Rumgay will remain as Managers of the Reorganized Debtor, focusing on selling the Pleasanton Yard.

D. Estimated Future Income and Expenses.

The Debtor's main source of income has always been leasing the Pleasanton Yard to C&D Bobcat. This is a plan of liquidation. The Debtor plans to sell the Pleasanton Yard in order to pay its debts.

Attached hereto as Exhibit "1" are the Debtor's projections for the balance of calendar year 2017 through the five-year term of the Plan.

E. Accounting Method; Source of Financial Information.

The Debtor has kept its own books. The Debtor uses a cash basis in its accounting.

III. ANALYSIS AND VALUATION OF PROPERTY.

A. Real Property.

As discussed above, the Debtor owns Pleasanton Yard. In the past, Pleasanton Yard has been valued as follows:

Date	Value	Source of Valuation
2017	$329,400	Atascosa County CAD
2016	349,290	Atascosa County CAD
2015	345,280	Atascosa County CAD

The Bee County Property in which the Debtor claims equitable title is appraised by the Bee County CAD at $281,830 for 2016.

B. Personal Property.

As of the Petition Date, and as of the date of the filing of the Plan, the Debtor owned no personal property.

C. Forced Liquidation Analysis.

In the event that it were necessary to liquidate the Debtor's assets at a forced liquidation sale rather than to have the Debtor continue to market the Pleasanton Yard in an orderly fashion, the Debtor estimates that the Pleasanton Yard be sold for only a fraction of its market value. In particular, assuming that the market value of the Property is $550,000, the Debtor estimates that a Chapter 7 liquidation would bring at most 75% of that market value, or $412,500.

The following shows the Debtor's estimates of the liquidation value of all of its assets as of the Effective Date, and the Debtor's opinion of the order in which its Creditors would be entitled to the proceeds of that liquidation.

REAL PROPERTY SALES PROCEEDS:	
(75% of FMV—see above)	$412,500
LESS SECURED CLAIMS:	
real property taxes	-$18,510.71
Independent Bank-1st lien per proof of claim filed	-$540,217.96
Total Liens	**$558,728.67**
LESS COSTS OF LIQUIDATION:	
real estate commission (6.0%)	-$24,750.00
closing costs (3.0%)	-$12,375.00
legal fees associated with real estate liquidation	-$5,000.00
miscellaneous	-$500.00
total expenses	**$42,625.00**
EQUALS EQUITY IN REAL PROPERTY (-$188,853.67):	**$0.00**

This does not include consideration of the Bee County Property which more likely than not would require litigation to clear up title in order to sell such property..

IV. SUMMARY OF THE DEBTOR'S PLAN.

This Disclosure Statement describes generally the provisions of the Plan. The following overview is qualified in its entirety by the more detailed information contained in the remaining articles of this Disclosure Statement and the Plan itself.

A. In General.

The Plan is a plan of liquidation. The Debtor will continue to market the Pleasanton Yard for sale.

Accompanying this Disclosure Statement is a complete copy of the Plan. For specific details of the Plan, reference should be made to it in its entirety. The summary provided in this Disclosure Statement is merely for the convenience of anyone reading the Disclosure Statement and to the extent that this summary in any way conflicts with the actual Plan, the terms of the Plan will prevail.

B. Classification and Descriptions of Claims and Interests Treated under the Plan.

Claims and Interests are classified as follows:

Class 1. Allowed Administrative Claims under § 503(b)(2) of the Bankruptcy Code. The known members of Class 1 are the Debtor's attorneys, Frank B. Lyon and Catherine Lenox, and real estate broker, Roxanne Adler.

Prior to the Petition Date, the Debtor's attorneys received a $3,250.00 retainer for his services, but as of the Petition Date, $249.00 of that retainer remained. Since then, the Debtor has deposited a total of $2,500.00 with its attorney as a post-petition retainer. As of the filing of this Disclosure Statement, the attorney has received no payments from this retainer or from any other source post-petition, because he has not applied to the Court for such payment. The Debtor estimates that its unpaid post-petition, pre-Confirmation attorneys fees may total as much as $15,000.00.

Subject to the Court's prior approval of his employment and compensation, the Debtor's real estate broker, shall be paid her commission on the leasing or sale of a portion of Pleasanton Yard, if and when it is leased or sold.

Class 2 Allowed Secured Claims of Atascosa and Bee Counties and the taxing jurisdictions for which they collect, for ad valorem taxes in the estimated

amounts of $18,510.71 and $482.46 as of the Petition Date, secured by liens as allowed by law.

Class 3 The Allowed Secured Claim of Independent Bank filed in the amount of $540,217.96 as of the Petition Date secured by a deed of trust Lien on the Pleasanton Yard, second only to the Class 3 ad valorem tax Liens.

Class 4 Allowed Interests in the Debtor. There are two Holders of Interests in the Debtor, David Rumgay and Tiffany Alaniz, the former holding a 49% interest, the latter a 51% interest.

C. Summary of Treatment of Each Class.

CLASS 1. Allowed Administrative Claims.

The Administrative Claims allowed under §§ 503(b)(2) through (b)(6) of the Bankruptcy Code shall be paid in cash in full on the Effective Date, or on such other terms as may be agreed upon by the parties. **Class 1 is not Impaired**.

CLASS 2. Allowed Priority Claims.

Class 2 Claims – Allowed Secured Ad Valorem Tax Claims. The Allowed Class 2 Claims shall be paid in full, as follows: (1) on or before January 31, 2018, Independent Bank will pay the amount the Debtor escrowed as part of its adequate protection payments for ad valorem taxes to the Atascosa County Tax Collector, to be applied to the 2017 taxes, and (2) the balance of the Allowed Claims will be paid in full, with interest at 12.0% per year, in equal monthly installments sufficient to fully amortize the balance of each of those Claims over a period beginning on the Effective Date and ending on the 60th monthly anniversary of the Petition Date. Payments will begin one month after the Effective Date. Ad valorem taxes for the years 2018 forward will be paid when due (on January 31st of the following year). The Class 2 Claimants shall retain their respective Liens on the Beeville Property and Pleasanton Yard and the Debtor's business personal property to secure the Allowed Claims until paid in full. **Class 2 is not Impaired.**

Class 3. The Allowed Secured Claim of Independent Bank.

The Allowed Class 3 Claim shall be paid with interest as provided in the Promissory Note attached to its Proof of Claim No. 3 in monthly installments of $6,159.92 plus an escrow of 1/12th of the estimated ad valorem taxes on the Pleasanton Yard for the current year each with a balloon payment in the amount of all outstanding principal, interest and other fees owing under the Independent Bank Note due on the second anniversary following the Effective Date. The first payment shall be due on September 15, 2017 with each monthly installment due on the 15th of each succeeding month. All other terms of the existing loan documents shall remain unchanged. **Class 3 is Impaired.**

CLASS 4. Allowed Secured Personal Property Tax Claims of Travis County.

The Interests held by each of the members of the Debtor shall be retained. *See* Article VII below. The Interest Holders will receive no distributions unless and until all other payments under the Plan have been made in full. **Class 4 is Impaired**.

D. Other Provisions of the Plan.

1. Termination of the Automatic Stay after Confirmation.

The automatic stay imposed under § 362 of the Bankruptcy Code will terminate upon Confirmation of the Plan, and the binding effect of the confirmed Plan and the Debtor's discharge will instead protect the Debtor and its assets from efforts to collect on Claims and enforce Liens on its interests in property other than as provided in the Plan.

2. Future Management of the Debtor.

Following Confirmation, David Rumgay and Tiffany Alaniz, the managing members of the Debtor, will continue as the managers of the Reorganized Debtor. They will receive no compensation until all creditors are paid in full or unless Independent Bank consents.

3. Status of Property of the Estate/Post-Confirmation Sale or Lease.

In accordance with § 1141 of the Bankruptcy Code, Confirmation of the Plan shall vest all Property of the Estate in the Reorganized Debtor, free and clear of all Claims, Liens and other encumbrances, except as provided in the Plan. The Plan provides that the Debtor may lease or sell a portion or all of its Property, so long as Lienholders on the Property sold consent or are paid in full. Proceeds will be used to pay Claims, according to their priority under the Code.

4. Executory Contracts and Unexpired Leases.

The Debtor's lease with C&D Bobcat has been rejected.

5. Discharge of the Debtor, Final Decree and Closing of the Case.

Under § 1141 of the Bankruptcy Code, upon entry of the Confirmation Order, the Debtor will receive a discharge of all its pre-Confirmation obligations, whether or not a proof of claim based on such debt has been filed or such Claim has been Allowed, or the holder of such Claim has accepted the Plan. Under § 524 of the Code and Paragraph 9.05 of the Plan, upon the Debtor's discharge all Creditors will be permanently enjoined from commencing or continuing an action, employing process, and taking any action to collect, recover, or offset as a personal liability of the Debtor any Claim discharged.

Under Federal Rule of Bankruptcy Procedure 3022, "[a]fter an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case." The Debtor intends to file an application for final decree within six months of the Effective Date, after payments to all Creditors will have commenced and all matters in the Bankruptcy Case, such as Claims objections or avoidance actions, shall have been completed. All Creditors will be given notice of and opportunity to object to such application. In its request for final decree, the Debtor will request that the Clerk of the Court close the Bankruptcy Case upon entry of the decree.

If the Bankruptcy Case cannot be fully administered within six months of the Effective Date, or if there are still pending matters to be ruled upon by the Bankruptcy Court at that time, the Reorganized Debtor shall request the Court to extend that deadline after notice to all parties in interest and opportunity for hearing. If the Reorganized Debtor fails to file an application for final decree prior to such deadline or fails to timely request an extension of the same, then the Bankruptcy Court, on its own motion or at the request of any party in interest, including the United States Trustee, may enter an order closing the Debtor's Bankruptcy Case.

6. Remedies of Creditors in the Event of Debtor's Default under the Plan.

In the event that the Debtor defaults under the Plan, a Creditor may move the Court to convert the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code. In the event that the Debtor defaults under the Plan after a final decree has been entered and the Bankruptcy Case has been closed, Creditors may have to move to reopen the Bankruptcy Case to make such a request. Under either circumstance, Creditors may pursue their state law remedies under against the Debtor as if the Plan were a contract between the Debtor and its Creditors. Notwithstanding any other provision, any Creditor alleging a default shall give the Reorganized Debtor thirty (30) days notice and an opportunity to cure before exercising any rights available upon default. Such notice should be sent, by hand delivery, U.S. mail, email, or facsimile, to:

Frank B. Lyon
Two Far West Plaza, Suite 170
3508 Far West Boulevard
Austin, Texas 78731
(512) 345-8964 / (512) 697-0047 (fax)
frank@franklyon.com

V. CONSIDERATIONS IN VOTING ON THE PLAN.

A. Feasibility of the Plan.

The Reorganized Debtor will continue to operate its business. The income from the business, plus any rents received from leasing any part of the Debtor's real property, will be used to fund the Debtor's operating expenses and to pay the amounts necessary to fund the Plan payments. The Debtor believes that the Plan is feasible, based on its projections. *See* Section II

above and Exhibit "2" for current, historical and projected income and expenses of the Reorganized Debtor's business.

B. Alternatives to the Debtor's Plan.

The Debtor does not believe any Plan other than the one it has proposed is feasible for the reorganization of the Debtor. Absent Confirmation of the Plan, the Debtor expects that Independent Bank will foreclose on the Pleasanton Yard, putting the Debtor out of business with no payment to any unsecured Creditor and possibly to all other Creditors except Atascosa County.

In the event of a Chapter 7 liquidation, the Bankruptcy Code would determine the priorities of payment. Administrative Claims would consist of the unpaid attorneys' and accountant's fees for the Debtor, all expenses of maintaining the Estate and all post-petition taxes owing by the Debtor. Section III above contains an estimate of the results of a liquidation of the Debtor's assets.

C. Risks to Creditors under the Debtor's Plan.

The principal risks that Creditors will incur under the proposed Plan are that the Pleasanton Yard will not be sold or that the Debtor will not be able to refinance the Independent Bank Note. In that event, Independent Bank would foreclose on the Pleasanton Yard, which will effectively end the Debtor's ability to make payments to any Creditor. While the Debtor does not believe that these are substantial risks, there is no guarantee that events will go as projected. The Debtor believes that its projections (attached as Exhibit "1"), which demonstrate an ability to make the Plan payments, are conservative, however. It should also be pointed out that all Creditors will receive more if this Plan is confirmed rather than through a Chapter 7 liquidation.

VI. GENERAL INFORMATION ABOUT THE CLAIMS PROCEDURE.

A. Procedures for Resolving Contested Claims.

The Debtor in Possession, or any party in interest, may file with the Bankruptcy Court an objection to the proof of claim filed by any person. Any objection must comply with Local Bankruptcy Rule 3007, set out the name of the Creditor who filed the Claim (and any assignee), the dollar amount of the Claim, and the character of the Claim. Each specific ground for objection or defense to the Claim shall be listed in a separate paragraph. Service of the objection shall be made upon the attorney of record for the Creditor (or the Creditor directly if not represented by an attorney), and the persons entitled to notice under Local Rule 3007. A certificate of service shall be attached to each objection and shall comply with Local Bankruptcy Rule 9013(f).

If an objection to a Claim is filed the Creditor shall file a response to it within twenty-one (21) days from the mailing date set out in the certificate of service on the objection. Responses may take one of two forms, namely a consent to the objection or a non-consenting response. A non-consenting response shall state specific reasons for objection to each ground or defense, shall list the names and addresses of any and all witnesses to be called in support of the response, and shall include copies of all documents (including invoices, security documents and the like) relied upon by

the non-consenting party to support allowance of the Claim. Copies of such response shall be served upon the Debtor and its attorneys. Failure to timely file a response shall result in a deemed consent to the objection, and upon the expiration of the 21-day period, the Bankruptcy Court may enter an order sustaining the objection without further notice or hearing. In the event a timely non-consenting response is filed, the Bankruptcy Court will set a hearing.

B. Disputed, Contingent or Unliquidated Claims.

If a Claim is listed in the Schedules as disputed, contingent or unliquidated, no distribution will be made to the holder of such Claim unless a proof of claim was filed by June 29, 2015, which is the Bar Date established by the Bankruptcy Court.

C. Pending Litigation, Actions Pertaining to Fraudulent Transfers, Voidable Preferences and Equitable Subordination.

The Debtor knows of no claims that it has against any person.

VII. CONFIRMATION OF THE DEBTOR'S PLAN.

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. Confirmation Hearing.

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on Confirmation of the plan, at which any party-in-interest may object to Confirmation of the Plan.

The hearing on Confirmation of the Plan is set for _____. The hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the hearing or any adjournment thereof. Any objection to Confirmation of the Plan must be made in writing and filed with the Bankruptcy Court and served upon Debtor's counsel at the address listed below, together with proof of service, on or before _____, which is the date set by the Bankruptcy Court:

Frank B. Lyon
Two Far West Plaza, Suite 170
3508 Far West Boulevard
Austin, Texas 78731
(512) 345-8964 / (512) 697-0047 (fax)
frank@franklyon.com

Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Requirements for Confirmation of Debtor's Plan.

At the hearing on Confirmation of the Plan, the Bankruptcy Court shall determine whether the requirements of § 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court shall enter an order confirming the Plan. Those requirements are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.

2. The Debtor has complied with the applicable provisions of the Bankruptcy Code.

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

4. Any payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses, or in connection with the case or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before the Confirmation of the Plan is reasonable, or if such payments is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.

5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the Trustee under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and Equity Security Holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for each insider.

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

7. With respect to each impaired class of Claims or Equity Security Holders, with each holder of a Claim or Equity Security Interest of such class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or Equity Security interest, property of a value, as of the Plan Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code.

8. Each class of Claims or Equity Security interest has either accepted the plan or is not impaired under the Plan.

9. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and Priority Claims will be paid in full on the Plan Effective Date and that Priority Tax Claims will receive an account of such Claims deferred cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Plan Effective Date, equal to the allowed amount of such Claim.

10. At least one class of Claims that is impaired under the Plan has accepted the plan, determined without including any acceptance of the Plan by any insider holding a Claim of such class.

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

The Debtor believes that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all of the requirements of Chapter 11 and that the proposal of the Plan is made in good faith.

The Debtor also believes that the holders of all Claims impaired under the Plan will receive payments under the Plan having a present value as of the Plan's Effective Date in amounts not less than the amounts likely to be received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

C. Cramdown.

In the event that any impaired class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Proponents if, as to each impaired class which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable." A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or equity interests. "Fair and equitable" has different meanings for secured claims and unsecured claims.

With respect to a secured claim, "fair and equitable" means either: (i) the impaired secured creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at least equal to the allowed amount of its claim, with a present value as of the plan's effective date at least equal to the value of such secured creditor's interest in the property securing its lien; or (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds must be treated in accordance

with clauses (i) or (iii) hereof; or (iii) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the plan.

With respect to an unsecured claim, "fair and equitable" means either (i) each impaired unsecured creditor receives or retains property of a value equal to the amount of its allowed claim; or (ii) the holders of the claims and equity interests that are junior to the claims of the dissenting class will not receive any property under the plan.

In the event one or more classes of impaired Claims rejects the Plan, the Bankruptcy Court will determine at the hearing for Confirmation of the Plan whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Claims. If the Bankruptcy Court so determines, it can confirm the Plan over the objection of any impaired class.

VIII. VOTING PROCEDURES AND REQUIREMENTS.

A. Ballots and Voting Deadline.

In addition to this Disclosure Statement and a copy of the Plan, each Creditor entitled to vote will herewith be provided with a ballot to be used for voting to accept or reject to Plan, together with a postage-paid return envelope.

In order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be completed and returned to the Debtor's attorney, at the address listed below, prior to the hearing on approval of the Plan or at such other time as the Bankruptcy Court may set. The time and date of the hearing is set forth in a notice to the Creditors accompanying this Disclosure Statement.

Whether or not the Creditor entitled to vote expects to be present at the hearing, each Creditor is urged to complete, date, sign and properly mail, email or fax the ballot to the following address:

Frank B. Lyon
Two Far West Plaza, Suite 170
3508 Far West Boulevard
Austin, Texas 78731
(512) 345-8964 / (512) 697-0047 (fax)
frank@franklyon.com

B. Creditors Entitled to Vote.

Any Creditor whose Claim is impaired under the Plan is entitled to vote, if either (i) its Claim has been scheduled by the Debtor (and such Claim is not scheduled as disputed, contingent or unliquidated), or (ii) it has filed a proof of claim on or before the date set by the Bankruptcy Court for such filing. Any Claim as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless upon application by the Creditor the Bankruptcy Court

temporarily allows the Claim in an amount which it deems proper for the purpose of accepting or rejecting the Plan. Such application must be heard and determined by the Bankruptcy Court at such time as specified by the Bankruptcy Court, but in any event prior to Confirmation. Further, a Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

C. Definition of Impairment.

Under Section 1124 of the Bankruptcy Code, a class of claims or equity Interests is impaired under a Chapter 11 plan unless, with respect to each claim or interest in such class, the plan:

1. leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or equity interest; or

2. notwithstanding any contractual provision or applicable law that entitles the holder of a claim or equity interest to receive accelerated payments of the claim or equity interest after the occurrence of a default:

    a. cures any and such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default that consists of a breach of any provision relating to the insolvency or financial condition of the debtor at any time before the closing of the case, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code;

    b. reinstates the maturity of such claim or equity interest as it existed before the default;

    c. compensates the holder of such claim or equity interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and

    d. does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest; or

3. provides that, on the plan's effective date, the holder of such claim or equity interest receives, on account of such claim or equity interest, cash equal to:

    a. with respect to a claim, the allowed amount of such claim; or

    b. with respect to an equity interest, if applicable, the greater of:

        (i) any applicable fixed liquidation preference; or

(ii) any fixed price at which the debtor, under the terms of the security, may redeem the security.

D. Classes Impaired Under the Debtor's Plan.

The following classes of Claims are impaired under the Plan, and Creditors holding Claims in such Classes are entitled to vote to accept or reject the Plan:

Class 3. Allowed Secured Claim of Independent Bank

In addition, Class 4, the Allowed Interests in the Debtor, is also impaired and entitled to vote on the Plan.

E. Vote Required for Class Acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of creditors or equity interest holders as acceptance by holders of two-thirds (2/3) in dollar amount and a majority in number of the claims or equity interests of that class which actually cast ballots for acceptance or rejection of the plan; i.e., acceptance takes place only if sixty-six and two thirds percent (66-2/3%) in amount of claims and equity interests in each class and more than fifty percent (50%) of claims or equity interests voting in each class cast their ballots in favor of acceptance.

IX. IMPLEMENTATION OF THE PLAN.

When the Plan is approved by the Bankruptcy Court, the bankruptcy judge will sign a Confirmation Order; however, the Debtor will retain its authority and will continue to operate its business and discharge its duties under the Bankruptcy Code as a debtor in possession until the Effective Date of the Plan.

A. Effective Date of the Plan.

The Effective Date of the Plan will be the day the first business day after Confirmation Order becomes a Final Order (which will be the first business day following fourteen days after the Confirmation Date if no appeal is filed) or such other date as the Court may set.

B. Payment of Claims.

The Plan provides that payments will begin on the Effective Date.

C. *Pro Rata* Payments.

Where distributions are made to a class and if there are insufficient funds to pay all Allowed Amounts of Claims of such class, the Debtor shall make distributions *pro rata* based upon the Allowed Amounts of the Claims. If a payment to a Creditor must be paid *pro rata*, that

means that each Creditor is to receive a payment in the proportion that its Claim bears to the total amount of all Claims in its class.

D. Modification of the Plan**.**

Section 1127(a) of the Bankruptcy Code permits the Debtor to amend or modify the Plan at any time prior to Confirmation. Post-Confirmation modifications of the Plan are allowed under § 1127(b) of the Bankruptcy Code, 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 Debtor reserves the right to amend or modify the Plan at any time at which such modification is permitted under the Bankruptcy Code.

In the event that the Debtor proposes to modify the Plan prior to the Confirmation hearing, further disclosure pertaining to the proposed modification will be required only if the Bankruptcy Court finds, after a hearing, that the pre-Confirmation modification adversely changes the treatment of any Creditor or Interest Holder who has previously accepted the Plan. If a proposed pre-Confirmation modification is material and adverse, the Debtor will amend this Disclosure Statement to describe the changes made in the Plan and the reasons for the proposed modification, and if a post-Confirmation modification is sought by the Debtor, it will file a motion to do so, and include such disclosures.

E. Retention of Jurisdiction.

As set forth in the Plan, the Bankruptcy Court will retain jurisdiction over substantially all matters arising in connection with the Chapter 11 Bankruptcy Case and the Plan.

X. FEDERAL INCOME TAX CONSEQUENCES.

The Debtor believes that all payments received by Creditors under the Plan will be taxed as ordinary income to the receiving Creditor. Depending upon a Creditor's individual tax situation, a Creditor may be able to classify any unpaid Claim as a deductible bad debt expense. The Plan is not expected to have any adverse tax consequences upon the Debtor.

The Debtor is unaware of any adverse tax consequences of the Plan; however, each Creditor is strongly advised to consult its own tax advisor with respect to its treatment under the Plan.

XI. CONCLUSION.

The Debtor believes that its reorganization pursuant to the Plan will provide an opportunity for Creditors to receive more than would be received by liquidation of its assets under Chapter 7 of the Bankruptcy Code. Accordingly, the Debtor urges you to vote in favor of the Plan.

DATED this 24th day of July, 2017.

PLAN PROPONENT:

TLA HOLDING, LLC,
DEBTOR IN POSSESSION

By: /s/ David Rumgay
David Rumgay, Manager

DRAFTED AND APPROVED:

/ s / Frank B. Lyon

FRANK B. LYON
State Bar No. 12739800
LAW OFFICES OF FRANK B. LYON
3508 Far West Blvd., Ste. 170
Austin, Texas 78731
512-345-8964 / 512-697-0047 (fax)

ATTORNEY FOR DEBTOR

CERTIFICATE OF SERVICE

I, Frank B. Lyon, counsel for the Debtor in Possession, hereby certify that a true and correct copy of the foregoing Disclosure Statement, with all attachments, was forwarded by the methods indicated, to each of the persons shown below, on July 24, 2017.

Deborah Bynum
Office of the U.S. Trustee
903 San Jacinto Blvd. #230
Austin, TX 78701-2450
ECF Notification

By ECF notification only:

Kay Brock
Assistant Travis County Attorney
Kay.Brock@traviscountytx.gov

Counsel for Independent Bank
Jones, Allen & Fuquay, LLP
Laura Worsham, Esq.
8828 Greenville Avenue
Dallas, TX 75243
Email: lworsham@jonesallen.com
ECF Notification

/ s / Frank B. Lyon
Frank B. Lyon

Counsel for Bee County
Linebarger Goggan Blair & Sampson
Diane W. Sanders
PO Box 17428
Austin, TX 78760
Via email: austin.bankruptcy@publicans.com

Counsel for Atascosa County
Linebarger Goggan Clair & Sampson, LLC
Don Stecker
711 Navarro St., #300
San Antonio, TX 78205
Via email:
sanantonio.bankruptcy@publicans.com

EXHIBITS TO DISCLOSURE STATEMENT

Exhibit "1": Projections for the Five-Year Term of the Plan