

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

IN RE :	§	
	§	Chapter 11
COWBOYS FAR WEST, LTD.	§	
	§	Case No. 16-51419
Debtor.	§	
	§	

**FIRST AMENDED DISCLOSURE STATEMENT FOR BUSINESS PROPERTY
LENDING, INC.'S FIRST AMENDED PLAN OF LIQUIDATION
FOR COWBOYS FAR WEST, LTD.**

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS AND INTEREST HOLDERS OF THE DEBTOR ENTITLED TO VOTE ON BUSINESS PROPERTY LENDING, INC.'S PLAN OF LIQUIDATION FOR THE DEBTOR, HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO VOTE TO ACCEPT OR REJECT THE PLAN. THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE CONCERNING THE PLAN. ALL CREDITORS AND INTEREST HOLDERS ARE URGED TO READ THE ENTIRE DISCLOSURE STATEMENT AND PLAN WITH CARE.

ON DECEMBER 19, 2016, THE BANKRUPTCY COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE. SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN HEREIN DESCRIBED IS BEING SOUGHT FROM CREDITORS AND INTEREST HOLDERS WHOSE CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR ARE IMPAIRED UNDER THE PLAN. CREDITORS AND INTEREST HOLDERS ENTITLED TO VOTE ON THE PLAN ARE URGED TO VOTE IN FAVOR OF THE PLAN AND TO RETURN THE COMPLETED BALLOT INCLUDED WITH THIS DISCLOSURE STATEMENT IN THE ACCOMPANYING ENVELOPE ADDRESSED TO PORTER HEDGES LLP, ATTENTION: BRANDON TITTLE, 1000 MAIN STREET, 36th FLOOR, HOUSTON, TEXAS 77002, NOT LATER THAN JANUARY 25, 2017.

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**ATTORNEYS FOR BUSINESS
PROPERTY LENDING, INC.**

ARTICLE I
INTRODUCTION

1.1 General Information Concerning Disclosure Statement and Plan.

Business Property Lending, Inc. ("BPL" or "Plan Proponent"), a wholly owned subsidiary of EverBank Financial Corporation ("EverBank") and a secured creditor of Cowboys Far West, Ltd. (the "Debtor"), has filed a Plan of Liquidation for Cowboys Far West, Ltd., dated October 25, 2016, and the First Amended Plan of Liquidation dated of even date herewith (the "Plan"), with the United States Bankruptcy Court for the Western District of Texas (the "Bankruptcy Court"). This Disclosure Statement for BPL's Plan of Liquidation for Cowboys Far West, Ltd. (the "Disclosure Statement") is being submitted for the approval of the Bankruptcy Court for use in connection with the Plan filed by BPL pursuant to section 1125 of title 11 of the United States Code (the "Bankruptcy Code"). Capitalized terms used but not defined in this Disclosure Statement shall have the meanings assigned to them in the Plan or in the Bankruptcy Code and Bankruptcy Rules.

BPL submits this Disclosure Statement, as may be amended from time to time, under section 1125 of the Bankruptcy Code and Rule 3016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") to all of the Debtor's known Creditors and Interest Holders entitled to vote on the Plan. The purpose of this Disclosure Statement is to provide adequate information to enable Creditors and Interest Holders who are entitled to vote on the Plan to arrive at a reasonably informed decision in exercising their respective right to vote on the Plan. A copy of the Plan is included with this Disclosure Statement.

This Disclosure Statement is not intended to replace a careful review and analysis of the Plan, including the specific treatment of Claims and Equity Interests under the Plan. It is submitted as an aid and supplement to your review of the Plan and to explain the terms of the Plan. Every effort has been made to fairly summarize the Plan and to inform Creditors and Interest Holders how various aspects of the Plan affect their respective positions. You are encouraged to consult with your own counsel. Counsel for BPL is available to answer any questions that your counsel may have regarding the Plan and this Disclosure Statement.

1.2 Summary of the Plan

1.2.1 Sale of the Debtor's Assets

The purpose of the Plan is to close the Debtor's business on the Effective Date, to sell all of the Debtor's assets (or in the case of causes of action, to liquidate those causes of action through a judgment or settlement), and to distribute proceeds to Creditors. The Debtor's primary assets include:

(1) the land, building, and improvements thereon located at 3030 NE Loop 410, San Antonio, Bexar County, Texas 78218, as further identified in the BPL Deed of Trust (the "Real Property");

- (2) the Debtor's inventory and supplies, including liquor and beer;¹
- (3) the Debtor's office furniture and fixtures;
- (4) the Debtor's office equipment, including all computer equipment, lighting equipment and sound equipment;
- (5) all vehicles owned by the Debtor; and
- (6) all other assets of the Debtor, including, but not limited to causes of action for pre-petition fraudulent transfers and preferences (collectively, the "Property").

The assets are further described in the Debtor's schedules, located at docket number 23.

The Debtor's most valuable asset is the valuable Real Property in San Antonio, Texas, which will be sold by the Plan Administrator within 120 days from the Effective Date. Hilco Real Estate Real Estate Auctions, LLC ("Hilco"), a market leader in selling property from bankruptcy estates, has informed BPL that it could sell the real property for its current market value in a 60-90 day time period, so the 120 day period should be more than sufficient to complete this process. Any Property that is subject to a lien will be sold subject to the rights of the lienholder, and that lienholder will be consulted about the proposed Sale process.

1.2.2 Appointment of the Plan Administrator

The Plan provides for the appointment of a Plan Administrator selected by BPL to, among other things: (1) sell the Property, and if necessary, engage a competent professional to assist with such sale, (2) administer and distribute the Sale Proceeds for the benefit of holders of Allowed Claims, and (3) if necessary, hire counsel to pursue all claim objections, claims, rights, and causes of action, including those arising under sections 510 and 544 through 550 of the Bankruptcy Code or any similar provisions of state law, including but not limited to fraudulent transfer and preference actions, on behalf of the Creditors. The Debtor's bankruptcy estate holds potential fraudulent transfer and preference claims related to an alleged pre-petition restructuring transaction pursuant to which the Debtor incurred substantial obligations and appears to have received little to no benefit. Upon the Closing Date of the Sale, the Debtor will be dissolved.

BPL is currently in discussions with Hilco and several potential plan administrators to work jointly with Hilco. Hilco is experienced in marketing and selling various types of assets, including real property. BPL has received a joint proposal from Hilco and its proposed administrator and is currently analyzing that proposal and soliciting proposals from others. The Hilco proposal is attached hereto as **Exhibit 1**. BPL will select the Plan Administrator as soon as possible and prior to the Confirmation Hearing.

1.2.3 Distributions to Creditors

The Debtor admits that liquidation of the Debtor's assets—which is what the BPL Plan

¹ As set forth in the Plan, the disposal and/or sale of any liquor, beer, or other alcohol must be conducted in accordance with state law.

will accomplish—will result in full payment to creditors. In April 2016, BPL retained a qualified appraisal professional, Integra Realty Resources (“IRR”), to value the Real Property. According to IRR’s appraisal, the Real Property had a market value of \$5,780,000 on April 25, 2016. In August 2015, the Debtor retained Valbridge Property Advisors (“Valbridge”) to value the Real Property. According to Valbridge’s appraisal, the Real Property had a market value of \$8,840,000 as of July 2016. On December 12, 2016, BPL received an unsolicited offer from Westdale Properties America I, Ltd. to purchase the Real Property for \$6,500,000.00 (the “Westdale Offer”). The Westdale Offer is attached hereto as **Exhibit 2**. These appraisals and the Westdale Offer indicate that the Sale of the Real Property, alone, may generate sufficient Proceeds to satisfy Allowed Claims. The amount of Allowed Claims, which is net of improper Insider claims, is expected to be approximately \$6,691,687.

Absent confirmation of the Plan, Creditors must rely on the Debtor to somehow pay their claims. The Debtor’s Monthly Operating Reports, deposition testimony from the Debtor’s principal, J. Michael Murphy, and statements of the Debtor’s counsel in court hearings all confirm that the Debtor does not have the ability to pay creditors from its operations. *See, e.g., Exhibit 3*, Deposition of Michael Murphy at 74:11-22. However, the value of the Debtor’s assets may exceed the amount of non-insider claims. Accordingly, BPL believes that its Plan provides for the maximum recovery available for all Classes of Claims and Equity Interests.

1.3 The Debtor’s Plan

On November 30, 2016, the Debtor filed its Plan of Reorganization (the “Debtor Plan”). [Doc. No. 76]. The Debtor Plan proposes that the Debtor will continue to operate and will pay Creditors over time, while simultaneously paying for the business’s ongoing operations. BPL is still analyzing the Debtor Plan, but at the outset it appears to have several fundamental defects, most notably:

(1) The Debtor’s Plan is not feasible because it hinges on the unsupported and highly tenuous conclusion that the Debtor’s operations will generate sufficient excess cash to enable it to satisfy Creditors’ Claims and still maintain operations;²

(2) The Debtor’s liquidation analysis admits that Creditors would be paid in full in a liquidation, in which case the Debtor’s proposal to make highly uncertain payments over five years (or more) is not appropriate under the best interests of creditors’ test in Bankruptcy Code section 1129(a)(7).

In contrast, BPL’s Plan contemplates that Allowed Claims will be paid no later than 120 days after the Effective Date, and the Debtor concedes that liquidation will result in full payment to Creditors. Creditor treatment under the two plans is compared in the below chart:

Creditor Class	Summary of Proposed Treatment Under BPL Plan	Summary of Proposed Treatment Under Debtor Plan
Priority Claims	Holders of Priority Claims shall	The ad valorem tax debt owed by the

² In fact, the Debtor Plan projects substantial increases in earnings with no basis to support such projections.

	receive payment in full, in cash, from the Plan Administrator on the Closing Date, which shall be no later than 120 days after the Effective Date.	Debtor to Bexar County will be paid in full over 60 months with 12% interest. No other priority claims addressed.
BPL's First Lien Secured Claim	BPL shall be paid through the Sale Proceeds of its collateral as soon as practicable after the Closing Date, which shall be no later than 120 days after the Effective Date.	The Debtor shall pay BPL as required under the note, but the interest payable under the note shall be reduced from 8.74% to 3.5% per annum. BPL shall not be permitted to declare its note balance due or collect post-petition arrearage for 3 years from Effective Date.
PSB's Second Lien Secured Claim	PSB shall be paid through Sale Proceeds of its collateral after all senior claims have been paid and as soon as practicable after upon the Closing Date, which shall be no later than 120 days after the Effective Date.	The Debtor shall pay PSB as required under the contract, but interest payable under the contract shall be reduced to 3.5% per annum. PSB shall not be permitted to declare the entire debt due or collect post-petition arrearage for 3 years from Effective Date.
Other Secured Creditor Claims	Other Secured Creditors will receive the Sale Proceeds of their collateral after senior claims, if any, have been paid as soon as practicable after Upon the Closing Date.	Ford Motor Credit shall be paid at its contract rate. No other Secured Creditor Claims addressed.
General Unsecured Claims	Unsecured Creditors shall receive a pro-rata distribution of the Sale Proceeds after all senior claims have been paid, as soon as practicable after the Closing Date. Based on the Debtor's admissions, these claims should be paid in full.	Allowed Claims of Unsecured Creditors shall be paid pro rata over a period of 60 months with 3% interest per annum.
Allowed Interests in the Debtor	Holders of Interests in the Debtor shall receive a pro-rata distribution of the Sale Proceeds after all classified and unclassified claims have been paid, and thereafter, their Interest shall be extinguished.	Holders of Interest in the Debtor shall retain their Interest in full.
Willis & Wilkins, LLP, and the U.S. Trustee	Allowed Administrative Claims are paid on the Effective Date or whenever they become Allowed Claims after the applicable bar date. Allowed professional fee claims will be paid after Bankruptcy Court approval.	Willis and Wilkins shall be paid in full from its retainer upon court's approval of the fee.

As demonstrated by the above chart, the Debtor's Plan seeks to pay claims over time, seeks to impair secured claims by reducing their bargained-for interest rate, and pays unsecured claims a pro rata share over 5 years at 3% interest. In addition, there are substantial risks associated with both obtaining Bankruptcy Court approval of the Debtor Plan and in the Debtor actually being able to perform under its Plan.

In contrast, BPL's Plan will pay creditors not later than 120 days after the Effective Date. Creditors are likely to be paid in full based on the appraisals of the Real Property and the Debtor's own admissions.³ The BPL Plan is simple, confirmable by the Bankruptcy Court, and leads to a better and more certain result for creditors.

1.4 The Debtor's Objection

On December 2, 2016, the Debtor filed its Objection to BPL's Disclosure Statement (the "Objection"), which asserts three criticisms of BPL's Disclosure Statement [Doc. No. 77].

First, the Objection argues that BPL's Disclosure Statement "has a lack of detail and specificity regarding how the plan would be implemented" or "how the auction would be conducted." *Id.* at 1-2. In connection with this criticism, the Debtor argues that "it would be virtually impossible to sell the property within sixty (60) day [sic]."

Second, the Objection argues that counsel for Ford Motor Credit has indicated that he opposes the Sale of its collateral without regard to its rights in said collateral.⁴ *Id.* at 1-2.

Third, the Objection argues that there is insufficient detail on how the Plan Administrator will be paid. *Id.* at 1-2.

1.5 BPL's Response to the Debtor's Objection

Each of the Debtor's criticisms of the Disclosure Statement is baseless and has been resolved by the amendments set forth herein. The Debtor's criticism regarding the Plan's alleged "lack of detail" is no longer appropriate because, as explained herein, the Plan Administrator will engage a competent professional to assist in the process of selling the Property if necessary. In fact, BPL has already been in communications with Hilco, which informed BPL that it is capable of selling the Property for market value in 60-90 days. Thus, the 120 day allotment for Closing provides sufficient time for the Sale.

The Debtor's second criticism of the Disclosure Statement—that Ford Motor Credit opposes the Sale of its collateral without regard to its rights in said collateral—is addressed with the clarification set forth herein that any Property that is subject to a lien will be sold subject to the rights of the lienholder and that lienholder will be consulted about the proposed Sale process.

Finally, the criticism that the Disclosure Statement fails to explain how the Plan Administrator will be paid is meritless because this issue is addressed in Section 7.8 of the

³ BPL does not and cannot guarantee any particular recovery to Creditors under the Plan.

⁴ Despite this allegation, Ford Motor Credit did not file an objection to the Disclosure Statement.

Disclosure Statement. As explained herein, the Plan Administrator will be compensated at its ordinary hourly rate out of the Excess Sale Proceeds, and BPL will advance funds as necessary to pay the Plan Administrator prior to Closing. Thus, the Debtor's Objection fails to demonstrate any inadequacies in the Disclosure Statement to preclude its approval.

1.6 Disclaimers.

NO SOLICITATION OF VOTES HAS BEEN OR MAY BE MADE EXCEPT PURSUANT TO THIS DISCLOSURE STATEMENT AND § 1125 OF THE BANKRUPTCY CODE. NO PERSON HAS BEEN AUTHORIZED TO USE ANY INFORMATION CONCERNING THE DEBTOR TO SOLICIT ACCEPTANCES OR REJECTIONS OF THE PLAN OTHER THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. CREDITORS AND INTEREST HOLDERS SHOULD NOT RELY ON ANY INFORMATION RELATING TO THE DEBTOR OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT, ANY ATTACHMENTS THERETO AND THE PLAN.

UNLESS ANOTHER TIME IS SPECIFIED, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT. NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE CONCERNING THE DISCLOSURE STATEMENT AND THE PLAN SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE OF THE DISCLOSURE STATEMENT AND THE MATERIALS RELIED UPON IN PREPARATION OF THE DISCLOSURE STATEMENT WERE COMPILED.

THE INFORMATION PROVIDED HEREIN WAS OBTAINED FROM A VARIETY OF SOURCES, INCLUDING THE DEBTOR'S COURT FILINGS AND IS BELIEVED TO BE RELIABLE. HOWEVER, BPL HAS NOT BEEN ABLE TO INDEPENDENTLY VERIFY EACH AND EVERY STATEMENT CONTAINED HEREIN. ACCORDINGLY, BPL AND ITS PROFESSIONALS CANNOT MAKE ANY REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

IT IS POSSIBLE THAT THE TRANSACTIONS CONTEMPLATED UNDER THE PLAN COULD HAVE NEGATIVE TAX AND OTHER ECONOMIC CONSEQUENCES. BPL MAKES NO REPRESENTATIONS REGARDING THE TAX IMPLICATIONS OF ANY TRANSACTION CONTEMPLATED UNDER THE PLAN. IT IS NOT UNCOMMON FOR PARTIES TO RETAIN THEIR OWN TAX ADVISORS TO ANALYZE THE PLAN. BPL ENCOURAGES ALL PERSONS THAT MIGHT BE AFFECTED TO SEEK INDEPENDENT ADVICE REGARDING THE TAX EFFECTS OF THE PLAN.

DISTRIBUTION OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS ANY REPRESENTATION OR WARRANTY AT ALL, EITHER EXPRESS OR IMPLIED, BY BPL OR ITS PROFESSIONALS THAT THE PLAN IS

FREE FROM RISK, THAT THE ACCEPTANCE OF THE PLAN WILL RESULT IN A RISK-FREE LIQUIDATION OF THE DEBTOR'S ASSETS OR THAT ALL POTENTIAL ADVERSE EVENTS HAVE BEEN ANTICIPATED.

THE APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY OR THE COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT AND THE PLAN SHOULD BE READ IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN. FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND EQUITY INTERESTS, THE TERMS OF THE PLAN ARE SUMMARIZED IN THIS DISCLOSURE STATEMENT, BUT ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN, WHICH CONTROLS IN CASE OF ANY INCONSISTENCY.

1.7 Answers to Commonly Asked Questions.

As part of the BPL's efforts to inform Creditors and Interest Holders regarding the Plan and the Plan confirmation process, the following summary provides answers to questions which parties who receive a disclosure statement often ask.

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH CONTROLS IN CASE OF ANY INCONSISTENCY.

1.7.1 Who is the Debtor?

The Debtor, Cowboys Far West, Ltd., is a limited partnership duly organized and existing under the laws of the State of Texas, having an office and principal place of business at 3030 NE Loop 410, San Antonio, Bexar County, Texas 78212.

1.7.2 Who is BPL and why is BPL filing the Plan?

BPL is the holder of an Allowed Secured Claim in the Debtor's bankruptcy case. BPL is the current holder of a promissory note in the face amount of \$5,000,000, payment of which is secured by a first priority lien on the Debtor's real property, improvements and fixtures. BPL is filing the Plan because it believes that sale of the Debtor's assets and payment of the Sale Proceeds to Creditors represents the best recovery available under the circumstances. The Debtor's business prospects, and its ability to generate revenues sufficient to pay its creditors, is highly questionable. The Debtor's business currently is suffering and the sale of the Debtor's assets should yield enough value to pay most, if not all, non-insider claims in full.

1.7.3 What is a Chapter 11 bankruptcy?

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code that allows financially distressed businesses to reorganize their debts or to liquidate their assets in a controlled fashion. BPL is proposing to liquidate all of the Debtor's assets. The commencement

of a Chapter 11 case creates an “estate” containing all of the legal and equitable interests of the debtor in property as of the date the bankruptcy case is filed. During a Chapter 11 bankruptcy case, the debtor remains in possession of its assets unless the Court orders the appointment of a trustee which did not occur in this case.

1.7.4 If the Plan governs how my Claim or Interest is treated, what is the purpose of this Disclosure Statement?

The Bankruptcy Code requires that in order to solicit votes on a bankruptcy plan, the proponent of the plan must first prepare a disclosure statement that provides sufficient information to allow creditors and interest holders to make an informed decision about the plan. The disclosure statement and plan are distributed to creditors and interest holders only after the Bankruptcy Court has approved the disclosure statement and determined that the disclosure statement contains information adequate to allow creditors and interest holders to make an informed judgment about the plan. At that time, creditors and interest holders whose claims and interests are impaired under the Plan also receive a voting ballot and other materials.

1.7.5 Has this Disclosure Statement been approved by the Bankruptcy Court?

On December 19, 2016, the Bankruptcy Court approved this Disclosure Statement as containing adequate information. “Adequate information” means information of a kind, and in sufficient detail, as far as is practicable considering the nature and history of the Debtor, to enable a hypothetical investor typical of holders of claims or interests of the relevant classes to make an informed judgment whether to vote to accept or reject the Plan. The Bankruptcy Court’s approval of this Disclosure Statement does not constitute an endorsement of any of the representations contained in either the Disclosure Statement or the Plan. Final approval of the disclosure statement will be considered at the confirmation hearing.

1.7.6 How do I determine how my Claim or Interest is classified?

To determine the classification of your Claim or Interest, you must determine the nature of your Claim or Interest. Under the Plan, Claims and Interests are classified into a series of classes. The pertinent articles and sections of the Disclosure Statement and Plan disclose, among other things, the treatment that each class of Claims or Interests will receive if the Plan is confirmed.

1.7.7 Why is confirmation of the Plan important?

The Bankruptcy Court’s confirmation of the Plan is a condition to the Plan Administrator carrying out the treatment of Creditors and Interest Holders under the Plan. Unless the Plan is confirmed, and any other conditions to confirmation or to the effectiveness of the Plan are satisfied, the Debtor is legally prohibited from satisfying Claims or Interests as provided in the Plan. Put more simply, confirmation of a plan in Chapter 11 is required before the Plan Administrator can begin making payments to pre-petition Creditors.

1.7.8 What is necessary to confirm the Plan?

Under applicable provisions of the Bankruptcy Code, confirmation of the Plan requires that, among other things, at least one class of impaired Claims or Interests vote to accept the Plan. Acceptance by a class of claims or interests means that at least two-thirds in the total dollar amount and more than one-half in number of the allowed Claims or Interests actually voting in the class vote in favor of the Plan. Because only those claims or interests who vote on a plan will be counted for purposes of determining acceptance or rejection of a plan by an impaired class, a plan can be approved with the affirmative vote of members of an impaired class who own less than two-thirds in amount and one-half in number of the claims/interests. Besides acceptance of the Plan by a class of impaired creditors or interests, a bankruptcy court also must find that the Plan meets a number of statutory tests before it may confirm the Plan. These requirements and statutory tests generally are designed to protect the interests of holders of impaired claims or interests who do not vote to accept the Plan but who will nonetheless be bound by the Plan's provisions if the bankruptcy court confirms the Plan.

If one or more classes vote to reject the Plan, BPL may still request that the Bankruptcy Court confirm the Plan under § 1129(b) of the Bankruptcy Code. To confirm a plan not accepted by all classes, the plan proponent must demonstrate that the plan does not discriminate unfairly, and is fair and equitable with respect to each class of claims or interests that is impaired under, and that has not accepted, the plan. This method of confirming a plan is commonly called a "cramdown." In addition to the statutory requirements imposed by the Bankruptcy Code, the plan itself also provides for certain conditions that must be satisfied as conditions to confirmation.

1.7.9 Is there a Committee in this case?

No. An official committee of unsecured creditors was not appointed in this case.

1.7.10 When is the deadline for returning my ballot?

The Bankruptcy Court has directed that, to be counted for voting purposes, your ballot must be received by the BPL's counsel by January 25, 2017.

IT IS IMPORTANT THAT ALL IMPAIRED CREDITORS AND INTEREST HOLDERS VOTE ON THE PLAN. BPL BELIEVES THAT THE PLAN PROVIDES THE BEST POSSIBLE RECOVERY TO CREDITORS AND INTEREST HOLDERS. BPL THEREFORE BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND INTEREST HOLDERS AND RECOMMEND THAT ALL IMPAIRED CREDITORS AND INTEREST HOLDERS VOTE TO ACCEPT THE PLAN.

**ARTICLE II
OVERVIEW OF THE PLAN**

An overview of the Plan is set forth below. This overview is qualified in its entirety by reference to the Plan. If the Bankruptcy Court confirms the Plan and, in the absence of any applicable stay, all other conditions set forth in the Plan are satisfied, the Plan will take effect on the Effective Date.

The primary feature of the Plan is the Sale of the Property and the payment of Sale Proceeds to Creditors. The Plan Administrator will sell the Property and in its discretion may conduct an auction for the sale of the Property and may hire a qualified professional or an auctioneer for such purpose. The Plan Administrator shall have one hundred twenty (120) days after the Plan's Effective Date for the Closing Date to occur. Any Property that is subject to a lien will be sold subject to the rights of the lienholder, and that lienholder will be consulted about the proposed Sale process. The Sale Proceeds will be utilized to fund distributions under the Plan as set forth herein.

ARTICLE III **THE DEBTOR**

3.1 The Debtor's Pre-Petition Business and the Events Leading to Bankruptcy.

3.1.1 The Debtor's Pre-Petition Business. The Debtor owned and operated the popular country music venue, dancehall and bar known as Cowboys Dancehall ("Cowboys"). Cowboys, a honkytonk, once sat among the most lucrative Bexar County establishments for beer, wine and cocktail sales—ranking 11th out of roughly 980 bars, restaurants and concert halls in alcohol sales in 2015, according to media reports.

3.1.2 Events Leading to Bankruptcy. On December 21, 2007, the Debtor executed a promissory note in favor of General Electric Capital Corporation ("GE") in the original principal amount of \$5,000,000.00 (the "Note"). Among other things, the Deed of Trust conveyed to GE in trust, with power of sale, the land, building, and improvements thereon located at 3030 NE Loop 410, San Antonio, Bexar County, Texas 78218. On or about October 24, 2014, the Note, the Deed of Trust, and all documents executed in connection therewith (the "Loan Documents") were assigned to BPL.

Shortly after the Debtor assigned the Loan Documents to BPL, the Debtor began to struggle financially. According to media reports, the opening of other popular establishments caused the Debtor to lose market share, which in turn caused falling annual alcohol sales and lower customer attendance. The decrease in annual sales apparently caused BPL to suffer a liquidity shortfall in early 2016. The shortage of cash left the Debtor unable to pay its 2015 ad valorem taxes.

Additionally, over the past several years the Debtor has incurred a number of violations of the Texas Alcoholic Beverage Code. These violations are set forth in a Waiver Order from the Texas Alcoholic Beverage Commission dated June 20, 2016 and include, but are not limited to, instances of serving intoxicated persons, breaches of the peace, serving alcohol to minors, serving alcohol after hours and employees under the influence of drugs and alcohol. The Texas Alcoholic Beverage Commission made formal findings that the Debtor committed certain violations and imposed a \$10,500 fine against the Debtor.

Among other things, the violations of the Texas Alcoholic Beverage Code and the Debtor's failure to pay ad valorem taxes constituted defaults under the Loan Documents.

In response to the Debtor's defaults under the Loan Documents, on March 15, 2016, BPL sent the Debtor a Notice of Default, Demand for Cure, and Notice of Intention to Accelerate Unpaid Principal Balance pursuant to the Loan Documents (the "Notice of Default Letter"). The Debtor failed to cure its default in response to the Notice of Default Letter.

On April 14, 2016, BPL served a Notice of Acceleration of the Note (the "Acceleration Letter"). Based on the pending and uncured defaults, the Acceleration Letter declared the entire unpaid principal balance of the Note due and owing as of the date of the Letter. Thus, as of April 14, 2016, the Note had been validly accelerated.

On June 13, 2016, BPL notified the Debtor of a foreclosure to be conducted on Tuesday, July 5, 2016.

On June 24, 2016 (the "Petition Date"), the Debtor filed its Chapter 11 petition in this Court.

3.1.3 The Debtor's Assets. On the Petition Date, the Debtor's most valuable assets consisted of the land, building, and improvements that comprised Cowboys. On July 11, 2016, the Debtor filed with the Bankruptcy Court the Schedules of Assets and Liabilities and Statements of Financial Affairs (as amended, the "Schedules"). The Schedules and all amendments are attached hereto as **Schedule 1**. The Debtor estimated in the Schedules that the value of its real property is \$10 million. The Debtor subsequently commissioned an appraisal that concluded the value was approximately \$8.84 million. The Debtor has further estimated that its lighting and sound systems are worth approximately \$1 million, among other assets.

The Schedules contain a detailed listing of the Debtor's assets and the amounts owed to Creditors based on the Debtor's books and records. In connection with this Disclosure Statement, Creditors and Interest Holders are referred to the Schedules.

3.1.4 Liabilities and Claims against the Debtor. The Schedules contain a detailed listing of Creditors, together with the estimated amount of Claims. Creditors and Interest Holders are referred to the Debtor's Schedules.

3.1.5 Secured Claims. The Debtor's first lien secured creditor, BPL, is owed approximately \$4,292,481.63 million as of the Petition Date. This amount includes principal and accrued interest, including default interest, under the Loan Documents, along with the reasonable amount of attorneys' fees and costs incurred by BPL. BPL is entitled to payment of its prepetition claim, as set forth in the proof of claim, in addition to post-petition accrued but unpaid default interest, and attorneys' fees and costs, pursuant to Bankruptcy Code section 506(b).

PSB Credit Services, Inc. ("PSB") is owed approximately \$2.06 million and asserts a second lien on the Debtor's real property and improvements.

3.1.6 Priority Claims. A number of priority claims were scheduled. These claims are either wages owed to former employees or taxes owed to governmental units.

3.1.7 General Unsecured Claims. Based on the schedules, the Debtor owes unsecured creditors, in the aggregate, approximately \$3.7 million. This number may not include all tort claims, unliquidated claims or claims for rejection damages.

3.1.8 Potential Causes of Action. Pre-petition, the Debtor engaged in a complex transaction with certain Insiders of the Debtor (the “Far West Transaction”). The Far West Transaction resulted in the Debtor incurring substantial debts while transferring away valuable assets. The purpose of the Far West Transaction was to remove Far West Realty, LP as the Debtor’s limited partner and to replace that entity with one or more entities affiliated with the Debtor’s general partner and Michael J. Murphy. In particular, the documents reviewed by BPL thus far indicate that the Debtor agreed to incur a series of obligations and make certain transfers to settle “allegations related to management and operation of [the Debtor] and CCHA [Cowboys Concert Hall Arlington]”. Under the Far West Transaction, the Debtor:

- a. agreed to release a \$3,000,000 note payable to the Debtor related to certain valuable real property in Houston, Texas;
- b. agreed to pay a \$3,000,000 note payable to Far West Realty, LP, one of the Debtor’s current limited partners;
- c. agreed to pay a \$500,000 note to Mr. Trevino (one of the principals of Far West Realty, LP, the Debtor’s limited partner);
- d. agreed to transfer certain Houston, Texas real property from the Debtor to Far West Realty, LP;
- e. even though the Debtor will not own the Houston real property, the Debtor agreed to make the payments on a \$300,000 note payable to Ciera Bank and secured by the Houston property; and
- f. agreed to pay the fees and costs of all parties to the transaction. The Debtor has begun making payments on the \$500,000 note referenced above and scheduled that note in its Schedules.

Mr. Murphy has testified that the value the Debtor received, or is to receive, for these transfers is a streamlined ownership structure. This alleged value appears to be woefully insufficient, and accordingly, the Debtor’s estate has substantial claims related to the foregoing transaction, including but limited to fraudulent transfer claims. In particular, it seems clear that the Debtor did not receive reasonably equivalent value for the substantial transfers, which were made when the Debtor was not paying its debts on time and may have been insolvent.

The Debtor claims the foregoing Far West Transaction has not closed, but the Debtor has already made payments on the new obligations incurred and the promissory notes and deeds contain no reservation or indication that they are not presently effective.

THE RIGHT OF THE PLAN ADMINISTRATOR TO OBJECT TO ANY CLAIM FILED IN THIS CASE IS EXPRESSLY RESERVED. THE INCLUSION OF A CLAIM OR CLAIMS WITHIN THIS DISCLOSURE STATEMENT IS NOT AN ADMISSION REGARDING THE VALIDITY OR ALLOWANCE OF ANY CLAIM. YOU SHOULD NOT ASSUME THAT A VOTE FOR OR AGAINST THE PLAN WILL HAVE ANY AFFECT OF THE STATUS OF YOUR CLAIM. IF ANYONE SUGGESTS THAT THE STATUS OF YOUR CLAIM MAY BE AFFECTED BY YOUR VOTE, YOU SHOULD REPORT SUCH INCIDENT TO COUNSEL FOR BPL IMMEDIATELY AS ANY SUCH SUGGESTION MAY VIOLATE TITLE 18.

3.2 Significant Events during the Chapter 11 Case.

3.2.1 Retention of Professionals. The Debtor retained Willis & Wilkins, LLP as its bankruptcy counsel in this case on an hourly fees basis.

3.2.2 Claims Bar Date. In accordance with the requirements of section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Debtor filed its Schedules of its assets and liabilities, including schedules of all of its known creditors and the amounts and priorities of the Claims the Debtor believes are owed to such creditors. Pursuant to section 501 of the Bankruptcy Code any creditor or interest holder may file a Proof of Claim or Interest and, unless disputed, such filed Proof of Claim or Interest supersedes the amount and priority set forth in the Debtor's schedules. The Bankruptcy Court entered an order fixing October 24, 2016 as the last date for filing Proofs of Claim in the Debtor's case ("Bar Date").

3.2.3 Monthly Operating Reports.

(A) July and August 2016 Monthly Operating Reports

On October 21, 2016, the Debtor filed (late) its Monthly Operating Reports for July and August 2016. Among other things these reports show:

- An approximate 50% reduction in revenue from July 2016 to August 2016, resulting in a net loss of approximately \$105,000 for August 2016.
- The Debtor's business is declining and it is uncertain whether the business can recover. At the Debtor's reported level of revenues, the Debtor cannot service its first and second lien debt from the proceeds of operations. In fact, Debtor's counsel indicated at a hearing on October 24, 2016, that the Debtor's only way to make current payments is from limited reserves and from the proceeds of a returned tax payment—proceeds to which BPL is already entitled because BPL paid the Debtor's 2015 property taxes on the Debtor's behalf. Mr. Murphy has further testified that the Debtor has not reserved any funds to pay BPL.

(B) September 2016 Monthly Operating Reports

On November 28, 2016 the Debtor filed its Monthly Operating Report for October 2016. [Doc. No. 74]. Among other things, this report shows:

- Flaws and/or inconsistencies that raise questions about the Debtor's Operating Reports in general and management's ability to accurately report required data. Specifically, MOR-6 shows August income was (\$105,952.86), while MOR-3 shows August income was \$7,545.62;
- Certain entries in the October Report do not align when they should. For example, the total receipts and disbursements recorded for October 2016 on MOR-7 are \$675,704.00 and \$613,974.65, respectively. [See MOR-7]. However, on MOR-8, receipts and disbursements for the same month are recorded as \$820,817.17 and \$755,408.35, respectively. [See MOR-8]—the form itself states these numbers should match;
- That the Debtor is not paying post-petition liabilities within their terms;
- That the Debtor appears to have obtained a post-petition loan from Red River Beverage, Inc., an insider (the "Red River Loan"). [See MOR-4]. It is unclear from the October Report whether Court approval was required for the Debtor to obtain the Red River Loan. Either way, the Debtor's acquisition of the Red River Loan suggests that it required the loaned funds to keep operating and undermines the Debtor's position that it can maintain operations while paying pre-petition claims;
- Payment of \$6,431 for travel and entertainment [MOR 7];
- A check to the San Antonio Men's Club for \$1,000 [Doc. 74 at 30]; and
- A check made out to cash for \$20,000 [Doc. 74 at 32].

3.2.4 The Debtor's Exclusivity Period. The Debtor's exclusive right pursuant to file a plan of reorganization expired on October 24, 2016. No plan was filed during the exclusivity period.

3.2.5 The Debtor's Failed Adversary Proceeding against BPL and Everbank. On July 22, 2016, the Debtor filed an adversary complaint against BPL and Everbank, alleging among other things, that BPL improperly accelerated the Promissory Note and improperly posted the Debtor's property for foreclosure. *See* Adv. Proc. 16-05061-rbk (Bankr. W.D. Tex.).

On September 19, 2016, the Bankruptcy Court entered an order granting BPL's motion for summary judgment on all of the Debtor's claims, thereby dismissing the adversary proceeding. That order is currently on appeal.

ARTICLE IV

CLASSIFICATION OF CLAIMS AND INTERESTS UNDER THE PLAN

Classification of claims is governed, in part, by sections 1122 and 1123(a) of the Bankruptcy Code. Section 1123(a) requires that a plan designate classes of claims, requires that

the plan specify the treatment of any impaired class of claims, and requires that the plan provide the same treatment for each claim of a particular class, unless the holder of a claim receiving less favorable treatment consents to such treatment. 11 U.S.C. § 1123(a)(1), (3) and (4). Section 1122(a) of the Bankruptcy Code provides, subject to an exception for administrative convenience, that “a plan may place a claim or interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.”

4.1 Administrative Claims and Priority Tax Claims. In accordance with § 1123(a)(1) of the Bankruptcy Code, certain Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in this Article II of the Plan. These unclassified Claims are treated as follows.

4.1.1 Administrative Claims. Administrative Claims are the costs and expenses of administration of this Case, allowable under section 503(b) of the Bankruptcy Code, other than Bankruptcy Fees. Administrative Claims include Claims for the provision of goods and service to the Debtor after the Petition Date, the liabilities incurred in the ordinary course of the Debtor’s business (other than claims of governmental units for taxes or interest or penalties related to such taxes) after the Petition Date, Claims of professionals, such as attorneys, brokers, appraisers, and accountants, retained pursuant to an order of the Bankruptcy Court, for compensation and reimbursement of expenses under section 330 of the Bankruptcy Code, and tax claims for the period from the Petition Date to the Effective Date of the Plan.

Each Administrative Claim, to the extent not previously paid, shall be paid by the Plan Administrator in Cash in full on (i) the later of the Effective Date, the date payment of such Claim is due under the terms thereof or applicable law, or three (3) business days after such Claim becomes an Administrative Claim, or (ii) as may be otherwise mutually agreed in writing between the Plan Administrator and the holder of such Claim; *provided, however*, prior to the Effective Date, that any Administrative Claim incurred by the Debtor in the ordinary course of its business shall be paid in full in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Claim and any agreements relating thereto.

Article II of the Plan sets a final date for the filing of Administrative Claims against the Debtor. The Administrative Bar Date is the first Business Day that is at least 30 days after the Effective Date.

4.1.2 Bankruptcy Fees. All fees and charges assessed against the Debtor of its Estate under section 1930 of title 28 of the United States Code and any applicable interest thereon shall be paid by the Plan Administrator in Cash in full as required by statute, and until the closing, conversion or dismissal of this case, whichever is earlier. The Plan Administrator shall continue to be responsible for the payment of any such fees and charges.

4.1.3 Professional Fees. Section 330 of the Bankruptcy Code sets the standard for the determination by the Bankruptcy Court of the appropriateness of fees to be awarded to Professionals retained by the Debtor in a case under the Bankruptcy Code. In general, bankruptcy legal services are entitled to command the same competency of counsel as other cases. “In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under title 11 at the same rate as the attorney or other professional would be

compensated for performing comparable service other than in a case under title 11.” 124 Cong. Rec. H11091 (Daily ed. Sept. 28, 1978).

All Professionals shall file final applications for approval of compensation and reimbursement and necessary expenses pursuant to section 330 of the Bankruptcy Code no later than the Administrative Bar Date.

4.1.4 Priority Tax Claims. Except as may be otherwise mutually agreed in writing, all Allowed Claims of Governmental Units entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code, shall be paid in full and receive on account of such claim, Cash in the amount of such Allowed Claim by five days after the Closing Date.

4.2 Classified Claims Against and Interests in the Debtor.

4.2.1 Class 1 – Priority Claims. Class 1 consists of all Allowed Claims, other than Administrative Claims or Bankruptcy Fees, to the extent entitled to priority under section 507 of the Bankruptcy Code. Certain Claims for taxes and the payment of expenses incurred by the Debtor subsequent to the Petition Date are entitled to priority under section 507 of the Bankruptcy Code, and are treated elsewhere as non-classified Claims.

4.2.2 Class 2 – BPL’s First Lien Secured Claim. Class 2 consists of the BPL’s Secured Claim.

4.2.3 Class 3 – PSB’s Second Lien Secured Claim. Class 3 consists of PSB’s secured claim.

4.2.4 Class 4 – Other Secured Creditor Claims. Class 4 consists of the Allowed Other Secured Claims.

4.3.5 Class 5 – Unsecured Claims. Class 5 consists of all Unsecured Claims.

4.3.6 Class 6 – Allowed Interests. Class 6 consists of all Allowed Interests in the Debtor.

ARTICLE V

IMPAIRMENT OF CLASSES AND RESOLUTION OF CLAIM CONTROVERSIES

5.1 Unimpaired Classes. Holders of Claims that are in unimpaired Classes are deemed to have accepted the proposed Plan and are not entitled to vote on the Plan. The following Classes of Claims are not impaired under the Plan:

5.1.1 Class 1 – Priority Claims.

5.2 Impaired Classes. Only holders of Claims that are in impaired Classes may vote on the Plan. The following Classes of Claims and Interests are impaired under the Plan.

5.2.1 Class 2 – BPL’s First Lien Secured Claim.

5.2.2 Class 3 – PSB’s Second Lien Secured Claim.

5.2.3 Class 4 – Other Secured Creditor Claims.

5.2.4 Class 5 – General Unsecured Claims.

5.2.5 Class 6 – Interests in the Debtor.

5.3 Controversy Concerning Classification, Impairment or Voting Rights. In the event a controversy or dispute should arise involving issues related to the classification, impairment or voting rights of any Creditor or Interest Holder under the Plan, prior to the Confirmation Date, the Bankruptcy Court may, after notice and a hearing, determine such controversy. Without limiting the foregoing, the Bankruptcy Court may estimate for voting purposes the amount of any contingent or unliquidated Claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the Chapter 11 Cases. In addition, the Bankruptcy Court may in accordance with § 506(b) of the Bankruptcy Code conduct valuation hearings to determine the Allowed Amount of any Secured Claim.

ARTICLE VI
TREATMENT OF CLAIMS AND EXECUTORY CONTRACTS

6.1 Treatment of Unimpaired Classes.

Class 1—Priority Claims. Subject to the provisions of Article VIII of the Plan, with respect to Disputed Claims, in full satisfaction, release and discharge of the Priority Claims, the holders of Priority Claims shall receive the following treatment: on the Closing Date, or as soon as practicable after such Claims become Allowed Claims, each holder of a Priority Claim shall receive payment from the Plan Administrator, (i) in Cash, in the full amount of its Priority Claim, or (ii) as may be otherwise agreed in writing between the Debtor and the holder of such Claim. The Priority Claims are, in the aggregate, approximately \$154,000 attributable to amounts owed to the Bexar County Tax Assessor Collector for 2014 and 2016 ad valorem taxes.

6.2 Treatment of Impaired Classes.

6.2.1 Class 2—BPL’s First Lien Secured Claim. Class 2 consists of BPL’s Allowed Secured Claim. As soon as practicable after the Closing Date, a Holder of an allowed Class 2 claim will receive the Sale Proceeds of its collateral. Class 2 is Impaired and, as such, the Holder of the Class 2 Claim is entitled to vote on the Plan. BPL’s Secured Claim is not less than \$4,292,481.63, in addition to accrued postpetition default rate interest and fees, which will be determined in connection with Plan confirmation.

6.2.2 Class 3—PSB’s Second Lien Secured Claim. Class 3 consists of PSB’s Allowed secured claim. As soon as practicable after the Closing Date, a holder of an allowed Class 3 Claim will receive the Sale Proceeds of its collateral after all allowed senior claims have been paid in full in accordance with the priorities set forth in the Bankruptcy Code. Class 3 is Impaired and, as such, the Holder of the Class 3 Claim is entitled to vote on the Plan. PSB’s secured claim is not less than \$2,059,537.19.

6.2.3 Class 4—Other Secured Creditor Claims. Class 4 consists of the Allowed Other Secured Creditor Claims. For purposes of voting and distribution, each Holder of an Other Secured Creditor Claim shall be deemed to be classified in a separate subclass of Class 4. As soon as practicable after the Closing Date, a holder of an allowed Class 4 claim will receive the Sale Proceeds of its collateral after any Allowed senior claims have been paid in full in accordance with the priorities set forth in the Bankruptcy Code. Any Property that is subject to a lien will be sold subject to the rights of the lienholder, and that lienholder will be consulted about the proposed Sale process. Class 4 is Impaired and, as such, the Holders of the Class 4 Claims are entitled to vote on the Plan. The Other Secured Creditor Claims are, in the aggregate, approximately \$163,000.

6.2.4 Class 5—General Unsecured Claims. Class 5 consists of the Holders of Allowed Unsecured Claims against the Debtor. Each Allowed Unsecured Claim shall receive a pro-rata distribution of the Sale Proceeds after all allowed senior claims have been paid in full in accordance with the priorities set forth in the Bankruptcy Code. Class 5 is Impaired and, as such, the Holders of the Class 5 Claims are entitled to vote on the Plan. The General Unsecured Claims are, in the aggregate, approximately \$22,668.

6.2.5 Class 6—Interests in the Debtor. Class 6 consists of the collective Interests in the Debtor. Each holder of an Interest shall receive a pro-rata distribution of the Sale Proceeds on account of their Interest after all classified and unclassified claims have been paid in full in accordance with the priorities set forth in the Bankruptcy Code, and thereafter, their Interest shall be extinguished. Class 6 is Impaired and, as such, the Holders of the Class 6 Interests are entitled to vote on the Plan.

6.3 Disputed Claims and Interests. Article VIII of the Plan contains a mechanism for resolving disputes concerning the amount of certain Claims or Interests asserted against the Debtor by any Entity.

6.3.1 Time to Object. Unless otherwise ordered by the Bankruptcy Court, the Plan Administrator may file objections to the allowance of any Claim or Interest no later than the later to occur of (i) 60 days after the Closing Date or (ii) 30 days after the date proof of such Claim or Interest is filed. Until the earlier of (i) the filing of an objection to a Proof of Claim or Interest or (ii) the last date to file objections to Claims or Interests as established by the Plan or by Final Order, Claims or Interests shall be deemed to be Disputed in their entirety if, (i) the amount specified in a Proof of Claim or Interest exceeds the amount of any corresponding Claim or Interest listed in the Schedules; (ii) any corresponding Claim or Interest listed in the Schedules has been scheduled as disputed, contingent or unliquidated; or (iii) no corresponding Claim or Interest has been listed in the Schedules.

ARTICLE VII **MEANS OF IMPLEMENTATION**

7.1 Vesting of the Debtor’s property in the Liquidating Debtor. On the Effective Date, all property of the Debtor and of the Estate including all rights to object to Claims, all Avoidance Actions, Causes of Action, Rights of Action, claims and causes of action, alter-ego rights, derivative claims, breach of fiduciary duty claims, veil piercing rights, the right to pursue such

claims and all other remaining property of the Estate as defined in § 541 of the Bankruptcy Code, including all cash held and/or controlled by the Debtor on the Effective Date, equipment and other tangible and intangible property, shall be fully retained and vest in the Liquidating Debtor, free and clear of all liens, claims and encumbrances, except as otherwise provided in the Plan. The Plan Administrator shall be the sole officer, director and shareholder of the Liquidating Debtor. On the Effective Date, the Liquidating Debtor is deemed to have satisfied all liabilities for purposes of dissolution under applicable state law. The Plan Administrator is authorized, but not required, to execute and file all documents necessary to effectuate the dissolution of the Liquidating Debtor. If the Case is subsequently converted to one under Chapter 7 any time after Confirmation, all property of the Liquidating Debtor and of the Estate automatically shall re-vest in the Chapter 7 estate.

7.2 Implementation. The Plan Administrator shall be selected by BPL and shall appointed on the Effective Date. The Plan Administrator, on behalf of the Debtor's Estate shall take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan. The Confirmation Order shall contain appropriate provisions, consistent with section 1142 of the Bankruptcy Code, directing the Plan Administrator and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property required by the Plan and to perform any act, including the satisfaction of any Lien, that is necessary for the consummation of the Plan. The Successful Purchaser shall have the protections afforded under the "good faith" purchase provisions of §363(m) of the Bankruptcy Code and all stay provisions under Bankruptcy Rule 6004(h) or elsewhere will be waived. The Plan Administrator is designated a party in fact to execute all documents in the name of the Debtor as may be required to consummate the Sale. Following the Effective Date, the Plan Administrator, on behalf of the Debtor, may operate, buy, use, acquire, and dispose of the property of the Estate and may settle and compromise any claims, interests and causes of action in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

7.3 Sale of Assets. In order to fund the distributions under the Plan, the Plan Administrator shall sell the Debtor's Property in one or more Sales, and may engage a competent professional to assist, if necessary. Any Property that is subject to a lien will be sold subject to the rights of the lienholder, and that lienholder will be consulted about the proposed Sale process. The Plan Administrator shall consummate the closing and Sale of the Property to the Successful Purchaser and such sale shall not be taxed under any law imposing a stamp or similar tax as provided for in §1146(a) of the Bankruptcy Code. Pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, the Debtor's Property shall be sold to the Successful Purchaser, free and clear of any and all Liens, Claims, Encumbrances, Interests, bills, or charges whatsoever, other than the usual and customary utility easements, if any, appearing as of record or as preserved in this Plan, such sale being subject to higher or better offers. The Plan Administrator's disposal and/or sale of any liquor, beer, or other alcohol must be conducted in accordance with state law. In order to locate potential buyers, the Plan Administrator shall have the authority to hire real estate agents or other professionals at his/her choosing to market the Property. The Plan Administrator may conduct an auction to sell the Property and may hire an auctioneer for such purpose.

7.4 Deadline for Completing Sale. The Plan Administrator shall have sixty (120) days after the Effective Date for the Closing Date to occur. .

7.5 Vesting of Assets. Except as otherwise provided in the Plan, once the Successful Purchaser tenders the Purchase Price to the Plan Administrator, the Property shall vest in the successful Purchaser, free and clear of all Liens, Claims and encumbrances.

7.6 Funding. The Plan will be funded by monies made available by the Sale of the Property. The Plan Administrator shall take all necessary steps and perform all acts to consummate the terms and conditions for the Plan, and the Debtor shall not interfere with the Plan Administrator in the performance of his duties. The Confirmation Order shall contain appropriate provisions consistent with section 1142 of the Bankruptcy Code, directing the Debtor and any other necessary party to execute or deliver or to join in the extension or delivery of any instrument required to affect the Plan or to perform any act necessary to consummate the Plan. Except as set forth elsewhere in the Plan, all payments required to be made under the Plan shall be made by the Plan Administrator for disbursement in accordance with the terms of the Plan.

The Debtor believes that liquidation of the Debtor’s assets will yield proceeds sufficient to pay all Claims in full. While BPL cannot guarantee this result, the currently available information, including third party appraisals and the Debtor’s schedules, suggest that the Sale could generate the following Proceeds for distribution by the Plan Administrator:

DISCLAIMER: THE POTENTIAL SALE PROCEEDS ARE BASED ON INFORMATION AVAILABLE TO DATE, AND DO NOT CONSTITUTE BINDING REPRESENTATIONS BY BPL. BPL CANNOT GUARANTEE ANY PARTICULAR AMOUNT OF SALE PROCEEDS OR RECOVERY TO CREDITORS.

Property	Potential Sale Proceeds
Real Property	\$8,840,000 ⁵
Inventory	\$50,000 ⁶
Office furniture and fixtures	\$50,000
Sound, light, and video equipment	\$75,000
Ford trucks	\$74,000 (subject to lien)
Potential Total Sale Proceeds	\$9,089,000

Based on current information available, including the Debtor’s schedules and proofs of claim filed against the Debtor, BPL anticipates that the Plan Administrator may be able to make the following distributions to Allowed Creditors from the Sale Proceeds:

Claim Class	Potential Distribution to Class
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⁵ \$8,840,000 is the Real Property value provided in the Valbridge appraisal commissioned by the Debtor. This amount is significantly lower than the estimated \$10,000,000 value of the Real Property estimated the Debtor in its schedules and in the deposition of Michael J. Murphy. See Exhibit 3, Murphy Depo. at 116:6—119:6; see also Doc. No. 23 at 4.

⁶ The estimated Sale Proceeds for the inventory, office furniture and fixtures, sound, light, and video equipment, and the Ford trucks set forth in this First Amended Disclosure Statement are based on the values reflected in the Debtor’s schedules. As set forth in the Plan, the disposal and/or sale of any liquor, beer, or other alcohol must be conducted in accordance with state law.

Class 1	\$154,000
Class 2	\$4,292,481.63 ⁷
Class 3	\$2,059,537.19
Class 4	\$163,000
Class 5	\$22,667.61 ⁸
Potential Total Distributions	\$6,691,686.43
Potential Excess Sale Proceeds	\$2,397,313.57

7.7 Preservation of Rights of Action. The Debtor shall retain, and on the Effective Date shall be deemed to have assigned to the Plan Administrator, who may, in accordance with his/her discretion, seek to enforce any claims, rights and causes of action arising under section 510 and 544 through 550 of the Bankruptcy Code or any similar provisions of state law, or any statute or legal theory, including but not limited to fraudulent transfer and preference actions against Insiders in connection with the Far West Transaction and any related transactions. Additionally, the Plan Administrator may seek to challenge or subordinate the insider claims of Cowboys Concert Hall-Arlington, Ltd. Red River Beverage, Inc., Far West Realty, Ltd., and Jose Maria Garza Trevino.

7.8 Selection of Plan Administrator. BPL will select the Plan Administrator. BPL has been in contact with potential plan administrators, as well as parties to market and sell the Property. In particular, BPL has received a proposal from Hilco (the “Hilco Proposal”) that outlines a “managed qualifying bid program” for the Real Property, which would involve: (1) a set deadline for qualifying bids, from which the Plan Administrator shall select a shortlist of bidders to advance; (2) an invitation for selected bidders to inspect the Real Property; and (3) a winning bidder to be determined at an auction. The Hilco Proposal also includes a description of how Hilco would market the Real Property, as well as the Debtor’s personal property, which Hilco proposes to sell together. The Hilco Proposal sets forth average timelines for its sales of real property that are consistent with its prior projections.

Additionally, the Hilco Proposal discloses the following fee structure: (1) a 6% buyer’s premium charged to the buyer; and (2) a marketing budget of \$40,000-\$50,000, which Hilco will advance subject to being reimbursed from the Sale Proceeds.

The Hilco Proposal was accompanied by the proposal of Commercial Recovery Associates, LLC to serve as the Plan Administrator and to work cooperatively with Hilco to satisfy the duties

⁷ The exact amount of the distribution to BPL is currently unknown due to the continuing accrual of default interest and attorneys’ fees. The approximate distribution above reflects the amount of BPL’s claim as of October 24, 2016.

⁸ The approximate distribution to Class 5 Creditors—holders of general unsecured claims—allocates \$10,000 to the claim filed by Amie Haynes based on her pending personal injury lawsuit against the Debtor (the “Haynes Claim”). [Claim No. 9]. This allocation is based on the Debtor’s \$10,000 valuation the Haynes Claim in its disclosure statement. Nonetheless, as indicated by the estimated Excess Sale Proceeds, there will be sufficient cash to satisfy the Haynes Claim even if the it exceeds the Debtor’s \$10,000 valuation. Additionally, the approximate distribution holders of general unsecured claims excludes, consistent with the Debtor’s Plan, the insider claims of Cowboys Concert Hall-Arlington, Ltd. Red River Beverage, Inc., Far West Realty, Ltd., and Jose Maria Garza Trevino. These insider claims were omitted from the calculation of unsecured claims in the Debtor’s disclosure statement and are subject to objection and/or equitable subordination.

required. BPL has also been in discussions with other parties who frequently serve as trustees or in similar post-confirmation positions. BPL expects to select the Plan Administrator shortly.

7.9 Compensation of the Plan Administrator. The Plan Administrator will be paid at its standard hourly rate, which shall not exceed \$400.00 per hour, out of the Excess Sale Proceeds. BPL will advance funds as necessary to pay the Plan Administrator prior to Closing and shall be entitled to reimbursement from the Sale Proceeds of any such advances.

7.10 Bond. The Plan Administrator shall obtain a bond to protect the interests of the Creditors and Interest Holders in an amount reasonably agreeable to the United States Trustee's office.

7.11 Resignation/Removal of the Plan Administrator. The Plan Administrator may resign at any time by filing a written notice of resignation with the Bankruptcy Court. Any such resignation shall become effective on the earlier to occur of (i) sixty (60) days after the filing date of such notice; or (ii) the appointment of a successor Plan Administrator. The Plan Administrator may also be removed by the Bankruptcy Court for cause.

7.12 Appointment of Successor Plan Administrator. In the event of the death, resignation or removal of the Plan Administrator, BPL will appoint a successor Plan Administrator. Any successor Plan Administrator appointed hereunder shall execute and file a statement accepting such appointment and agreeing to be bound by the terms of the Plan and upon such filing, the successor Plan Administrator shall immediately become vested with all the rights, powers and duties of the Plan Administrator.

7.13 General Powers and Obligations of the Plan Administrator. In addition to the authorization provided under Article 7.1-9, the Plan Administrator, shall have all of the rights, powers and privileges set forth in this Plan. The Plan Administrator is authorized and shall have the obligation to take all such actions as in his/her judgment are necessary and appropriate to effectuate the purposes of the Plan, including but not limited to the following:

- (a) Make all distributions contemplated under the Plan;
- (b) Invest in time or demand deposits, including certificates of deposit issued by any bank approved as a depository institution by the United States Trustee's office, United States Treasury bonds and other securities guaranteed by the full faith and credit of the United States of America or any agency thereof;
- (c) Supervise and administer the resolution, settlement and payment of Claims and Interests and the distributions to the holders of Allowed Claims and Allowed Interests in accordance with this Plan;
- (d) Enter into any agreement required by or consistent with the Plan and perform all of the Debtor's obligations thereunder;
- (e) Abandon any of the assets of the Debtor if the Plan Administrator concludes that such assets are of no benefit to the Creditors or Interest Holders;

(f) Participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction and participate as a party or otherwise in any administrative, arbitative or other non-judicial proceeding and litigate claims on behalf of the Debtor, including without limitation all avoidance actions and all state and federal causes of action or any other litigation which constitute an asset of the Debtor and pursue to settlement or judgment such actions;

(g) Participate as a party-in-interest in any proceeding before the United States Bankruptcy Court involving the Debtor's bankruptcy case;

(h) Act in the name of or in the place of the Debtor in any action before the United States Bankruptcy Court or any other judicial or administrative body;

(i) Take actions and exercise remedies against any entity that owes money to the Debtor, including without limitation, the remedies available under any deed of trust, security agreement, promissory note, bond, guarantee or other instrument or document; make compromises regarding any deed of trust, security agreement, promissory note, bond, guarantee or other instrument or document; and, declare or waive defaults regarding any deed of trust, security agreement, promissory note, bond, guarantee or other instrument or document;

(j) Select and employ such professionals, agents or employees as the Plan Administrator deems necessary to assist in the administration of the affairs of the Debtor and compensate such persons;

(k) Hold any unclaimed distribution or payment to the holder of an Allowed Claim in accordance with this Plan;

(l) Propose any amendment, modification or supplement to this Plan or the Debtor's corporate governance documents;

(m) File dissolution documents with the appropriate governmental agencies to dissolve the Debtor;

(n) Receive, conserve and manage the assets of the Debtor and sell pursuant to 11 U.S.C. § 363(f) or otherwise dispose of such assets for a price and upon such terms and conditions as the Plan Administrator deems most beneficial to the Creditors and Interest Holders and execute such deeds, bills of sale, assignments and other instruments in connection therewith;

(o) Open and maintain bank accounts on behalf of or in the name of the Debtor;

(p) Pay all taxes, make all tax withholdings and file tax returns and tax information returns and make tax elections by and on behalf of the Debtor;

(q) Pay all lawful expenses, debts, charges and liabilities of the Debtor;

- (r) Enforce all provisions of this Plan;
- (s) Protect, perfect and defend the title to any of the assets of the Debtor and enforce any bonds, mortgages or other obligations or liens owned by the Debtor;
- (t) Carry insurance coverage, including insurance to protect the Plan Administrator against claims brought against the Plan Administrator acting within his/her capacities with the Debtor, in such amounts as they deem advisable;
- (u) Establish such reserves for taxes, assessments and other expenses of administration of the Debtor (including without limitation the Disputed Claims Reserve) as may be necessary and appropriate for the proper operation of matters incident to the affairs of the Debtor; and
- (v) Exercise such other powers and duties as are necessary or appropriate in the Plan Administrator's discretion to accomplish the purposes of this Plan.

ARTICLE VIII **DISTRIBUTIONS UNDER THE PLAN**

Article VIII of the Plan contains provisions governing the making of distributions on account of Claims and Interests. In general, any payments, distributions or other performance to be made pursuant to the Plan on account of any Allowed Claim or Allowed Interest shall be deemed to be timely made if made on or within five days following the later of (i) the Closing Date or (ii) the expiration of any applicable objection deadline with respect to such Claim or Interest or (iii) such other times provided in the Plan. All Cash payments to be made pursuant to the Plan shall be made by check drawn on a domestic bank.

8.1 Distributions Made by Plan Administrator. The Plan Administrator shall make distributions under the Plan for all claims. The Plan Administrator may employ or contract with other entities to assist in or perform the distribution of the property to be distributed. The Plan Administrator shall be entitled to compensation for services rendered under the Plan at its customary fee and reimbursement of all expenses incurred in the performance of its duties.

Distributions shall be made: (1) at the addresses set forth on the Proofs of Claim or Proofs of Interests filed by such holders; (2) at the addresses set forth in any written notices of address changes delivered to the Plan Administrator after the date of any related Proof of Claim or Proof of Interest; or (3) at the address reflected in the Schedules if no Proof of Claim or Proof of Interest is filed and the Plan Administrator has not received a written notice of a change of address. If the distribution to the holder of any Claim or Interest is returned to the Plan Administrator as undeliverable, no further distribution shall be made to such holder unless and until the Plan Administrator is notified in writing of such holder's then current address. Neither BPL nor the Plan Administrator shall be required to attempt to locate any holder of an Allowed Claim or an Allowed Interest.

8.2 Unclaimed Distributions. Any Cash or other property to be distributed under the Plan shall revert to the Plan Administrator and such creditor shall forfeit its right to receive any

distribution(s) under this Plan if such distribution is not claimed by the Entity entitled thereto before the later of (i) 1 year after the Closing Date or (ii) 60 days after an Order allowing the Claim of that Entity becomes a Final Order or are otherwise Allowed.

8.3 Distributions With Respect to Disputed Claims. During the pendency of any objection to any Claim, no distribution under the Plan will be made to the holder of such Claim. However, there will be set aside and reserved on behalf of such disputed Claim such cash or property as the holder thereof would be entitled to receive in the event such Claim was an Allowed Claim on the date of such distribution. BPL may seek an order of the Bankruptcy Court estimating or limiting the amount of Cash or property that must be deposited in respect of any such disputed Claims. Cash held in reserve for disputed Claims will be held in trust for the benefit of the holders of such Claims.

Within 15 days after the entry of a Final Order resolving an objection to a Disputed Claim, the Plan Administrator shall distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a holder is then entitled with respect to any formerly Disputed Claim that has become an Allowed Claim. To the extent practicable, the Plan Administrator shall hold such cash in a segregated account in accordance with section 345 of the Bankruptcy Code, and may invest any cash or other property segregated on account of a Disputed Claim, Disputed Interest, undeliverable distribution, or any proceeds thereof; however, the Plan Administrator shall be under no obligation to so invest such Cash or proceeds and shall have no liability to any party for any investment made or any omission to invest such Cash, other property or proceeds. Any segregated amounts remaining after all Disputed Claims have been resolved will be paid to the Allowed Interests.

8.4 Surrender of Instruments. No Creditor that holds a note or other instrument of the Debtor evidencing such Creditor's Claim may receive any distribution with respect to such Claim or Interest unless and until the note or other instrument evidencing such Claim is surrendered pursuant to the provisions of the Plan. In the event an instrument evidencing a claim has been lost, stolen or mutilated, the Plan Administrator may request reasonable affidavits and indemnification by a financially responsible party before making any distribution(s) to such Creditor.

8.5 Compliance with Tax Requirements. In connection with the Plan, the Plan Administrator shall comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities and distributions under the Plan shall be subject to such withholding and reporting requirements.

ARTICLE IX
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Rejection of Executory Contracts and Unexpired Leases. Effective on and as of the Closing Date, all Executory Contracts and Unexpired Leases to which the Debtor is a party shall be deemed rejected in accordance with section 365 of the Bankruptcy Code. BPL does not believe that there are any executory contracts and unexpired leases which would be subject to rejection.

9.1.1 Rejection Claims. Allowed Claims arising from the rejection of any Executory Contract or Unexpired Lease of the Debtor pursuant to the Plan shall be treated as Unsecured Claims. A Proof of Claim with respect to any Unsecured Claim for damages arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan shall not be timely filed unless it is filed with the Bankruptcy Court and served so that it is received by the Plan Administrator within 30 days after the later of (i) the date of entry of a Final Order approving such rejection (unless such Final Order expressly provides a Bar Date with respect to such Claim, in which event no Proof of Claim with respect to such Claim shall be deemed timely unless it is filed with the Bankruptcy Court and served in the manner provided in such Final Order), or (ii) the Closing Date. Any such Claim not timely filed and served shall be forever barred from assertion and may not be enforced against the successful purchaser, the Debtor, their successors or their respective properties.

ARTICLE X
CONFIRMATION OF THE PLAN

10.1 Confirmation Hearing. Section 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan (“Confirmation Hearing”). The Confirmation Hearing has been scheduled before the Honorable Ronald B. King, United States Bankruptcy Judge, on January 31, 2017 at 2:00 p.m. (San Antonio time), in the United States Courthouse, 615 E. Houston St., San Antonio, Texas 78205. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except an announcement made at the Confirmation Hearing or any adjournment thereof.

Section 1128(b) provides that any party in interest may object to confirmation of the Plan. However, an impaired Creditor, who votes to accept the Plan, may not have standing to object to the Plan. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014 and any applicable Local Rules of the Bankruptcy Court. **The deadline for filing objections to confirmation of the Plan is January 25, 2017.** Objections to confirmation must be filed with the Clerk of Court.

**UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED AND SERVED, IT
WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

10.2 Statutory Requirements for Confirmation of the Plan. At the Confirmation Hearing, the Bankruptcy Court will determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in § 1129 of the Bankruptcy Code, these requirements are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponent of the Plan complies 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 to be made by the Plan proponent, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with the cases, or in connection with the Plan and incident to the cases, has been approved by, or is subject to the approval of, the Court as reasonable.
5. The proponent of the Plan 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 Debtor under the Plan; and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and with public policy; and the proponent of the Plan has disclosed the identity of any insider that will be employed or retained by the Debtor, and the nature of any compensation for such 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 class of impaired claims or equity interests:
 - (a) each holder of a claim or interest of such class:
 - (i) has accepted the Plan; or
 - (ii) will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would so receive or retain if the Plan Proponent were liquidated under Chapter 7 of the Bankruptcy Code on such date; or
 - (b) if § 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the Plan on account of such claim property of a value, as of the effective date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secured such claims.

8. With respect to each class of claims or interests:

- (a) such class has accepted the Plan; or
- (b) such class 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:

(a) with respect to a claim of a kind specified in § 507(a)(1) or § 507(a)(2) of the Bankruptcy Code, on the effective date of the Plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(b) with respect to a class of claims of a kind specified in §§ 507(a)(3), 507(a)(4), 507(a)(5) or 507(a)(6) of the Bankruptcy Code, each holder of a claim of such class will receive:

(i) if such class has accepted the Plan, deferred cash payments of a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the Plan, cash on the effective date of the Plan equal to the allowed amount of such claim; and

(c) with respect to a claim of a kind specified in § 507(a)(8) of the Bankruptcy Code, the holder of a claim will receive on account of such claim deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the Plan, equal to the allowed amount of such claim.

10. If a class is impaired under the Plan, at least one class of claims that is impaired has accepted the Plan, determined without including any acceptance of the Plan by any insider.

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

BPL believes that the Plan satisfies all 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.

10.3 Liquidation Analysis. BPL has concluded that the Plan provides to each Creditor and Interest Holder a recovery with a present value at least equal to the present value of the distribution that such person would receive if the Debtor were to be liquidated under Chapter 7 of the Bankruptcy Code. The Plan generally provides for the Debtor's liquidation of the Property and the payment of the Debtor's outstanding secured indebtedness in accordance with the priorities set forth in the Bankruptcy Code. The Plan further provides for the pro-rata distribution of Unsecured Claims and Interests after all senior claims are paid in full.

The proposed Plan provides for the sale of the Property. Any Chapter 7 liquidation would also effectuate the a sale, and would be burdened by the attendant costs and commissions of a Chapter 7 trustee and its counsel, which are estimated to be similar to the costs of the Plan Administrator and professionals under the Plan. Accordingly, BPL believes that the Plan provides Creditors with at least as much as they would be entitled to receive in a Chapter 7 liquidation. BPL's liquidation analysis is attached hereto as **Schedule 2**.

10.4 Feasibility. For the Plan to be confirmed, it must be demonstrated that consummation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor. This Plan calls for the sale of the Debtor's Property to the successful purchaser. Thus the Plan meets the feasibility requirements of the Bankruptcy Code.

10.5 Cramdown. In the event that any impaired class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan 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 with respect to the treatment of secured and unsecured claims. As set forth in § 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of secured claims, the Plan provides:
 - (a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Plan Proponent or transferred to another entity, to the extent of the allowed amount of such claims; and
 - (ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the Plan, of at least the value of such holder's interest in the estate's interest in such property;
 - (b) for the sale, subject to § 363(k) of the Bankruptcy Code, of any property that is subject to the Liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or
 - (c) for the realization by such holders of the indubitable equivalent of such claims.

2. With respect to a class of unsecured claims, the Plan provides:
 - (a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or
 - (b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the Plan on account of such junior claim or interest any property.

3. With respect to a class of interests, the Plan provides:
 - (a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the Plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or
 - (b) the holder of any interest that is junior to the interests of such class will not receive or retain under the Plan on account of such junior interest any property.

The Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired class of Claims. BPL believes that the Bankruptcy Court will find these requirements satisfactory and will confirm the Plan.

10.6 Effective Date. The Effective Date is defined in the Plan as the day selected by BPL that is no earlier than the first Business Day after the date the Confirmation Order becomes a Final Order.

10.7 Retention of Jurisdiction by Bankruptcy Court. The Court shall retain and have exclusive jurisdiction over this Chapter 11 Case to the maximum extent provided by law for the following purposes following the Confirmation Date: (i) to determine any and all objections to the allowance and classification of Claims or Interests; (ii) to determine the validity and priority of any Lien; (iii) to determine the Allowed Amount of any Claim, whether secured or unsecured; (iv) to allow any and all applications for allowances of compensation and reimbursement of expenses payable from the Estate; (v) to determine any and all applications or motions pending before the Court on the Effective Date of the Plan, including without limitation any motions for the rejection, assumption or assumption and assignment of any executory contract or unexpired lease; (vi) to consider and approve any modification of the Plan, remedy any defect or omission or reconcile any inconsistency in the Plan, or any order of the Court, including the Confirmation Order; (vii) to hear and determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan, the Confirmation Order, any transactions or payments contemplated hereby or any agreement, instrument or other document governing or related to any of the foregoing; (viii) to consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor; (ix) to issue

orders in aid of execution and implementation of the Plan and the Confirmation Order, to the extent authorized by 11 U.S.C. § 1142 or provided by the terms of the Plan; and (x) to hear and determine matters concerning federal, state or local taxes in accordance with §§ 346, 505 or 1146 of the Bankruptcy Code.

In no event shall the provisions of the Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 Bar Date for Administrative Claims. The last day to file an application for allowance of an Administrative Claim (other than (i) quarterly U.S. Trustee fees and (ii) Professional Fee Claims), shall be 30 days after the Effective Date unless otherwise established by a Final Order.

No Administrative Claim, other than Professional Fees and United States Trustee fees, will be paid unless the holder of such Administrative Claim has filed an application for payment of such Administrative Claim on or before the Administrative Claim Bar Date. Upon the filing of any application for payment, the entity seeking payment of an Administrative Claim shall provide notice by United States Mail in accordance with the Bankruptcy Rules. Any Administrative Claim, other than Professional Fees and United States Trustee fees, not filed in accordance with this section shall be barred and the Debtor and the Plan Administrator shall have no liability for payment of any such Administrative Claim.

11.2 Objections to Administrative Claims. Objections to Applications for payment of Administrative Claims may be filed by any party in interest. In order to be considered, such objections must be filed on or before the 21st day following the date on which the application was filed. Any objections will be determined by the Bankruptcy Court.

11.3 Payment of Professional Claims. Each holder of a Professional Fee Claim shall be paid in respect of such Professional Fee Claim in Cash, in full, on the Effective Date, or, if such Claim has not been approved by the Bankruptcy Court on or before the Effective Date, promptly after Bankruptcy Court approval of the Professional Fee Claim by a Final Order. Final fee applications for any Professional Fee Claim that has not been approved as of the Effective Date shall be filed within forty-five (45) days of the Effective Date and such applications and objections thereto (if any) shall be filed in accordance with and comply in all respects with the Bankruptcy Code, the Bankruptcy Rules, applicable local rules, and the Fee Procedures Order. The failure to file an application by the foregoing deadline shall constitute a waiver of all such Professional Fee Claim.

11.4 Payment of United States Trustee Fees. Within thirty (30) days of the date that such payments are due, the Plan Administrator shall pay all amounts owing to the United States Trustee as fees and costs imposed in connection with these Chapter 11 Cases.

11.5 Orders in Aid of Consummation. Pursuant to sections 105, 1141, 1142 and 1143 of the Bankruptcy Code, the Bankruptcy Court may enter one or more Orders in aid of Confirmation directing the implementation of matters or actions required by the Plan.

11.6 Due Authorization by Creditors. Each and every Creditor who elects to participate in the distributions provided for under the Plan warrants that it is the lawful owner of such Claim and is authorized to accept the distributions provided for in the Plan and that there are no outstanding Liens, encumbrances, commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights released, conveyed or modified by the Plan, or obligations undertaken by such Creditor under the Plan.

11.7 Substantial Consummation. Upon the Closing Date, the Plan shall be deemed to be substantially consummated under Bankruptcy Code §§ 1101 and 1127(b).

11.8 Amendments. The Plan may be altered, amended or modified by BPL, in writing, signed by BPL at any time before the substantial consummation of the Plan, as provided in sections 1101(a) and 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

11.9 Revocation. BPL may revoke or withdraw the Plan at any time prior to entry of the Confirmation Order. If the Plan is revoked or withdrawn or if no Confirmation Order is entered, the Plan shall be null and void, and nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against the Debtor; or (ii) prejudice in any manner the rights of the Debtor in any further proceedings involving the Debtor or its Estate.

11.10 Request for Relief Under Section 1129(b). If the Plan is accepted by one or more, but not all impaired Classes of Creditors, BPL may request confirmation under section 1129(b) of the Bankruptcy Code, subject to any modification of the Plan made pursuant to section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019.

11.11 Filing of Additional Documents. Except as otherwise provided in the Plan, on or before the Closing Date, BPL and the Plan Administrator may file with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

11.12 Successors and Assigns. The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

11.13 Severability. The provisions of the Plan shall not be severable unless such severance is agreed to by BPL and such severance would constitute a permissible modification of the Plan pursuant to § 1127 of the Bankruptcy Code.

11.14 Alternatives to the Plan. If the Plan is not confirmed by the Bankruptcy Court the alternatives may include (a) liquidation of the Debtor under Chapter 7 of the Bankruptcy Code or (b) the dismissal of the Debtor's case.

BPL believes that the Plan provides a recovery to all Creditors and Interest Holders equal to or greater than would be obtainable in Chapter 7 liquidation or foreclosure sale and believes that the Plan enables Creditors to realize the most value under the circumstances.

11.15 Taxation. The following summary of certain U.S. Federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the particular circumstances pertaining to each holder of an Allowed Claim. Each holder of an Allowed Claim is urged to consult his own tax advisors. This summary does not cover all potential U.S. federal income tax consequences that could possibly arise under the Plan and does not address the Plan's U.S. federal income tax consequences for any holder of an Allowed Claim that is a partnership (or other pass-through entity) or otherwise subject to special tax rules.

BPL has not requested any ruling from the Internal Revenue Service or any other taxing authority with respect to such matters nor will BPL, or the Debtor, with respect to the federal income tax consequences of the Plan, obtain any opinion of counsel. Consequently, there can be no assurance that the treatment set forth in the following discussion will be accepted by the IRS. BPL offers no statements or opinions that are to be relied upon by the creditors as to the treatment of creditors' claims under the Plan. Matters not discussed in this Disclosure Statement may affect the tax consequences of the Plan on any particular holder of a Claim or Equity Interest

This summary is based upon the laws in effect on the date of this Disclosure Statement and existing judicial and administrative interpretations thereof, all of which are subject to change, possibly with retroactive effect. Holders of Allowed Claims should consult their own tax advisors as to the Plan's specific federal, state, local and foreign income and other tax consequences.

The tax consequences to Creditors and Interest Holders will differ and will depend on factors specific to each Creditor or Interest Holder, including but not limited to: (i) whether the Claim or Interest (or portion thereof) constitutes a claim for principal or interest; (ii) the origin of the Claim or Interest; (iii) the type of consideration received by the Creditor or Interest Holder in exchange for the Claim or Interest; (iv) whether the Creditor or Interest Holder is a United States person or foreign person for tax purposes; (v) whether the Creditor or Interest Holder reports income on the accrual or cash basis method; (vi) whether the Creditor or Interest Holder has taken a bad debt deduction or otherwise recognized loss with respect to a Claim or Interest.

THERE ARE MANY FACTORS WHICH WILL DETERMINE THE TAX CONSEQUENCES TO EACH CREDITOR OR INTEREST HOLDER. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH CREDITOR OR INTEREST HOLDER OBTAIN HIS, HER OR ITS OWN TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR OR INTEREST HOLDER AS A RESULT OF THE PLAN.

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY CREDITOR OR INTEREST HOLDER FOR THE

PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON A TAX PAYER. THE DISCUSSION HEREIN WAS WRITTEN TO SUPPORT THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT. EACH CREDITOR OR INTEREST HOLDER SHOULD SEEK ADVICE BASED UPON THE CREDITOR'S OR INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

ARTICLE XII
VOTING PROCEDURES AND REQUIREMENTS

12.1 Ballots and Voting Deadline. A ballot to be used to vote to accept or reject the Plan is enclosed with this Disclosure Statement. A Creditor who is voting must (1) carefully review the ballot and instructions thereon, (2) complete and execute the ballot indicating the Creditor's vote to either accept or reject the Plan, and (3) return the executed ballot to the address indicated thereon by the deadline specified by the Bankruptcy Court.

The Bankruptcy Court has directed that, to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received by BPL no later than January 25, 2017.

If you hold an impaired Claim against the Debtor, return your ballot to:

Brandon Tittle
Porter Hedges LLP
1000 Main St., 36th Floor
Houston, TX 77002.

**TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED
NO LATER THAN JANUARY 25, 2017**

12.2 Creditors Entitled to Vote. Any Creditor whose Claim is impaired under the Plan is entitled to vote, if either (i) the Debtor has scheduled its Claim on its Statement of Liabilities and such Claim is not scheduled as disputed, contingent or unliquidated, or (ii) such Creditor has filed a Proof of Claim on or before the last date set by the Bankruptcy Court for filing Proofs of Claim and no objection has been filed to such Claim.

Holders of Disputed Claims are not entitled to vote on the Plan. Any Claim to which an objection has been filed and remains pending, is not entitled to vote unless the Bankruptcy Court, upon motion by the Creditor who holds a Disputed Claim, temporarily allows the Claim in an amount that it deems proper for accepting or rejecting the Plan. Any such motion must be heard and determined by the Bankruptcy Court before the date established by the Bankruptcy Court as the final date to vote on the Plan. In addition, a vote may be disregarded if the Bankruptcy Court determines that the acceptance or rejection of the Plan by the Creditor was not solicited or obtained in good faith or according to the provisions of the Bankruptcy Code.

Classes of Claims that are not impaired are deemed to have accepted a plan of reorganization pursuant to § 1126(f) and, therefore, are not entitled to vote on a plan. Pursuant to

§ 1126, only classes of claims or interests that are “impaired” are entitled to vote on a plan of reorganization. Generally, a claim is impaired if the plan of reorganization alters the legal, equitable, or contractual rights to which the holder of such claim is otherwise entitled.

12.3 Voting Procedures. Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, revocation, or withdrawal of Ballots will be determined by BPL, in their sole discretion, and BPL’s determination will be final and binding. BPL also reserves the right to reject any Ballot not in proper form, the acceptance of which would, in the opinion of BPL or their counsel, be unlawful. BPL further reserves the right to waive any defects or irregularities or conditions or delivery as to any particular Ballot. The interpretation by BPL of the provisions of this Disclosure Statement and the Ballots will be final and binding on all parties in interest unless otherwise directed by the Bankruptcy Court. Unless waived, any defects or irregularities concerning deliveries of Ballots must be cured within such time as BPL (or the Bankruptcy Court) determine. Neither BPL nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liability for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of Ballots will not be deemed to have been made and will be invalidated unless or until all defects and irregularities have been timely cured or waived.

12.4 Vote Required for Class Acceptance. The Bankruptcy Code defines acceptance of a Chapter 11 plan by a class of Claims as the acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half in number of the allowed Claims of the class actually voting to accept or reject the proposed plan.

The Bankruptcy Code defines acceptance of a Chapter 11 plan by a class of Interests as the acceptance by holders of at least two-thirds (2/3) in amount of the allowed Interests in the class actually voting to accept or reject the proposed plan.

12.5 Cramdown. If the Plan is not accepted by all classes of impaired Creditors, BPL reserves the right to withdraw the Plan. If the Plan is accepted by one or more Classes of impaired Creditors, BPL reserves the right to request the Bankruptcy Court to approve the Plan under 11 U.S.C. § 1129(b).

BPL STRONGLY URGES ALL IMPAIRED CREDITORS TO VOTE TO ACCEPT THE PLAN.

Dated: December 21, 2016.

PORTER HEDGES LLP

/s/ Eric M. English

Eric M. English

State Bar No. 24062714

Amy T. Geise

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Real Estate Marketing and Sales Proposal

Cowboys Dancehall – Cowboys Far West Ltd.
3030 NE Interstate 410 Loop
San Antonio, TX 78218

Presented to:

Attorney for Creditor:

Mr. Brandon J. Tittle
Porter Hedges, LLP
1000 Main Street, 36th Floor
Houston, TX 77002

Plan Administrator:

Robert P. Handler
Commercial Recovery Associates
205 West Wacker Drive, Suite 1818
Chicago, IL 60606



EXHIBIT 1



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Hilco Real Estate: Introduction

Hilco Real Estate is one of the industry's most respected and accomplished authorities on real estate dispositions and auctions, most notably in the context of bankruptcy sales. Clients rely on our vast experience and a comprehensive set of tools, such as our proprietary database of thousands of real estate buyers, investors, developers and broker partnerships to help expedite sales.

We have a 90%+ success rate with closings in 90-120 days! We are experts in any situation, including land, commercial properties, hotels, industrial, residential/multi-family, office, specialty assets (e.g., Parking Garages, Gas Stations/C-Stores, Golf Courses, Entertainment Venues) and we have nationwide coverage.

The successful financial recovery of real estate assets is a meaningful component of establishing and maintaining a strong financial foundation to position for long-term success. At Hilco we advise and execute strategies to assist clients seeking to generate maximum value from their real estate assets.

The Hilco team is composed of relationship-focused professionals adept at optimizing results. We incorporate a combination of deep due diligence, artful negotiating, longstanding strategic relationships and extremely proactive marketing to maximize value/minimize liability across a given portfolio, regardless of its size or complexity. We specialize in providing strategic services for financial institutions, private equity firms, private owners and operating businesses, working closely and collaboratively with our clients' ownership/management teams, advisors and constituents.

Hilco Real Estate is a trusted strategic advisor to some of the largest companies and financial institutions in North America. We have attached summary case studies of just a few engagements which present an impressive history of working closely with clients in order to enhance the value of all classes of real estate assets.

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Serving Clients on Five Continents

With offices and staff in the U.S., Canada and the European Union, Hilco Global can offer comprehensive strategic solutions





Subject Property:

The subject is an existing commercial property containing 68,875 square feet of gross leasable area. It is constructed as a typical industrial warehouse but currently utilized as a nightclub/entertainment venue. The improvements were constructed in 1997 and are 100% owner occupied. The site area is 16.51 acres total, of which the improved site is 11.07 acres and the excess land is 5.44 acres. The interior design includes a large open stage area and dance floor, an indoor rodeo arena for live bull riding and cage fights, seven bars, and a mechanical bull.

We did an initial review of the two appraisals provided and believe that the value is likely somewhere between the two. Part of our next step in this process would be to do a more detailed valuation of our own subject to inspecting the property and review of additional due diligence.





Hilco's Strategic and Transactional Real Estate Disposition Services





Property Disposition Services

Hilco works nationally and internationally to dispose of property in virtually any real estate asset class:

- Retail/Restaurant/Hospitality
- Manufacturing/Distribution/Warehouse
- Residential/Multi-Family
- Office/Flex/Other Commercial
- Specialty Assets (e.g., Entertainment Venues, Parking Garages, Gas Stations/C-Stores, Land)

Our marketing and sales strategies include:

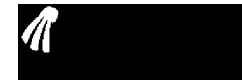
- Traditional brokerage
- Structured sales with date certain deadlines
- Auctions: live, sealed-bid and online
- Sale-leaseback advisory
- Stalking horse processes – in and out of bankruptcy

We serve:

- Public and private companies with surplus assets
- Private equity firms and their operating subsidiaries
- Individual owners/investors
- Banks and other financial institutions with REO portfolios
- Owners of assets with a troubled environmental history

Hilco Real Estate's core competency is understanding the value of real property and how to monetize that value within an efficient time frame. Unlike most property brokerage firms or consultants, each member of Hilco is a seasoned real estate professional—formerly lawyers, owners, developers, financiers and executive-level consultants. The knowledge provided via the unique and diverse backgrounds of our team continually yields optimal results for our clients.

Hilco Real Estate sells all classes of real estate under every imaginable circumstance, specializing in creating competitive bidding environments and structured sales processes designed to maximize the value of assets while meeting our clients' timing objectives. In addition to U.S. transactions, our team of professionals has successfully marketed and sold properties in Canada, Mexico, and other international locations.

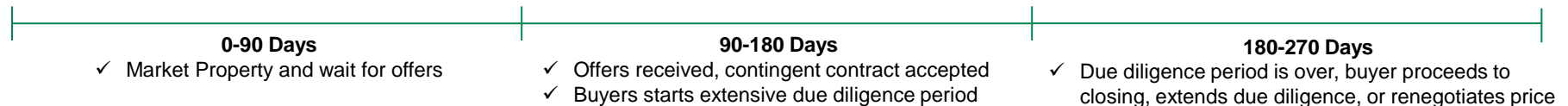


Hilco Real Estate vs. Conventional Brokers

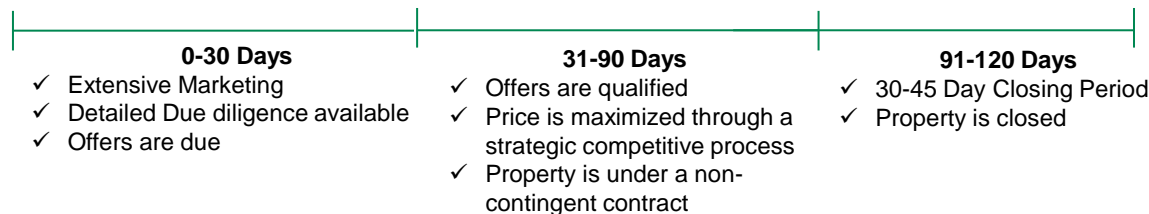
The Hilco Real Estate team offers deep expertise at maximizing the value of real estate assets in a variety of situations – from healthy to distressed. How can we outperform conventional brokers?

- ✓ **Timing – Hilco sells assets faster while maximizing value.** Our customized sales solutions will secure a comparable sales price to a conventional broker, but in an accelerated timeframe.
- ✓ **Marketing –** Creative sales and marketing techniques are crucial to getting the market to react. **Our marketing plans will expose your property to a broader market of potential buyers.** Hilco is also willing to invest marketing dollars to share in the risk of the sale. Not only do we forgo a commission if the property doesn't sell, we also have our own money invested in its success.
- ✓ **Strategic Sales Programs –** Conventional brokers wait for the market to come to them, with the buyer controlling the process. **We customize a plan to find the market and bring the buyers to the Seller - you control the process.**

Conventional Broker Average Timeline



Hilco Real Estate Average Timeline





Sales Strategy & Structure





Sales Strategy

The Hilco dispositions team has extensive experience creating and executing a wide variety of marketing and sales strategies. We believe a sophisticated accelerated marketing campaign culminating in a competitive bidding environment is often the best approach for selling properties. Heavily marketing assets and having a time-certain deadline to submit bids will freeze other assets on the market and force potential buyers to act.

Creating urgency in the marketplace as well as convincing potential buyers there are other interested parties is key to a successful sale. We do this by:

- Creating professionally designed ads and marketing material highlighting the opportunity, property, and urgency to act
- Exposing the property to a broader geographical market and audience
- Providing complete due diligence packages available in our virtual deal room
- Fostering consistent market interaction, with our real estate professionals present at all onsite inspections and in constant communication with the buyers
- Creation of a transparent bidding environment

Hilco works with clients to review proven sales strategies, and then recommend a strategy (or combination thereof) after inspecting and reviewing the properties that would be offered.

For this sale we would recommend a [Managed Qualifying Bid Program](#) (Qualifying Bid + Final Round Auction):

- 1) Qualifying Bids would be due by a set deadline, Seller would then select a shortlist of qualified bidders to advance**
- 2) Qualified Bidders are invited to an auction and get extra time to inspect the property (properties) again**
- 3) Winning bidder is determined at a best and final auction**

Personal Property: In our initial marketing program we will market the property in its entirety including the personal property, we believe that this will bring the most value. If we find that there may be more value to selling the personal property separate from the real estate then we will implement a plan to sell the personal property separate from the real estate.





Description of Sales Structure

Recommended Sale Structure:

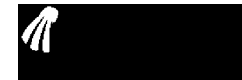
A **Reserve Auction**: we typically recommend a **Reserve Sale**, where the properties are presented to the buyers “with reserve”, and the seller may accept or reject any bid. The Seller and Hilco Real Estate will have a confidential reserve price in their listing agreement. Depending on the interest received in the different programs, we may convert the sale to a minimum bid and notify the bidders that the highest bid over a certain amount will be accepted.

In the case of a **bankruptcy sale** often times the secured creditor has the right to credit bid, depending on the secured creditors amount and willingness to credit bid will determine whether we publish a credit bid amount or just say “Subject to the Secured Lenders Right to Credit Bid”. Furthermore, all sales are advertised as “Subject to the Bankruptcy Courts Approval of the Sale”.

Other Sale Structures include:

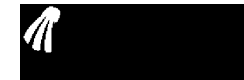
A disclosed **Minimum Bid Auction**: the auction company publishes in its marketing that the property will be sold to the highest bidder assuming that the highest bid is either equal to or in excess of the disclosed minimum bid.

An **Absolute Auction**: the property is advertised “absolute” and will sell regardless of price.





Marketing & Due Diligence





Marketing

Hilco's marketing program sets us apart from others by being targeted, robust, and user specific. We seek out national, local and regional buyers depending on the property being offered and where we believe interest will be generated. We also attract national investors, Real Estate Investment Trusts, and private equity firms through our marketing efforts.

Hilco's marketing process is continuously monitored to ensure proper media placement and market outreach. We track the source and interest level of buyers who have inquired about the property. We update the client as to how many people have visited the web pages, how often and how long they have been to the online data room, downloaded property information, called us, attended an open house or onsite inspection, and reviewed the due diligence information. Ultimately, this gives us the unique ability to adjust the program and consistently exceed our client's expectations.

For this particular assignment we will heavily target other national, regional, and local entertainment venue owners and promoters as it is likely that they are highest and best user for a property like this. Our extensive marketing campaign will also reach potential alternative use buyers as the goal of our marketing is to attract the largest group of potential buyers and use our expertise in structuring a competitive bidding environment to maximize the value.

Hilco's comprehensive marketing and sale process includes:

- *Print Media Advertising*
- *Internet Advertising*
- *Custom Brochure*
- *Signage*
- *Direct Marketing (Direct Mail)*
- *Public Relations*
- *Prospect Management*
- *Virtual Due Diligence Room*
- *Professionally Handled Property Showings*
- *Constant Communication with the Parties*
- *Attorney Coordination*
- *Seller Approval of Materials*
- *Real-time Analysis*
- *Post Sale Follow-up*

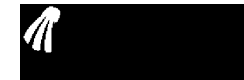
Print Advertising

- Wall Street Journal
- Local Newspapers (where property is located)
- National & Regional Newspapers
- National & Regional Real Estate Publications
- Trade Publications, Entertainment, music industry (Billboard, Nielsen SoundScan, etc.)

Internet & Email Advertising

- Loopnet Listing
- Co-Star Listing
- Loopnet Hot Property E- Blast
- CCIM E-Mail Blasts
- bizbuysell.com - businessesforsale.com - bizquest.com
- Customized E-mail Lists to targeted buyers
- PropertyBlast.com, BigBoysBlast.com, PropertyLine.com
- Hilco's E-Mail List of active buyers (20,000)

Direct Mail (Entertainment Venue Owners & Promoters, Real Estate owners, investors, developers, brokers)





Hilco Real Estate: Targeted Marketing Tools

Print and Digital Media



For all property disposition engagements, the Hilco Real Estate team employs a comprehensive, multi-phased marketing plan utilizing:

- ✓ print and digital media
- ✓ Signage
- ✓ public relations
- ✓ targeted direct mail
- ✓ broker outreach
- ✓ property-specific collateral material
- ✓ email blasts
- ✓ trade association publications, and
- ✓ the HRE website

* With all efforts supported by an aggressive telemarketing campaign *

Hilco Global
Annual Website Statistics:

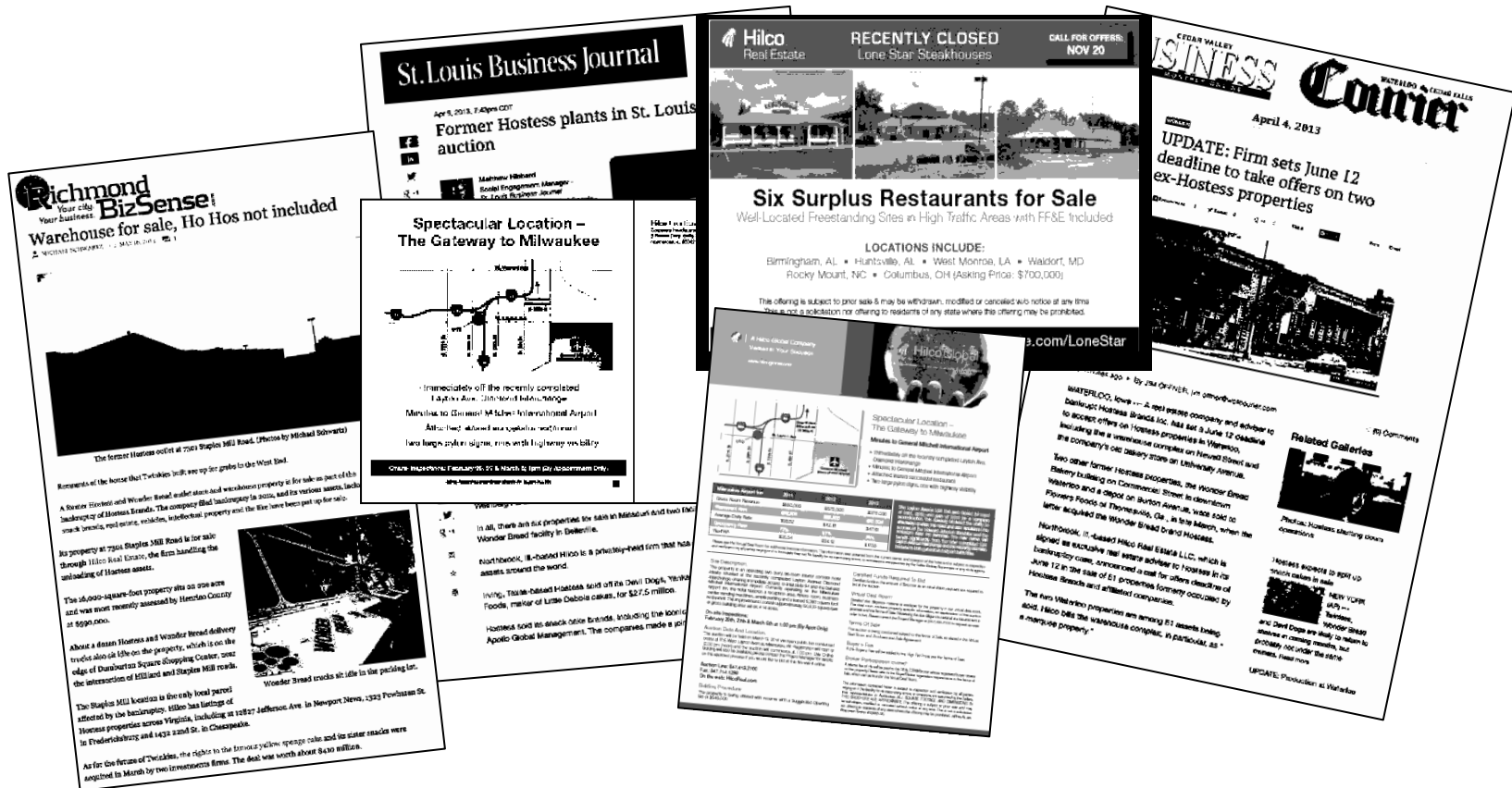
- ✓ 10 million+ page views
- ✓ 750,000+ site visits
- ✓ 350,000+ unique visitors





Hilco Real Estate: Targeted Marketing Tools

Direct Mailing, Public Relations and Other Marketing Tactics



The Hilco Real Estate team creates a multi-channel marketing strategy to maximize the value of all types of commercial real estate assets.





Due-Diligence/Pre-Marketing/Asset Protection

The HRE team will gather/review all relevant property-level data for the property. This data will include, but will not be limited to:

- Operating Statements/Profit & Loss for all the property with Net Income
- Real estate taxes (including the status of any appeals)
- Environmental reports (and any related government correspondence)
- Title commitment/policy
- ALTA survey
- Property Condition Assessment

Regarding third-party reports, it is HRE's experience that having updated information available to prospective bidders expedites the due diligence process, creates the ability to obtain as-is/where-is, non-contingent offers from prospective buyers, and will maximize value. To the extent the above-mentioned third-party reports do not exist, we highly recommend requesting quotes for, and ordering these documents.

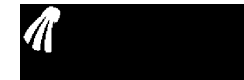
Additional pre-marketing items to finalize will be:

- Non-Disclosure Agreement (NDA)
- Form Purchase and Sale Agreement
- On-going reporting protocol

Other Documents:

- Legal documents associated with the property

Hilco Asset Protection (HAP): Engaged by many Fortune 500 companies to protect employees, clients, customers and assets in every industry and application, HAP's real estate/dark site protection suite of services ensures that property, buildings and infrastructure are monitored and facility assets are secure. HAP site protection services are 100% scalable depending on the needs of the client, and HAP security consultants fit protection to match client needs. In addition to site security, HAP can address other property management needs including maintaining and transferring keys and locksmith management, property walk-throughs, coordinating repairs and facility maintenance, sign installation, mowing and any other maintenance or security service required. HAP's valued clients include **Hostess, Liborio Markets, Goodwill, Athlete's Foot, Bank of America, Dick's Sporting Goods and Toys R Us.**





Fees



Fees

Following is our recommended fee structure for this Auction engagement:

**Commission/
Buyer's Premium:**

For all sales, a 6% Buyer's Premium will be charged to the **buyer** of the real estate and personal property and added to their high bid price to determine the Total Purchase Price. This Buyer's Premium will be paid to HRE as their Commission.

Note: If the bankruptcy court prefers that a buyer's premium not be used we can adjust the fee structure accordingly.

Credit Bid/No Sale:

TBD

Marketing Investment:

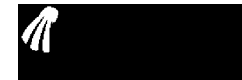
We recommend a marketing budget of approximately \$40,000 to \$50,000, which Hilco can advance subject to being reimbursed from sales proceeds. ***The marketing investment is probably the most important aspect of a sales program. Making sure that the potential buyer universe is aware of the sale and has time to react is crucial to the success of the sale.*** A detailed marketing budget will be provided prior to engagement and be attached as an exhibit to the Listing Agreement.

Net Effective Cost of Sale:

Zero -- any commissions payable to HRE is offset by the 6% Buyer's Premium paid by the buyer. The only cost to the Seller is the marketing investment which Hilco can advance.

Additional Services:

Additional services such as Asset Protection will need to be further discussed as the cost can vary greatly based on the scope of work.





Valued Clients, Successful Hilco Engagements & Client References



Hilco Real Estate's ¹⁸⁰ Valued Clients Include:



BCBGMAXAZRIA



AlixPartners



The Great ATLANTIC & PACIFIC Tea Company



Food Basics. The Food Emporium. Pathmark. superfresh. waldbaums.



KIRKLAND & ELLIS LLP TALBOTS



Coldwater Creek



TLC Laser Eye Centers®



GateHouse Media®



Select Disposition Engagements: Auctions

Hilco assists companies in all stages of financial health, from robust to distressed. We design a tailored, strategic process and create the necessary leverage to ensure that proceeds are maximized. Following are examples of just a few case studies describing successful and compelling disposition engagements.



New York Military Academy

In this engagement, the borrower had filed for bankruptcy to halt foreclosure proceedings, and was working with a potential buyer for months at a proposed \$13 million sale price – however, the seller could not get the buyer to perform. As such, the borrower, secured creditor, and unsecured creditors determined it was in their collective best interest to hire Hilco Real Estate to secure an alternate buyer, or coerce the current buyer to perform under their contract. Hilco Real Estate was retained with less than 30 days to orchestrate an effective marketing program and find qualified buyers. After launching a successful, multi-faceted international campaign, Hilco procured multiple potential bidders, and secured a previously-undiscovered winning bidder at a sale price of \$16 million.



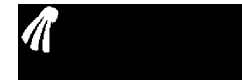
38-40 Ralph Avenue, Brooklyn

In this engagement, Hilco Real Estate was hired by the liquidating trustee to sell an asset that had been sitting vacant for almost ten years. This property was listed conventionally for an extended period of time in the \$800,000 range, unsuccessfully. Hilco's team of experts conducted a tailored online auction process which resulted in a competitive bidding situation, with multiple buyers pushing offers in excess of \$1 million, with the property ultimately being sold for \$1,580,000.



The Metroplex

The Metroplex is a 15-story luxury waterfront, multi-family apartment building that includes 126 residences with high-end finishes, an 89-space parking garage, and a community common area. The building is located directly on the coast of the Atlantic Ocean in Far Rockaway, Queens New York, along the Rockaway Beach boardwalk. Hilco was brought into the deal by Torchlight Investors (the secured lender for the project) and was exclusively retained to run a two-phased sale process as part of the bankruptcy proceedings. Interested parties were required to submit qualifying offers in advance of an established deadline, and qualified offers were then invited to participate in a runoff auction. Hilco received 12 qualifying offers (all with non-refundable earnest money); the top 5 offers were invited to participate in the runoff auction. All 5 attended the runoff auction where the opening bid was \$22.5 million and active bidding resulted in a final winning bid of \$27.6 million.





Case Studies: Auctions



Hostess

In late 2012 Hostess Brands announced it was shutting down its business and selling all assets in a bankruptcy and liquidation. Hilco was appointed exclusive real estate advisor and was involved early in the process, initially valuing all 260 owned locations. After 120 were sold as part of a combined brand/asset purchase of certain brands, Hilco was retained as exclusive national disposition agent to handle the sale of the remaining 140 diverse real estate assets across 34 states. Hilco quickly implemented a highly innovative and effective marketing campaign consisting of print advertising, website listings, electronic media, public relations and signage. Within approximately 90 days, over 6,000 prospective buyers had responded, which led to over 400 offers. Ultimately the portfolio (which included the properties, machinery and equipment and thousands of trucks) was sold in a bulk deal at auction to the stalking horse bidder, which yielded the estate over \$60 million in proceeds.



IPC Former Headquarters Building

In 4Q2014, Hilco Real Estate successfully marketed and sold a vacant 36,400 sq ft single-tenant, Class A former headquarters office building located in Chicago's northern suburb of Bannockburn. Spanning over a period of nearly two years, the owner's previous extended engagements with national brokerage firms had been unsuccessful. HRE's team crafted a creative and targeted marketing campaign, and within 38 days had generated multiple qualified offers. The implementation of a date-certain process created a sense of urgency in the market that was previously absent in the predecessors' marketing tactics. The property was sold to a user in less than sixty days from our retention at a very favorable price.



Fortress Investment Group / Bob Evans Restaurants

Hilco Real Estate was recently engaged by Fortress Investment Group to sell a portfolio of 13 assets formerly owned by Bob Evans: two closed restaurants and 11 vacant land parcels throughout Indiana, New York, Ohio and Virginia. Fortress had been unsuccessful in selling these properties through conventional brokerage means due to 40-year deed restrictions that prohibit future restaurant use on these sites. As such, Hilco structured and executed an accelerated online auction strategy – utilizing aggressive suggested opening bids to elicit interest from the market. The tailored auction program was extremely successful, generating over 283 direct inquiries, resulting in non-contingent, all-cash offers on nine of the properties within the portfolio. In the days following the auction, offers were received on another two properties. Closings occurred approximately 30 days following the auction and the Seller monetized these non-performing assets within 90 days of the start of HRE's auction program.



Case Studies: Auctions



United Central Bank

Hilco Real Estate recently completed an online auction for a portfolio of 22 United Central Bank REO assets. Many of the assets were part of the legacy Mutual Bank portfolio that UCB acquired as part of a FDIC-backed acquisition several years ago. The properties were marketed individually and consisted of hotels, residential and commercial land, office buildings and industrial buildings spread across eleven states. The diverse properties were valued from \$15,000 to \$2 million, and 21 of the 22 properties were under contract at the conclusion of the auction (during a process which spanned approximately 75 days), resulting in total sales proceeds of over \$8 million.

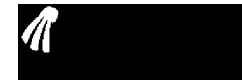
Associated Bank

Hilco Real Estate was recently engaged by Associated to sell six bank-owned properties located across Wisconsin. This well-positioned portfolio consists of former bank branches, office buildings and residual land sites. Due to the bank's strict timing parameters, it was necessary for two properties within the portfolio to be under contract within 30 days of the listing agreement, calling for a highly accelerated sales program. Upon Hilco implementing a keen and creative marketing campaign, the assets that had previously been marketed conventionally for 5+ years were put under contract within 15 days of the program's implementation. Remaining sites were sold via auction 45 days from the start of Hilco's engagement, consistent with the client's requirements (from both a timing and value perspective). Following the initial engagement, and based on early successes, HRE has since been retained to (a) restructure one ground lease, (b) sub-lease a different ground lease, (c) locate new branch locations in two states, and (d) sell as many as 37 additional branches slated for closure or relocation to better locations in the same core markets.

Windsor Atlanta Airport Hotel



Hilco Real Estate was recently engaged to market this 323-room full-service hotel (formerly a Wyndham Garden) in Atlanta, Georgia via receiver-ordered sale. Over the course of the past year+, the receiver had secured several offers which unfortunately included contingencies and failed to close. However, the HRE auction team's national platform and extensive and creative campaign resulted in an extremely successful live, onsite auction. As a result of HRE's marketing efforts, the event received international exposure in six different countries, resulting in over 150 direct inquiries and several serious bidders attending the auction (with certified funds prepared to close in 45 days). The winning international bidder signed an as-is/where-is contract and deposited non-refundable earnest money, presenting a favorable sale price of \$4 million.





Client References

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Monticello Banking Company

COO/EVP

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The Hilco Real Estate Team

Hilco executives and dealmakers are actively involved in the strategic planning and day to day execution of all transactions. Below is a summary of the background and experience of Hilco Real Estate's senior management and a few of the team members who are typically involved in significant engagements.

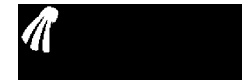


Jeff Azuse
Senior Vice President
Direct 847.418.2703
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Jeff has been with Hilco since 2012, and as senior vice president with Hilco Real Estate's disposition team he is responsible for business development and marketing, implementation and reporting, website marketplace management, client interaction, event management, and facilitation of transaction closings. Over his career, Jeff has been responsible for advising all types of clients, from Fortune 500 companies to high net worth real estate developers, in the acquisition, development, financing, construction, and disposition of their properties. He has sold over \$500 million in commercial and residential real estate and managed transactions for such companies as Bank of America, ING, CIB Bank, Cole Taylor Bank, ALCOA Steel, U.S. Bank, Canyon Resources Gold Company, Fifth Third Bank, UCB Bank, and many more.

Prior to joining Hilco Real Estate, Jeff spent seven years with a national real estate auction firm where he managed the marketing and auction process for a diverse portfolio of projects located across the United States. He also possesses a broad background in construction, real estate development, and conventional real estate brokerage having developed, built and sold multiple residential and commercial projects in Illinois, Florida, and Nevada. He has owned and operated a general contracting construction business with a diverse portfolio of projects, and founded a real estate brokerage company that grew to over thirty real estate agents.

Jeff received his B.A. in business finance from the University of Illinois. He holds real estate brokers licenses in six states and is a member of the Chicago Association of Realtors®, Illinois Association of Realtors® and National Association of Realtors®.





Todd Van Sickle
Managing Director
Direct 847.418.2725
tvansickle@HilcoGlobal.com

Todd Van Sickle's exposure to real estate auctions began when he started an auction firm with a strong focus on premier luxury real estate. That experience has translated perfectly in his role as Managing Director at Hilco Real Estate in business development where he identifies new business opportunities in new markets.

His ability to develop perpetual business relationships with financial institutions and other clients, in an effort to solve real estate situations which not only exists today but to anticipate needs for our services to our clients on an ongoing basis, is a great asset to Hilco Real Estate.

Todd is a 1996 graduate of West Point, the United States Military Academy, and a former combat arms Captain in the United States Cavalry where he charged ahead in business armed with the knowledge that he could build successful teams and inspire individuals to achieve collective goals and he was willing to bet on it. His first test after the army came in the form of a nationally recognized music venue that was on the brink of financial collapse. He purchased the business from the founder and through the course of what some would characterize as a hands-on MBA, turned the business around and successfully sold it to the current owner.

His career later took him to Afghanistan as an instructor and mentor where he taught Afghan National Army Commando leaders how to effectively build cohesive teams that could defend against the insurgency. Although cultural challenges, especially regarding military professionalism are widely recognized in that country, a great deal of progress was made with these elite units such that they were expanded from a brigade to a division sized element due to their combat successes.

As a highly qualified instructor and speaker, he also raises hundreds of thousands of dollars for nonprofit organizations through charity auctions. He is a member of the National Association of Realtors, National Auctioneers Association and holds real estate and auction licenses in numerous states.

EDUCATION

- B.S. – Engineering Management – US Military Academy (West Point)





Navin Nagrani
Executive Vice President and Principal
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nnagrani@hilcoglobal.com

Over the ten years Navin has been with Hilco, he has served as a central deal maker in many of Hilco's largest principal and advisory-related transactions. His primary responsibilities include leading several key strategic initiatives for the firm, including shaping the real estate business development strategy and execution as well as overseeing deal origination, deal qualification and transaction structuring. Over time, Navin has developed a significant expertise in the restaurant category and has been appointed the leadership role in this specialty area within the overall Hilco Real Estate practice.

Navin currently serves on the Executive Board of Directors for the Real Estate Investment Association (REIA) where he had previously served a term as President. He serves as Director of Strategy for the Young Real Estate Professionals Association and sits on the National Board of Trustees for the Turnaround Management Association (TMA). Navin is also an active member of the Restaurant Leadership Advisory Council.

A published author of articles, Navin frequently speaks at industry events on the topics of restructuring and real estate. He is sought after in the real estate industry, having been recently named to M & A Advisors prestigious "40 Under 40" top young executives, and he is an award winning member of the Turnaround Management Association (TMA).

Navin is a graduate of Loyola University in Chicago and is a licensed Real Estate Broker by the State of Illinois.

Prior to joining Hilco, Navin was a Strategic Consultant for Hewitt Associates where he worked on merger & acquisition assignments covering the financial services industry. Before Hewitt Associates, Navin was a Junior Economist for the Federal Reserve Bank.





Neil Aaronson
CEO

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naaronson@hilcoglobal.com

Neil has been with Hilco since 2006. A dynamic leader and seasoned real estate professional, Neil has been involved in large-scale acquisitions, dispositions, investments and general deal-making across a broad range of significant real estate and corporate holdings. With extensive experience in all aspects of retail, restaurant, industrial and office real estate, Neil has been instrumental in the successful completion of over \$4 billion in transactions during his career.

Neil has managed deals involving, and/or has represented, an elite group of corporate entities, private equity funds and financial institutions including Wyndham Hotels, Hostess, Trendwest Resorts, Chrysler, General Motors, A&P, Budget Rent a Car, Fortress, Cerberus Capital, Sun Capital, JP Morgan Chase, and Goldman Sachs.

Neil began his association with Hilco as an Executive Vice President at the holding company for the Hilco organization. His responsibilities included major transaction structuring and oversight. In 2008, Neil was promoted to CEO of Hilco Real Estate. Prior to joining Hilco, Neil served as Senior Vice President, Business Development, for publically-traded Cendant Corporation, where he oversaw deal-making for the Company's hotel and timeshare businesses. Prior thereto, Neil was the Vice President of Cendant's Strategic Development Group. Earlier, he served as an associate investment banker with ING Barings, where he handled the analysis and negotiations of acquisitions, divestitures and financings for several public and private companies.

Neil is an active member of the American Bankruptcy Institute, the Turnaround Management Association, the Association for Corporate Growth, and the International Council of Shopping Centers. Neil's expertise and experience have earned him many speaking opportunities and participation in educational panels at numerous trade association conferences and seminars, including ICSC, ABI, and IMN (Information Management Network).

Neil received a Bachelor of Economics Degree from the Wharton School of the University of Pennsylvania, and a Juris Doctor Degree from the University of Pennsylvania Law School.





Gregory Apter
President

Direct 847.504.2467

gapter@hilcoglobal.com

A deft strategist and negotiator, Greg runs the brokerage and restructuring businesses for Hilco. Greg's work in lease restructuring and owned property dispositions extends over more than 20 years and has earned him broad respect and admiration as a real estate expert. Among the many clients Greg has represented are well-known names in retailing, manufacturing and business services such as Wal-Mart, WorldCom, Starbucks, Talbots, Ahold/Stop & Shop, HD Supply, Samsonite, Biomet, Bally Total Fitness, Michael's Stores, Claim Jumper Restaurants, A&P, Yucaipa, Select Comfort, Centerbridge, Bain & Company, Angelo, Gordon & Co., TPG and others.

Prior to joining Hilco in 2002, Greg was a senior vice president and the head of the retail tenant representation group at Jones Lang LaSalle. In that role he was responsible for directing, managing and facilitating lease portfolio restructuring services as well as market analysis, site selection, asset management, consulting, acquisition and disposition services. Prior thereto, Greg served as General Counsel for Syndicated Equities Corporation where he managed all corporate business and legal matters, including site valuation and evaluation, negotiation of contracts, oversight of loan commitments and review of lease, zoning, title and environmental issues. Earlier, Greg served as President of Water Tower Bank in Chicago, where he was responsible for all commercial and consumer lending operations, business development and legal matters.

Sought after as a speaker/lecturer in trade association educational programs, Greg has also authored numerous articles on lease restructuring and the art and science of lease negotiations for companies in every stage of health or financial condition. Greg is a member of the American Bankruptcy Institute, the American Bar Association, the National Restaurant Association and the Turnaround Management Association. He holds a Juris Doctor degree from IIT Chicago-Kent College of Law and a Bachelor of Arts degree from the University of Illinois at Champaign-Urbana.





Steve Madura

Vice President

Direct 847.504.2478

smadura@hilcoglobal.com

Steve brings extensive real estate marketing and transactional experience to Hilco Real Estate, having participated in the sale of over \$100 million worth of properties of nearly every asset class on a national and international basis in the course of his career. He has sold commercial and residential real estate including multifamily, office, industrial, hospitality, golf course development, retail and special use properties on behalf of high profile clients such as JP Morgan Chase, Bank of America, Prudential, Wells Fargo, ING/Clarion, Royal Bank of Canada, Banco Popular and the state of Illinois. Steve's responsibilities within Hilco's disposition team include project management, deal structuring, marketing and execution of strategic sales processes for owned real estate assignments.

Prior to joining Hilco Real Estate, Steve held a senior project management position with Sheldon Good & Company, structuring and executing accelerated marketing programs utilizing a variety of disposition methods. While at Sheldon Good, he was not only instrumental in the execution of many of the company's largest auctions, but also in implementing technological changes to effectively streamline every stage of the sales process.

Steve holds a Bachelor of Arts degree from Brigham Young University. He is a licensed Real Estate Broker and Auctioneer in the state of Illinois. Steve contributes his time to many local organizations including the Boy Scouts of America, Feed My Starving Children and The First Tee of Aurora.



Addendum:

Hilco Real Estate is a unit of

Hilco Global

A World Leader in Asset Valuation, Monetization and Advisory Services

What We Do:

Hilco Global is a privately-held, diversified financial services company differentiated by our ability to act as advisor, agent, investor and/or principal in every transaction. We are a global authority on facilitating maximum value solutions for all asset classes on the left side of the balance sheet.



ADVISORY

- HELP CLIENTS DEFINE STRATEGIC INITIATIVES
- UNLOCK ADDITIONAL ASSET VALUE IN ALL CLASSES
- PERFORMANCE ENHANCEMENT

MONETIZATION

- ASSET REPURPOSING, DISPOSITION & PROTECTION
- CAPITAL FOR ACQUISITIONS & RISK MITIGATION OF NON-CORE AND UNDERPERFORMING ASSETS

VALUATION

- ENTERPRISE VALUATIONS & APPRAISAL INCLUDING ALL TANGIBLE AND INTANGIBLE ASSET CLASSES
- EXPERT WITNESS CAPABILITIES ACROSS ENTIRE PLATFORM

How We Do It:

We deliver expert services and proven value across all of our integrated business units:

CAPITAL INVESTMENT

- Strategic partner with management expertise in both opportunistic and distressed situations
- Principal and operator of strategic businesses and brands as well as debt/equity investment and turnaround situations
- Enterprise and intellectual property valuation

INDUSTRIAL

- Proprietary system for internal redeployment of surplus M&E
- Largest buyer and seller of production M&E globally
- Largest appraiser of industrial M&E

REAL ESTATE

- Innovative lease restructuring practice and asset protection services
- Principal investments and sale of real estate
- 1500+ annual appraisals across all property types

CONSUMER INVENTORY/RETAIL SPECIALISTS

- Performance enhancement and cost optimization for retailers
- Buyer and seller of retail and wholesale inventory
- Manage store closings and inventory disposition
- Largest appraiser of retail and wholesale inventory

ACCOUNTS RECEIVABLE

- Management and collection of commercial/consumer receivables
- Buyer and seller of commercial/consumer receivables
- Appraisal and valuation of receivables/portfolios

REDEVELOP/REPURPOSE

- Strategic assessment of large, discontinued operations, non-core or orphan businesses
- Principal investor in large facilities for demolition, environmental remediation and strategic redevelopment
- Valuation of properties for redevelopment

Hilco Global's Valued Clients Include:



Bristol-Myers Squibb

Tetra Pak



Critical Facts about Hilco Global¹⁸⁰

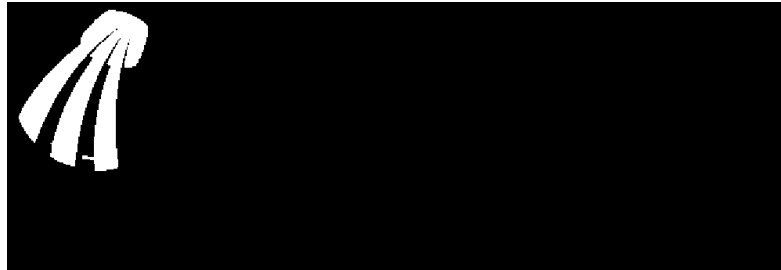
➤ **World class scale and scope of service:**

- Recognized, hands-on management team
- Best in Class talent and financial resources
- Centralized global coordination of the process with local service
- Sold assets from 53 countries into more than 60 countries in 2015

➤ **Most experienced with assets to be valued and sold:**

- Asset sales exceeded \$1.2 billion in 2015
- Converted over \$150 billion of excess retail inventory to cash
- Mitigated in excess of \$1 billion lease liability for hundreds of clients
- Disposition of 200 million SF of retail, office and industrial properties
- Appraised and repositioned real estate worth nearly \$4 billion
- Delivered nearly 20,000 appraisals - values in excess of \$200 billion

➤ **Capital available for *immediate* monetization and risk mitigation**



Todd Van Sickle

Managing Director

P | 847.418.2725

E | tvansickle@hilco**Global**.com

Jeff Azuse

Senior Vice President

P | 847.418.2703

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December 8, 2016

Via Email

Eric M. English, Esq., EEnglish@porterhedges.com
Amy T. Geise, Esq., AGeise@porterhedges.com
Brandon J. Tittle, Esq., BTittle@porterhedges.com
Porter Hedges LLP
1000 Main Street, 36th Floor
Houston, TX 77002-2764

Re: Cowboys Far West, Ltd., Debtor; Case No. 16-51419 ("Case")

Dear Counsel:

I am writing to follow up on our telephone call of December 6, 2016 regarding the competing plan you have submitted on behalf of your client in the Case captioned *Business Property Lending, Inc.'s Plan of Liquidation For Cowboys Far West, Ltd.* (the "Plan") which provides for a Plan Administrator under Article VIII to distribute Cash and property, as well as liquidating real and personal property assets.

Qualifications for Engagement as Plan Administrator

I am very interested in and well qualified to undertake the role of Plan Administrator. We at Commercial Recovery Associates ("CRA") have undertaken fiduciary management of both real estate and other business assets on multiple occasions, in numerous jurisdictions, and in a variety of contexts with significant success.

In general, our experience includes expeditious, efficient investigation of corporate assets; locating, securing and recovering them, including through recovery actions; restructuring and managing the on-going business of companies and partnerships to maximize their profitability; reporting to and working with the court; adjudicating claims; marketing and selling companies; formulating and obtaining court approved disbursement plans; and distributing substantial dividends to secured and unsecured creditors, investors and owners, in accordance with legal priorities, realized from recovery and management of corporate assets .

A comprehensive summary of our fiduciary experience is enclosed. Below is a brief description of some of the Chapter 11, real estate and/or concert venue engagements that we have handled under court-appointment or in other fiduciary roles:

- *Michael Frank's LLC.* I am Trustee/Assignee for the Benefit of Creditors of Michael Frank's LLC and its affiliates. This company solicited in excess of \$15 million from individuals in exchange for the promise of investing in nearly a dozen different multi-family housing projects in various parts of the country including Texas, Michigan, Ohio and Alabama. As

Trustee/Assignee, we took over the real estate management operations, initiated a claims process for all investors, conducted a forensic investigation of the company's financial history, and managed the day-to-day operations of each of the real estate projects. We wound down the affairs of this company while keeping the US Attorney and SEC counsel informed of our actions. We were able to prevent some of the projects from going into foreclosure, allowing us to market and sell those assets as going concerns. Under Illinois law, an assignee for the benefit of creditors acts as a trustee of a trust that holds title of the companies that made the assignment and holds a priority position as lien creditor, similar to a bankruptcy trustee or court-appointed receiver under the Uniform Commercial Code.

- *Heartland Memorial Hospital LLC: Chapter 11 Case # 07-20188: Designated Responsible Person.* I was appointed and acted as the Designated Responsible Person for the Chapter 11 Debtor in the above case which was pending in the Bankruptcy Court for the Northern District of Indiana. In that case, the Hospital had been sold to the Sisters of St. Mary. Once the sole remaining officer/manager resigned, I was appointed to manage the debtor's remaining assets, investigate and pursue litigation for recover funds for the estate and manage the estate's wind-down. I remained the designated person until confirmation of the liquidating plan at which time a liquidating plan trustee took over.

During my tenure, among other things, I accomplished the following:

- Handled all patients' medical records and established procedures for third-party access to patient records in compliance with HIPAA;
 - Assessed the nature and extent of the hospital's billing records and billing practices;
 - Reviewed and analyzed the hospital's potential recovery claims against its creditors as well as the hospital's former personnel, officers and directors, and counsel;
 - Directed counsel in connection with the prosecution of such claims, including claims for breach of fiduciary duty;
 - Managed the hospital's wind-down budget;
 - Managed the wind-down of the hospital's 401(k) plan;
 - Worked with a CMA contracting agent for preparation of the hospital's Medicare Preliminary Cost Adjustment Report in connection with its prior years' Medicare reimbursement claims; and
 - Performed all of the reporting and administrative duties of a liquidating trustee.
- *Triad Investment, Inc. v. Adam Aschinger, et al; Case No. 10 CH 38769* in the Circuit Court of Cook County, IL; Judge Leroy K. Martin, Jr. We were the court-appointed receiver in equity for a real estate partnership undergoing dissolution proceedings. In this case, we managed over 400 units of student-oriented apartments in various parts of the country including Macomb, IL; Athens, GA; Austin, TX and Los Angeles, CA.

- *Citibank, F.S.B. v. Merrillville Center for Advanced Surgery LLC, Subspecialty Centers of America LLC, The Nose and Sinus Center LLC, 255 East 90th LLC and Mark S. Weinberger M.D.P.C., et al*, Case # 04 C 497 In the US District Court for the Northern District of Indiana. I was the receiver for an ambulatory surgical center and medical practice in Merrillville, IN, in a case which was pending in the US District Court for the Northern District of Indiana. To preserve and create value in the assets over which I was the receiver, I obtained recertification of the surgery center, retained staff and operated the center. We had the obligation of supervising all medical staff, reporting to court, and maintaining financing and supply arrangements with critical creditors and vendors to keep the center operating until a sale could occur. With the Court's approval, we ultimately sold the facility's assets, which included two parcels of real estate and state of the art medical equipment.

After sale of the surgery center, we continued to maintain the medical records in compliance with HIPAA. In addition to the operations, as receiver we assisted in the investigation of insurance fraud and managed the plethora of malpractice cases brought (generally) for unnecessary surgeries. When our receivership work was complete, we were authorized to have the patients' medical records turned over to special counsel for the disbarred physician.

- *United States Securities and Exchange Commission v. Hyatt Johnson Capital, et al*, Case No. 08-cv-2224, in the US District Court for the Northern District of Illinois; Judge Rebecca Pallmeyer presiding. Robert Handler is currently Receiver in this securities fraud case brought by the US Securities and Exchange Commission. This receivership is complex. The assets included real estate in different locations in various states of foreclosure, significant personal property that had to be recovered and sold, and most significantly, a fleet of commercial jet aircraft (1 Airbus A319 and 4 Airbus A321s) leased to major airlines such as US Airways and Alitalia and another aircraft (a Boeing 737 leased to British Airways) that we marketed and sold during the case. The defendants created a multi-layered corporate structure to manage the assets. There are 125 individual investors who in turn were given membership interests in a dozen investor/owner LLCs, which, in turn, indirectly own three layers of domestic and foreign limited liability companies that hold title to the commercial aircraft. Four of the aircraft were owned by an Irish entity which leased the aircraft to Alitalia in Rome, Italy. Alitalia went through its own insolvency proceeding in Italy during the pendency of the receivership. As receiver, we worked with our counsel to have the leases assigned to a company that took over Alitalia's business. We have been managing all of the business and administrative affairs of the company in receivership and all of its affiliates. This has included supervising all of the legal and administrative affairs of the operations with local managers and/or counsel where appropriate. During the receivership, we successfully operated the businesses profitably, sold assets, had distribution plans proposed and approved, and made extraordinarily significant distributions to the investors. After the sale of the Alitalia aircraft, we made our 9th distribution to investors, which resulted in their recovery of 100% of their initial investment of approximately \$22 million. In addition, we were successful in recovering estate funds through various fraudulent transfer and unjust enrichment recovery lawsuits filed against certain parties and stakeholders.

The US District Court recently approved our final distribution plan and the sole objector to the plan agreed to dismiss his appeal of the approval order. Upon final execution, the plan

will provide (i) investors in excess of a 4% annual return of their initial investment made in 2004 and (ii) approved creditors with up to 100% of their approved claims.

- *IRMO Osacky; Case No. 04 D2 30631*, in the Circuit Court of Cook County, IL; Numerous Judges, including the Hon. Nancy Katz. Mr. Handler was the court-appointed receiver in a divorce proceeding where one of the marital assets was the concert and wedding venue located at 2539-47 North Kedzie in Chicago and known as the Logan Square Auditorium. Among other things, as Receiver we were responsible for:
 - Collecting and Accounting for all cash and other income. This included hiring and managing the bartenders as well as supervising all bar activity and the cash registers, and collecting all proceeds at the end of each event;
 - Overseeing all events hosted by the parties;
 - Managing expenses, including payment of staff, security and sound personnel and suppliers; and
 - Overseeing bookings and contracts for all events. This included collecting all deposits from promoters and managing the split of cover charges, ticket sales and other cash paid.

This engagement required nearly daily supervision of all activities at the facility, constant oversight of the parties and their staff, management of the facility's event calendar, regular collection and deposit of cash, and continuing communication with parties' counsel. All of these activities were regularly reported to the court, which was supervising a contentious and extended divorce proceeding.

Engagement as Cowboys Far West, Ltd. Plan Administrator

Based on our review of the Plan and the obligations of the Plan Administrator, we can act as and carry out all the duties of a Plan Administrator and are well qualified to do so, some of which you outlined in your email of December 5, 2016 to Todd Van Sickle. We have expertise with entertainment venues, their management and liquidation. We manage and market and liquidate real and personal property (through professionals retained) and administer liquidation of companies and their businesses. We have pursued in court (through counsel) avoidance and other actions, claim determinations, and prepared and filed required reports and motions. And, we administer distribution of assets in accordance with trusts, plans and other liquidation vehicles. We have done this work through Bankruptcy Court (Chapter 11 cases), Federal Court receiverships, State Court receiverships and as trustee/assignee for the benefit of creditors. If retained as Plan Administrator, in order to expedite the market and sale of assets and meet the timing set forth in the Plan, we would retain and have Hilco ready to start promptly marketing for sale Debtor's real and personal property and potentially have Hilco manage and secure the property prior to its sale as it is able.

Our rates for fiduciary engagements are:

Robert Handler:	\$395/hour
John Servatius:	\$325/hour
Laura Dellaca:	\$100/hour

We have maintained these rates for the past 5 years (although our rates in the *Hyatt Johnson Capital* case remain at a lower level since we started that engagement in 2008). John is our primary financial and operational manager as he has an extensive background in cash budgeting, financial analysis, management of treasury and operational functions and real estate. As a result, he will do most of the day-to-day management and supervision. Laura, our senior administrator and bookkeeper, handles fiduciary bookkeeping. Copies of our biographies are enclosed.

To the extent needed to carry out our obligations as Plan Administrator, we would use Michael Pakter and his staff at Gould & Pakter, LLC as special accountant. Michael has over twenty-five years of experience as a forensic accountant and insolvency expert advising debtors, creditors and bankruptcy trustees. Michael and his firm have extensive experience on medical billing and collection issues. Michael's current billing rate is \$400/hour, and none of his associates' billing rates exceed \$200/hour. His biography is also enclosed.

We generally use Paula Jacobi of Barnes & Thornburg LLP as our counsel for our fiduciary engagements and would anticipate using her and her firm again for this engagement. As can be seen from her attached vitae, she has done extensive insolvency related work in federal, state and bankruptcy courts, including representing receivers, trustees and assignees for the benefit of creditors. Within Barnes & Thornburg LLC, partners have expertise in all areas of law that have in the past and may be needed in the future for this case—e.g., real estate, corporate, secured lending and tax. Paula is our counsel in the *Hyatt Johnson Capital* case. She has handled and/or supervised all of the litigation in this case including claims adjudication, fraudulent transfer litigation and claw-back litigation. We have worked closely with Paula in all aspects of investor and creditor distribution crafting, and having the Court approve all of our distribution plans. Paula has also been counsel for the majority of our receiverships, many of our assignments for the benefit of creditors and generally represents us in other matters where we have assumed fiduciary roles. Paula's current billing rate is \$525/hour

Re: Cowboys Far West, Ltd.

180

December 8, 2016

Page 6 of 6



Thank you for your time and consideration. We are available at your convenience to discuss any questions you may have over the phone or in person.

I look forward to hearing from you and working on this matter.

Regards,

COMMERCIAL RECOVERY ASSOCIATES, LLC

Robert P. Handler, Managing Partner

Copies: Jeff Azuse
Todd Van Sickle
Michael D. Pakter
Paula Jacobi, Esq.



Fiduciary Engagements: Receiverships and Assignments for the Benefit of Creditors

Commercial Recovery Associates (“CRA”) has frequently undertaken the role of Court-Appointed Receiver, Trustee/Assignee for the Benefit of Creditors, Chief Restructuring Officer and other fiduciary positions in a variety of businesses. We have been successful in expeditiously, efficiently and cost effectively managing the on-going businesses, locating and recovering assets, preserving and/or enhancing value, securing cash, reporting to court and stakeholders, having disbursement plans approved and getting substantial returns back to the stakeholders (investors and creditors) according to their priorities.

State and Federal Court Receiverships and Bankruptcy Appointments

Below are examples of federal and state court cases where Robert Handler is currently or has been the receiver or appointed in other fiduciary capacities:

- *United States Securities and Exchange Commission v. Hyatt Johnson Capital, et al*, Case No. 08-cv-2224, in the US District Court for the Northern District of Illinois; Judge Rebecca Pallmeyer presiding. Robert Handler is currently Receiver in this securities fraud case brought by the US Securities and Exchange Commission. This receivership is complex. The assets included real estate in different locations in various states of foreclosure, significant personal property that had to be recovered and sold, and most significantly, a fleet of commercial jet aircraft (1 Airbus A319 and 4 Airbus A321s) leased to major airlines such as US Airways and Alitalia and another aircraft (a Boeing 737 leased to British Airways) that we marketed and sold during the case. The defendants created a multi-layered corporate structure to manage the assets. There are 125 individual investors who in turn were given membership interests in a dozen investor/owner LLCs, which, in turn, indirectly own three layers of domestic and foreign limited liability companies that hold title to the commercial aircraft. Four of the aircraft were owned by an Irish entity which leased the aircraft to Alitalia in Rome, Italy. Alitalia went through its own insolvency proceeding in Italy during the pendency of the receivership. As receiver, we worked with our counsel to have the leases assigned to a company that took over Alitalia’s business. We have been managing all of the business and administrative affairs of the company in receivership and all of its affiliates. This has included supervising all of the legal and administrative affairs of the operations with local managers and/or counsel where appropriate. During the receivership, we successfully operated the businesses profitably, sold assets, had distribution plans proposed and approved, and made extraordinarily significant distributions to the investors. After the sale of the Alitalia aircraft, we made our 9th distribution to investors, which resulted in their recovery of 100% of their initial investment of approximately \$22 million. In addition, we were successful in recovering estate funds through various fraudulent transfer and unjust enrichment recovery lawsuits filed against certain parties and stakeholders.

The US District Court recently approved our final distribution plan and the sole objector to the plan agreed to dismiss his appeal of the approval order. Upon final execution, the plan will provide (i) investors in excess of a 4% annual return of their initial investment made in 2004 and (ii) approved creditors with up to 100% of their approved claims.

- *Citibank, F.S.B. v. Merrillville Center for Advanced Surgery LLC, Subspecialty Centers of America LLC, The Nose and Sinus Center LLC, 255 East 90th LLC and Mark S. Weinberger M.D.P.C., et al*, Case No. 04 C 497 in the US District Court for the Northern District of Indiana, Judge Phillip Simon presiding. In October 2004, Robert Handler was appointed receiver for an ambulatory surgical center and medical practice in Merrillville, IN which had been abandoned by its sole owner and physician. To preserve and create value in the assets in this receivership, CRA obtained recertification of the surgery center, retained staff and operated the center. We had the obligation of supervising all medical staff, reporting to court, and maintaining financing and supply arrangements with critical creditors and vendors to keep the center operating until a sale could occur. With the Court's approval, we ultimately sold the facility's assets, which included two parcels of real estate and state of the art medical equipment. Upon the sale, we managed transfer of medical records in compliance with HIPAA. In addition to the operations, as receiver we assisted in the investigation of insurance fraud and managed the plethora of malpractice cases brought (generally) for unnecessary surgeries.
- *IRMO Osacky*; Case No. 04 D2 30631; Numerous Judges, including the Hon. Nancy Katz. Mr. Handler was the court-appointed receiver in a divorce proceeding where one of the marital assets was the concert and wedding venue located at 2539-47 North Kedzie in Chicago and known as the Logan Square Auditorium. Among other things, as Receiver we were responsible for:
 - Collecting and Accounting for all cash and other income. This included hiring and managing the bartenders as well as supervising all bar activity and the cash registers, and collecting all proceeds at the end of each event;
 - Overseeing all events hosted by the parties;
 - Managing expenses, including payment of staff, security and sound personnel and suppliers; and
 - Overseeing bookings and contracts for all events. This included collecting all deposits from promoters and managing the split of cover charges, ticket sales and other cash paid.

This engagement required nearly daily supervision of all activities at the facility, constant oversight of the parties and their staff, management of the facility's event calendar, regular collection and deposit of cash, and continuing communication with parties' counsel. All of these activities were regularly reported to the court, which was supervising a contentious and extended divorce proceeding.

- *Heartland Memorial Hospital LLC*: Chapter 11 Case # 07-20188, Judge J. Phillip Klingeberger, Bankruptcy Judge. Robert Handler was appointed and acted as the Designated Responsible Person for the Chapter 11 Debtor in the above case which was pending in the Bankruptcy Court for the Northern District of Indiana. In that case, the Hospital had been sold to the Sisters of St. Mary. Once the one remaining officer/manager resigned, Mr.

Handler was appointed to manage the debtor's remaining assets, investigate and pursue litigation for recover funds for the estate and manage the estate's wind-down. Mr. Handler remained as the designated person until confirmation of the liquidating plan at which time a liquidating plan and plan trustee took over.

- *United Central Bank v. MAK2, Inc. et al*; Case No. 2014-CH186 in the Circuit Court of the Sixth Judicial Circuit, Champaign County, IL; Judge Michael Q. Jones. As the court-appointed receiver we managed all aspects of an 80-room hotel in Champaign, IL while the property was subject to a mortgage foreclosure action.
- *Triad Investment, Inc. v. Adam Aschinger, et al*; Case No. 10 CH 38769 in the Circuit Court of Cook County, IL; Judge Leroy K. Martin, Jr. This is a real estate partnership dissolution proceeding where we managed a number of student-oriented apartment complexes, initially consisting of over 400 separate residential units, in various parts of the country including Macomb, IL; Athens, GA; Austin, TX and Los Angeles, CA.
- *United Central Bank v. 6501 Corporation, et al*; Case No. 10-cv-4950 in the US District Court for the Northern District of Illinois; Judge Milton Shadur presiding. We handled the receivership of a 26-acre commercial property containing 6 light industrial/office buildings with approximately 12 commercial tenants.
- *Central I.C.R. Electric Co., Inc. v. Zahed Javan, et al and United Central Bank v. 2700 W. Chicago LLC et al*; Case No. 10 CH 13758; Judge Robert Quinn. This is a mixed use property at 2700 W. Chicago Ave. in Chicago which was subject to the senior lender's foreclosure proceedings.
- *Wells Fargo Bank, N.A. as trustee vs. Patrick Taylor, et al*; Case No 09 CH 01041; Judge Jesse Reyes. Receiver for commercial and residential real property in Blue Island, IL subject to pending mortgage foreclosure action. The commercial tenant was a blues bar.
- *Community Bank of Lawndale vs. Nu-Day Enterprises, Inc., et al*; Case No 04 CH 08895; Judge Martin Agran. Receiver for the business and commercial real property in Chicago subject to pending mortgage foreclosure action.
- *Heartland Bank and Trust Company v. CJ Properties III et al*; Case No. 12 CH 1336 in the Circuit Court of Lake County, IL. Mr. Handler was the receiver for two restaurant properties which were subject to a mortgage foreclosure proceeding. One of the restaurants (Opa! Estiatorio) was in operation, for which we collected rent and supervised the tenant's compliance with the use and occupancy agreement.

Assignments for the Benefit of Creditors and other Fiduciary Engagements

CRA's professionals, as Trustee/Assignee, sole director, or in other fiduciary roles, has recovered and/or enhanced value of a variety of types of personal property, including intangible and intellectual property assets, and in a variety of industries, such as:

- *The Alpinist, LLC*; CRA was appointed Trustee/Assignee of this specialty high-end publication targeting mountain and rock climbers. Other than the accounts receivables due from advertisers, the largest asset was the company's intellectual property which consisted of its website, trade name, subscriber database, and other know-how associated with the development and marketing of the company's website. CRA obtained a stalking horse bidder for all of these assets, who agreed that its bid was subject to better and higher offers. CRA proceeded to advertise the sale, conducted an auction, and ultimately received and closed on a final bid equal to four (4) times the original stalking horse bid.
- *WP Company LLC d/b/a The Washington Post v. Electronic Imaging Systems of America, Inc.*; Case No. 07 CH 19633; Judge James Epstein. Robert Handler was appointed Receiver for a database and billing backup management company. The major assets in this case consisted of vast data files and publisher proofs tied to advertising billing records for major national and regional newspapers. Among other things, we secured all of the customer data, then developed a new billing protocol which allowed the receivership estate to collect additional usage fees from the customers in exchange for the return of their data in a secure format. Proceeds of these fees were turned over to the senior secured creditor towards satisfaction of the original debt.
- *Method2Media, LLC*; CRA was appointed Trustee/Assignee of this unique data aggregation firm. Its primary asset was a database of over 34 million email addresses with verified corresponding postal addresses. The primary customers for this database were mass mailers seeking targeted markets for their customers' products. CRA advertised the availability of the limited license for this database and successfully entered into four (4) separate licensing agreements. As Trustee/Assignee, we directed the proceeds of these license fees towards satisfaction of the priority employee claims.
- *Central Standard Timing, LLC*; CRA is currently the Trustee/Assignee of this start-up manufacturer of a patented digital watch. Originally funded by backers through KickStarter.com, this company applied for and received three design and utility patents for its unique watch. The company was unable to meet its production goals and was forced to shut down its regular operations. The company's major assets consist of the patents, which are now being marketed to various manufacturing and licensing companies that specialize in wearable timepieces.
- *Leavitt Capital Management, Inc.*; LCM was a Registered Investment Advisor ("RIA") that invested and managed client funds through both traditional wealth management and private equity accounts since the 1980's. The Company's founder took his life in February 2014 and Robert Handler as the independent director ("Director") was appointed to manage the Company and determine the best means of handling the Company clients' accounts in accordance with client agreements and SEC rules. As Director, we handled the Company and

over \$200 million in accounts under management through a number of critical issues. These issues included two pending lawsuits alleging violations of securities laws, unpaid legal fees to one of its law firms, additional claims made by other clients, an examination conducted by the SEC, depleted employee morale, and a pending termination of its wealth management trading platform with Charles Schwab & Co. Once the Company's operations were stabilized, the Director retained an investment banking firm to market LCM's ongoing business operations and client relationships. The Director ultimately negotiated and closed a sale of LCM's ongoing business, which resulted in the transfer of the management of its wealth management accounts and private equity funds to another RIA. Many of LCM's employees were hired by the buyer which also took over the role as Manager of all of the Company's private equity and wealth management accounts. Having ceased operations and released its remaining employees, the Company undertook an orderly wind down of its remaining assets, which included withdrawing its license with the SEC, public auctions of its physical assets, and termination of its office lease. We are now managing the remaining claims against the Company through an Assignment for the Benefit of Creditors.

- *Law Firm, Chicago, IL.* Robert Handler is the Trustee/Assignee f/b/o Creditors of this insurance defense firm. The firm was unable to meet its overhead due to the severe decline in volume of fixed-fee cases from its insurance company clients. Initially as the firm's financial advisor we negotiated a workout plan with the firm's senior secured creditor and landlord. In observance of Illinois ARDC Rules, we oversaw the proper movement of non-active client files into storage and wound down the daily operations of the firm. Once we accepted the assignment we proceeded to notify all creditors, solicited their claims, and collected the balance of the open accounts receivable.
- *Consumer Bankruptcy Firm, Chicago, IL.* Robert Handler was the Trustee/Assignee f/b/o Creditors of this former national consumer bankruptcy firm headquartered in Chicago. The firm grew rapidly from its base to include offices in approximately two dozen other cities. At the time of taking the assignment, the firm was a defendant in two major lawsuits for which it did not have sufficient resources to defend. In addition, it was unable to manage its growth, especially given its heavy reliance on flat fees and contract lawyers from various jurisdictions. Prior to us accepting the assignment the law firm made the required arrangements for transfer of all active client cases. As Trustee/Assignee we took dominion over the firm's servers and electronic files, notified creditors, solicited claims, and collected accounts receivable. Some of the creditors filed an involuntary petition for relief against the firm New York. That petition was granted, whereupon we worked with the Chapter 7 Trustee in turning over the firm's records, file servers and collected cash.

Receiverships and Fiduciary Appointments in General

In all of the above engagements, we managed each company's financial, business and administrative affairs where feasible. This included (i) maintaining each company's books and records, (ii) managing its cash and financial requirements, (iii) preparing rolling 13-week cash budgets, (iv) where appropriate, marketing and selling each company's assets in order to maximize the realizable price, (v) paying secured and priority creditors where appropriate, (vi) reporting to the court (when we have been retained under a court order), and (vii) soliciting, investigating and adjudicating claims. In many of these cases we also investigated and pursued claims or other causes of action on behalf of the fiduciary estate in order to (i) recover funds that were wrongfully transferred prior to the engagement or (ii) enforce the fiduciary estate's rights and remedies against other companies or individuals.

Our goal with all such engagements, especially where we are operating an ongoing business, is to reduce the overhead and administrative cost of operating and managing the company wherever possible. Operations that are wasteful, inefficient and/or otherwise of no benefit to the stakeholders, including creditors and investors, would be terminated. In those situations where we have been appointed under a court order, termination or sale of unnecessary assets would be conditioned upon court approval. In addition, promptly upon appointment, we change the account holder of all bank accounts to Robert Handler as fiduciary for the estate.



ROBERT P. HANDLER

Managing Partner

(312) 845-5001, x221

rhandler@com-rec.com

Mr. Handler has over 30 years of professional experience in commercial financial transactions, with most of his involvement in managing turnaround situations and other financially and operationally distressed businesses. He has handled business reorganizations, acquisitions, mergers, and acted in a number of fiduciary capacities such as independent director, court-appointed receiver, Trustee/Assignee for the Benefit of Creditors and Chief Restructuring Advisor across the country and in a wide variety of industries.

Mr. Handler is currently Receiver for a \$22 million investment fund which owns and manages commercial jet aircraft in a securities fraud action filed by the U.S. Securities and Exchange Commission (U.S. Securities and Exchange Commission v. Hyatt Johnson Capital, LLC et al., Case No. 08-cv-2224 in the U.S. District Court for the Northern District of Illinois). He was the court-appointed Receiver for a \$14 million ambulatory surgical clinic in Merrillville, IN (Citibank, F.S. B. v. Mark S. Weinberger, et al, Cause No. 2:04-CV-497-PPS in the U.S. District Court for the Northern District of Indiana). He is also the sole director for a registered investment advisory firm. Mr. Handler is also Trustee/Assignee f/b/o Creditors for a commercial real estate management group which owned dozens of multi-family housing projects all over the country, including Ohio, Indiana, Texas and Illinois. He is also Trustee/Assignee for a law firm, a metal recycling operation, a commercial roofing contractor and a general contractor in commercial construction. Mr. Handler was recently Receiver in a corporate dissolution proceeding where he managed a commercial real estate holding company that owned over 400 rental units in various parts of the country, including Macomb, IL, Athens, GA, Los Angeles, CA and Austin, TX.

He recently acted as Trustee/Assignee for a bedding products manufacturer; an integrated marketing, photography and video production firm; a print and web-based publisher for the alpine climbing market; a commercial printer; a wire manufacturer; an aluminum castings company; and a commercial sewer contractor. He also acted as financial advisor in the restructuring of an environmental technology company that provides pollution control systems for industrial and utility power generators.

Mr Handler was the designated responsible person for a hospital in Munster, Indiana operating as Debtor-in-Possession (In re Heartland Memorial Hospital, Case No., 07-20188-JPK in the U.S. Bankruptcy Court for the Northern District of Indiana). He

also completed his duties as the court-appointed receiver for a web hosting company (WP Company, LLC d/b/a The Washington Post v. Electronic Imaging Systems of America, Inc., Case No. 07 CH 19633 in the Circuit Court of Cook County, Illinois). Mr. Handler has been responsible as Trustee/Assignee for a hair care products distributor, a commercial construction subcontractor and an electronic database management company. He has participated in the reorganization of a \$200 million nutritional supplement distributor, the sale of a regional coin vending operation, the liquidation and out-of-court composition plan of an internet video management firm, receiverships of a number of commercial real estate ventures, and the reorganization of a \$500 million paper manufacturer.

As a founding member and general counsel to commercial lending divisions of each of Bank of America and The CIT Group, Mr. Handler was responsible for the growth and success of each company's commercial loan portfolio. In this role, he was charged with his company's initiation, structuring, documentation and administration of all loans to financially distressed companies.

Mr. Handler practiced law in a commercial litigation firm where he was engaged in all aspects of bankruptcy litigation on behalf of secured creditors, creditors' committees and debtor clients.

Mr. Handler obtained his JD from the University of Iowa College of Law and his BA from Grinnell College, Grinnell, Iowa. He is a full member of the National Association of Federal Equity Receivers. He is past Chairman of the Loan Documentation Subcommittee of the Commercial Financial Services Committee of the American Bar Association, and a member of the Turnaround Management Association and the Chicago Bar Association. He actively participates in and/or chairs various panel discussions nationwide concerning current issues in turnarounds, bankruptcy, and commercial financial transactions. He is also the Contributor of Chapter 24 in the 2016 edition of *Strategic Alternatives For and Against Distressed Businesses*, published by Thomson Reuters, which discusses Assignments for the Benefit of Creditors in Illinois.



JOHN J. SERVATIUS

Senior Director

312-845-5001

jservatius@com-rec.com

Mr. Servatius has had a variety of roles in numerous capacities over the past 25 years working with large, small and start-up companies in various industries. His most recent experiences include performing operational and financial restructuring, engaging in asset preservation and recovery, and directing companies through crisis and growth.

Mr. Servatius is currently Chief Restructuring Officer in an assignment for the benefit of creditors involving several hundred defrauded real estate investors and creditors in a case.

In addition, at present, Mr. Servatius is concluding an interim executive assignment as Chief Operations Officer that included guiding an import distribution company through an ownership crisis, taking corrective action with regard to employee staffing and expenses, implementing new ERP software and rolling out a new product line for 2012.

For the past ten years, Mr. Servatius has worked with numerous troubled companies in the real estate, automotive, paper & pulp, copper and aluminum, and electronics industries, among others, compiling a track record of success in crisis management for the lower to middle market on behalf of debtor companies and major creditors. These engagements varied from wind down and liquidation to asset disposition to turnaround and restructuring.

In 1997, Mr. Servatius co-founded a startup retail venture and raised nearly \$3 million in equity and debt, acquired seven companies over a three-year span, grew the company to be the largest of its kind in the Chicago area, then completed a successful exit strategy at the end of four years.

Mr. Servatius has held management positions in the Strategy & Operations and Supply & Logistics departments of a major oil and gas company as well as various roles in engineering and construction for a metal plate fabricator/erector serving primarily the energy sector.

Mr. Servatius earned an MBA from Northwestern University's J. L. Kellogg Graduate School of Management with concentrations in finance, entrepreneurship, and management & strategy and a Bachelor of Science degree in civil engineering from the University of Illinois. He is a Certified Insolvency and Restructuring Advisor (CIRA) and a member of the Turnaround Management Association.



MICHAEL D. PAKTER

CERTIFICATIONS

Chartered Global Management Accountant (CGMA), (2012)
Certified Valuation Analyst (CVA), (2011)
Master Analyst in Financial Forensics (MAFF), (2009)
Certified in Financial Forensics (CFF), (2008)
Certification in Distressed Business Valuation (CDBV), (2006)
Certified Insolvency and Restructuring Advisor (CIRA), (2002)
Certified Fraud Examiner (CFE), (1994)
Certified Public Accountant (CPA), (1988)
Chartered Accountant (CA), (1980) (*Non Dues Paying*)

EDUCATION

Bachelor of Commerce, Witwatersrand University, South Africa (1974-1976)
Bachelor of Accountancy, Witwatersrand University, South Africa (1977-1979)
Bankruptcy Mediation Certificate Program, DePaul University (2000)
Construction Management Certificate Program, DePaul University (2007)
Continuing Education, including AICPA, ICPAS, ACFE, AIRA, NACVA (1986 - present)

RANGE OF EXPERIENCE

Mr. Pakter focuses on accounting, forensic accounting, financial analysis, financial forensics, economic damages, business valuation and investigations. He has experience in lost profits/earnings, business interruption claims, analysis of financial transactions and balances, Court-ordered accounting, bankruptcy, fraud examinations, investigations and the reconstruction of incomplete, misstated and/or falsified financial information.

Mr. Pakter provides consulting and litigation support services to trial lawyers, trustees, examiners, receivers, business owners and managers and units of federal, state and local government. Many engagements combine financial analysis, economic damages determination, valuation issues, tracing procedures and/or other applications of financial forensics to assist in resolving complex commercial litigation and business disputes.

Mr. Pakter has more than 35 years of experience in accounting, financial analysis, financial forensics, business economics, fraud examinations and investigations in diverse engagements and numerous industries, including more than 15 years of experience in economic damages and business valuations. He has participated in public hearings and alternative dispute resolutions, submitted expert reports in several jurisdictions and testified in arbitrations, regulatory proceedings and State, Federal and Bankruptcy Courts.

PROFESSIONAL ORGANIZATIONS

National Association of Certified Valuators and Analysts (NACVA) *Practitioner Member; Assistant Editor, National Litigation Consultants' Review; Member of Editorial Board, QuickRead; Litigation Forensics Board (2012-2014); Cornerstones/Foundations of Financial Forensics Instructor; Instructor of Exceptional Distinction (2012); Outstanding Member Award (2015) and MAFF (Bankruptcy, Insolvency and Restructuring Track) Program Developer, Team Leader and Instructor*
Illinois CPA Society (ICPAS) *Member; Past President (North Shore Chapter); Member, Ethics Committee (1991-1995); Chair, Fraud Conference (2005-2009); Member, Accounting Principles Committee (2010-2012); and Chair, Forensic Accounting Conference/Workshop (2010-2013); Healthcare Compliance & Fraud Conference (2016)*
American Institute of Certified Public Accountants (AICPA) *Member; Member, Forensic and Valuation Services Section; and Member, Private Companies Practice Section*
Association of Certified Fraud Examiners (ACFE) *Member and Past President (Chicago Chapter)*
Association of Insolvency and Restructuring Advisors (AIRA) *Member*
Forensic Expert Witness Association (FEWA) *Member*
Chicago International Dispute Resolution Association (CIDRA) *Treasurer*



MICHAEL D. PAKTER

PROFESSIONAL AND BUSINESS HISTORY

Gould & Pakter Associates, LLC

Managing Member (2004 - present)

Russell Novak & Company, LLP

Partner (2000 - 2004); Principal (1998 - 1999)

Rome Associates LLP

Principal (1996 - 1998)

Altschuler, Melvoin and Glasser

Manager/Senior Manager, Litigation (1991 - 1996); Supervisor/Manager, Review and Technical Guidance (1986 - 1991)

Sussman & Goddard

Manager, Accounting and Auditing; Manager, Technical and Training (1985 - 1986)

Macsteel Group of Companies

Corporate Treasurer/Corporate Secretary, (1982 to 1985)

SADF Directorate of Internal Auditing

Accounting, Auditing, Financial Analysis and Fraud Detection, (1980 to 1982)

Schwartz Fine & Company/Arthur Andersen Worldwide

Accounting, Auditing and Financial Analysis, (1977 to 1980)

REPRESENTATIVE ENGAGEMENTS

Courts and arbitral bodies have recognized Mr. Pakter as an expert in economic damages, accounting, financial forensics, financial analysis and business economics. For illustrative purposes only, his expertise is additionally described in the areas listed below and the representative engagements that follow:

- **Economic Damages** | Lost profits/earnings | business interruption | compensatory and other economic damages
- **Commercial Litigation Support** | Discovery assistance | evidence/deposition/trial binders | testimony | litigation support
- **Forensic Accounting** | Financial forensics | analysis of transactions/balances | reconstructing accounting books/records
- **Bankruptcy/Distressed Businesses** | Fraudulent conveyances | solvency | preferences | plan feasibility
- **Investigations** | Internal corporate investigations | fraud detection | financial reporting irregularities | employee misconduct
- **Valuation Analysis** | Contractual disputes | claims | distressed businesses | turnarounds | bankruptcy core proceedings
- **Accounting Analysis** | Accounting books and records | internal controls | business processes | business performance
- **Intellectual Property/Franchise** | Copyright/trademark infringement | use of likeness | royalty audits | projections
- **Real Estate/Construction** | Landlord/tenant disputes | costs of construction | common area expenses | real estate developers
- **Wholesale/Retail** | Benchmarks | "earn outs" | inventory | forecasts | financial condition/performance
- **Manufacturing/Distribution/Transportation** | Cost accounting | charge backs | expense categorization/reduction
- **Federal/State/Local Government** | Vendor audits | program revenues/costs | false claims

MICHAEL D. PAKTER



ECONOMIC DAMAGES

Determine economic damages, primarily compensatory damages based on consequences of breach of contract/fiduciary duties, business interruption, personal injury and wrongful death. Focus on lost profits/earnings using financial analysis to project the “but for world.”

- Determine economic damages alleged by both supplier and distributor in cross-claims, each alleging the liability of the other for breaching an exclusive distribution agreement with fixed purchase commitments. Submitted affidavits, expert reports and rebuttal reports and testified at arbitration regarding lost profits, fixed and variable costs, effective selling prices and future sales projections.
- Compute economic damages claimed by a printing company due to alleged malfunction of company's sole printing press. Investigate the impact on profits from economic, industry, customer and other intervening factors other than the alleged malfunction and evaluated economic damages determined by opposing expert.
- Determine lifetime lost earnings of employee based on injuries sustained as a result of a shooting by a police officer. Determine lifetime lost earnings and present and future medical costs of independent owner operator based on injuries sustained while loading equipment. Determine lost earnings of a police officer as a result of being wrongfully denied promotions.
- Investigate property damage and business interruption claims arising from a roof collapse at a nursing home; an electrical fire at a car wash; a burglary at a convenience store; an explosion at an arms manufacturer; storm damage at an automobile vehicle dealership; and defective drums on an assembly line. Assist attorneys and clients with claims resolution involving insurance claims adjusters, umpires and mediators.
- Calculate damages claimed by a “B2C” e-commerce retailer as a result of the alleged wrongful acts of a computer software provider. Integrate into the damages all functional elements to have been included in multiple high-volume websites and determine the “but for” lost profits from lost sales, higher cost of sales and additional fixed costs over several years and products.
- Engaged by Department of Justice to determine lost earnings capacity of individuals as a result of their wrongful death, based on Mandatory Victims Restitution Act and case law. Incorporate minimum or last known wages, taxes, work life expectations, employment cost indices and lost pensions.
- Compute economic damages suffered as a result of actions of a key supplier. Evaluate reasonableness of lost revenue estimates and analyzed incremental “but for” costs incurred with special emphasis on long-run and short-run cost behaviors for fixed and variable costs with multiple cost drivers.
- Calculate property damages in local plant producing raw materials and business interruption losses in a foreign plant producing finished goods as a result of an acid spill. Reconcile property damages and lost profits with financial analysis of insurance company claim report and witness depositions.
- Determine Senior VP's compensation improved after termination and opposing expert report improperly concluded to the contrary because of unsupported assumptions. Testify that even if wrongfully terminated, the Senior VP suffered no financial damages because of his employer's conduct. Factor in alternative facts regarding expected work life, compensation, work-related economic benefits, taxes and prejudgment interest.
- Prepare Court ordered accounting of earnings lost from trading activities of a team of brokers before and after leaving a clearing firm. Reconstruct missing transactions and estimate unallocated overhead and other costs before and after effects of team leaving.



MICHAEL D. PAKTER

COMMERCIAL LITIGATION SUPPORT

Provide trial lawyers and their clients with financial analysis in all phases of the commercial litigation process to assist with discovery and preparation for deposition and trial. Focus on assembling deposition and trial binders concerning financial analysis, evaluating material financial transactions and the conduct of directors, offices, employees and professional advisors.

- Establish a company had excessive levels of debt, insufficient operating cash flows to service debts and negative net worth before the alleged improper termination of a key agreement; that its financial condition was worse than comparable companies and industry benchmarks; that it had a high risk of business failure; and that its eventual self-liquidation was not the result of the agreement termination.
- Engaged by public company's legal counsel to evaluate merits of contemplated litigation against its Big Four CPA firm for alleged audit failures resulting in restatement of financial statements and decline in its share price. Conducted detailed analyses of GAAP and GAAS relating to significant misstatements in the company's financial condition and results of operations and deficiencies in its internal controls.
- Determine that Corporate Defendants existed as separate entities with distinct business purposes, followed proper procedures regarding separate accounting records, properly disclosed distributions and segregated revenues, expenses, assets and liabilities. Establish that funds were not commingled, debts were paid as they fell due until business activities ceased and assets were used to pay liabilities.
- Perform financial analysis regarding the nature, form and substance of a merger and related transactions for a dispute focused on the entity's assets, conditions precedent in the merger agreement and funds no longer available in the entity's treasury after the merger. Render opinions as to the form and substance of the merger and that the transaction resulted in a wrongful dividend.
- Assist counsel for a large diversified public company to evaluate the merits of claims against prior auditors, directors and officers under Private Securities Litigation Reform Act of 1995, Investment Company Act of 1940, PCAOB Standards, GAAP and GAAS. Perform detailed analyses of specific financial transactions and balances and evaluated whether the prior auditors performed their work with the requisite standard of due care.
- Evaluate company documents, SEC reports, accountant's work product and analysts' files in a Section 10(b) 5 securities litigation. Provide counsel with financial analysis and discovery concerning the directors' and officers' knowledge of material misrepresentations to the market during the class period.
- Assist a national accountants' malpractice insurance carrier, and its counsel and claims specialists, to assess the merits of claims brought against accountants. Evaluate and report on work product of over 50 public accounting firms and assisted the insurance carrier to reduce liability risks through educational programming.
- Estimate lost revenues that would be sustained to comply with the Americans with Disabilities Act. Performed financial analysis with market surveys to determine financial impact on the service provider.
- Determine and testify that auditors failed to follow due professional care in the course of its engagement. Review all discovery in the litigation, including auditors' deposition transcripts and working papers to identify specific GAAS failures.
- Determine and testify that auditors exercised the requisite skill and ordinary care and properly complied with GAAS. Investigate, conclude and testify that audited company's financial statements were not misstated and that all disclosures were adequate and proper.



MICHAEL D. PAKTER

FORENSIC ACCOUNTING

Provide trial lawyers and their clients with forensic accounting services and testimony to enable financial analysis and court-ordered accountings in litigation. Focus on complex multiple-entity business disputes, financial reporting and evaluating the effect of financial transactions.

- Design and conduct forensic accounting procedures, on behalf of counsel for passive minority investors, on the operations and transactions of underperforming privately held businesses with significant cash transactions. Examine the accounting books and records of businesses operated by owner-managers and used financial and benchmark analyses to find questionable transactions and the range of estimated cash shortfalls.
- Engaged by counsel for family-held businesses to perform a financial analysis of related corporate defendants to determine whether financial/business considerations dictated that personal defendants should be liable for the corporations' debts by plaintiffs' attempt to "pierce the corporate veil."
- Determine nature and extent of a manufacturer's post-closing purchase-price adjustments after acquisition by a public company. Recompute the GAAP versus accelerated tax-basis accounting for Plant and Equipment.
- Investigate, on behalf of SEC Division of Enforcement, the propriety of the accounting and financial reporting of related-party transactions between hotel operating subsidiaries and parent. Issues included proper accounting for acquisitions generating significant revenues at year-end date.
- Assist counsel in their representation of investors in failed limited partnerships with significant damage claims, analyzed material financial transactions, developed financial analysis and investigated accounting malpractice.
- Investigate and report to the Receiver significant, unusual changes in the methods and patterns of cash disbursements prior to and following the sudden disappearance of the company's owner-manager/physician.
- Analyze one company's domination and control of another, the disregard of corporate formalities and the financial effects of assets distributions. Issues included cash management systems, intercompany financial reporting, "division stripping" and the impact of the treatment of existential liabilities.
- Perform specific forensic accounting procedures on behalf of industrial property company in support of substantive lease restructuring discussions. The company had built and leased a state-of-the-art corporate headquarters and national distribution warehouse. The tenant entered into a series of ill-fated acquisitions culminating in financial difficulties likely to result in a potential bankruptcy filing. The analyses of the tenant's financial condition were an integral part of the property owner's strategic responses.
- Trace and segregate cash flows, profits and resulting net assets between legal and illegal activities to enable the Court to determine the extent of illegal activities. Engaged on behalf of Defendant seeking to reduce sentence under Federal Sentencing Guidelines.
- Perform accounting procedures to analyze and support an expert opinion in marital dissolution proceedings regarding the marital or non-marital character of assets. Trace currently owned assets back to assets acquired before marriage or acquired during the marriage by gift, inheritance or descent.
- Analyze and determine additional losses suffered as a result of alleged carelessness and negligence in demolishing certain buildings and related facilities located on specific property earmarked for construction of an ethanol plant. Research and evaluate industry conditions, state of capital markets, management assumptions and the discounted cash flow modeling of accounting and industry experts.



MICHAEL D. PAKTER

BANKRUPTCY/DISTRESSED BUSINESSES

Provide trustees and trial lawyers and the debtors or creditors they represent with bankruptcy and reorganization services, primarily in core proceedings. Focus on performing financial analysis of material transactions, fraudulent conveyances, solvency and preference analyses, the forensic reconstruction of accounting books and records and plan feasibility.

- Demonstrate that the Debtor's Cash Flow Projections were a well-prepared forecast of future operations, based on reasonable assumptions that took into consideration the changes expected as a result of the Plan Confirmation that would enable the Debtor to fund the Plan's cash flow requirements.
- Complete solvency, preference and liquidation analyses to support counsel's actions against lenders, management and professional advisors resulting from diversified corporation's default on its bank loans. Develop support for the Debtor's request for the Court's denial of post-petition financing.
- Investigate and analyze a Debtor's pending claims and adversary proceedings against shareholders, lenders and professional advisors concerning a LBO transaction involving fraudulent conveyances. Analyze the impact of various business combinations on the Debtor's financial condition after restructuring, performed a solvency analysis and reviewed material transactions contributing to the Debtor's deepening insolvency.
- Demonstrate a company's business started to decline before a specific transaction and its business continued to decline while related companies prospered. Issues included a pattern of transactions transferring assets and revenues to related companies, the liquidity of assets and the value of the use of related company assets.
- Provide litigation services in an action filed on behalf of unsecured creditors seeking recovery of pre-petition fraudulent conveyances. Perform a financial analysis of significant pre-petition transactions.
- Analyze and testify as to the Debtors' financial condition after assuming certain liabilities and as to the value of the Debtor's net assets. Prove that Debtors did not receive quantifiable benefits from assuming liabilities and issued checks to each other that did not result in checks to third parties.
- Review Debtor's Amended Disclosure Statement and Plan of Recognition; compare projections to pre- and post-petition actual results; evaluate key assumptions included in the Debtor's projections of sales revenues and royalty income; and reconstruct previously incomplete financial records.
- Perform a preference analysis relating to vendors and insiders of a privately held business. Prove the foundation for preference actions and secured original checks, invoices and wire transfers as evidence. Complete debtors' amended income tax returns for the Plan Trustee.
- Assist manufacturing company with post-bankruptcy reorganization and restoration of operations. Issues included transfer and resumption of business, preserving contracts, ensuring ongoing economic viability, restructuring real estate entities and administrative aspects of accounting records and income tax compliance.
- Employed by a Chapter 7 Trustee to investigate allegedly unsubstantiated and/or fraudulent financial reporting by a consolidated health care provider. Provide the Trustee and legal counsel with forensic accounting and litigation accounting support, including reconstruction of incomplete and/or falsified financial records.
- Perform financial analysis and specific agreed upon procedures for a large, privately held holding-entity that operated a manufacturing division and managed a corporate office. Determine and attest to the sufficiency of assets to meet liabilities, including additional worker's compensation judgment liability and issue an independent report detailing work performed and findings reached.

MICHAEL D. PAKTER



INVESTIGATIONS

Conduct internal investigations on employee/officer misconduct, financial reporting irregularities and fraudulent financial transactions. Focus on financial analysis, examining documents, interviewing personnel, gathering evidence and performing whistleblower-directed or risk-based procedures to determine findings as to the nature, timing and extent of fraud perpetrated.

- Conduct an investigation of the accounting for receivables, loans, advances, suspense accounts and related transactions. Interview directors, officers and senior personnel, including a whistle-blower, and examine over 1,000 accounting entries in the general ledgers, account analyses and handwritten “second set of books.” Perform financial analyses, forensic accounting and investigative analyses and gather, review and control more than 3,000 documents for trial. Conclude the former CFO created, directed and controlled a financial reporting system to systematically and fraudulently manipulate and conceal true financial condition from the directors, officers, shareholders, auditors, lenders and revenue authorities for more than ten years.
- Conduct an internal corporate investigation for new management to determine the nature, timing and extent of fraud perpetrated by the former general manager and controller. Conduct forensic procedures to detect fraud and quantify the extent of fraudulent financial reporting and misconduct.
- Engaged by the Office of the United States Attorney to assist in qui tam originated investigation of approximately \$10 million charged to NIH and VA Federal Grants. Apply risk assessment, forensic accounting and investigative techniques to electronic data provided by grantee organization’s legal counsel to complete financial analysis leading to preliminary findings of which amounts charged under the grants were allowable, allocable, reasonable, consistent and conforming.
- Report to a public company’s Audit Committee on the sufficiency of the nature, timing and extent of the investigative and/or internal audit procedures performed on improper transactions authorized by the Senior Vice President for Marketing. Assist management to reestablish internal controls over the safeguarding of corporate assets against unauthorized use and achieve proper financial reporting.
- Conduct an investigation of the falsified expense reports of a foreign national senior director of a large steel company. Prove the director submitted expenses for reimbursement for travel to cities that he had not been in on dates presented. Discover the pattern of alleged fraud and the officer’s motives through an analysis of telephone bills submitted for reimbursement.
- Determine that a leading U.S. and international news and information company failed to design, operate and/or implement adequate internal controls to prevent theft of its assets by a controller. Demonstrate how the controller defrauded the public company because of significant deficiencies and/or material weaknesses in the design, operation and/or implementation of its internal controls and how it missed several opportunities at specific dates to reduce the amount stolen.
- Support SEC Division of Enforcement in administrative proceedings under SEC Rules of Practice to determine violations of Federal securities laws. Investigate and analyze conduct of directors, officers and auditors regarding improper revenue recognition of material “bill and hold” transactions.
- Investigate the propriety of the design and structure of financial transactions related to specific life insurance policies issued by an insurance carrier that were originated by a specific independent insurance producer. Review and analyze the use of irrevocable life insurance trusts, premium finance agreements and sale of beneficial interests to reveal the true nature and use of the financial transactions.

MICHAEL D. PAKTER



VALUATION ANALYSIS

Provide trial lawyers and their clients with financial analysis regarding valuations, especially related to applying formulae in contracts, distressed businesses and/or turnaround and bankruptcy proceedings. Focus on definitions of value in contracts, fair values of assets and liabilities, reasonably equivalent value, future economic benefit streams, financial condition and contingent assets and liabilities.

- Reconstruct and analyze a Debtor's restructurings, determine that its successor assumed more of its liabilities, at fair value, than the assets it acquired, to demonstrate the Debtor received more than reasonably equivalent value in exchange for assets transferred and liabilities assumed. Reconstruct the financial condition and results of operations of companies managed by the Debtor, benchmarking their performance to industry standards and comparable companies, to determine the fair values of accounts receivable, trademarks and other assets transferred by the Debtor to its successor.
- Determine, using a discounted cash flow analysis, the total present value of the net assets of a joint venture LLC established to raise, invest and manage funds on behalf of foreign investors in real estate projects. Reconcile my calculation to the business valuation performed on behalf of other joint venture partners and rebut the methodology, assumptions and information relied upon by the business appraiser.
- Determine and testify at arbitration as to the fair value of a minority shareholder's ownership interest in a distressed corporation as of a date ordered by the Arbitral Panel. Determine and compare book value, going concern value, liquidation value, replacement value and fair market value of corporation.
- Determine the value of a public company's investment in a foreign enterprise using international accounting principles, financial data, financial condition, management interviews and supporting documentation. Compare value of investment in the foreign enterprise using "net investment value," "book value" and other valuation bases under the insurers' Expropriation and Forced Abandonment Insurance Coverage of Foreign Projects.
- Determine fair (market) value of a distributor before and after termination of a distributor agreement, prove other expert wrongly concluded as to value because of failure to obtain sufficient relevant data to afford a reasonable basis for opinions, use of improper valuation methods, applying valuation methods improperly, failing to consider all methods and improperly reconciling disparate conclusions.
- Determine and testify as to the Fair Market Value of Equipment based on definitions and formulae in the Landlord's Purchase Option Agreement, the Master Lease Agreement and other agreements. Perform valuation analyses and incorporate the opinions and assumptions of other experts.
- Calculate, for the board of directors' decision-making and performance evaluation processes, the internal rates of return and payback periods for investments in acquired companies, based on their expected, actual and "normalized" future benefit streams as compared to initial costs of acquisition.
- Investigate, on behalf of U.S. governmental insurer, claims filed by an energy company for losses incurred by foreign gas pipeline operators. Verify valuation of investor's interests, unravel complex corporate structures and analyze extent to which investment was impaired by foreign government's currency devaluation and expropriation.
- Determine, on behalf of the Liquidating Trustee, the fair market value of the invested capital of a company marketing a unique line of nutrition related products and energy drinks before and after the date of certain transactions. Analyze, compare and contrast the discounted cash flows based on projections prepared before and after the date of those transactions.



MICHAEL D. PAKTER

ACCOUNTING ANALYSIS

Provide owners and managers of businesses, their legal counsel and insurers, with financial and accounting analysis to address specific business needs. Focus on analyses of contractual terms, establishing benchmarks, examining divisional revenues and expenses and measuring cash flows and business performance.

- Evaluate the reasonableness of management's assumptions included in an architect's forecasted and projected financial statements. Issues included analysis of direct and indirect costs, operating expenses and profits in contemplation of significant increases in interest rates.
- Investigate and trace, on behalf of attorney general and bankruptcy trustee, the nature, timing and extent of participants' contributions and distributions in a "Ponzi" scheme and assist with "claw back" proceedings. Evaluate potential recoveries under "Rising Tide" and "Net Investment" approaches.
- Analyze multi-year, multi-million dollar construction program to modernize a city's physical school facilities. Investigate and perform financial analysis of capital improvement program on behalf of inspector general. Develop benchmarks for fixed cost bids and change orders by school, contractor and project type and selected contracts with significant variances for additional review and checking.
- Develop a comparative financial analysis of a privately held company's current and prior five years' financial performance, including trends in key financial ratios, comparisons to peer company benchmarks and "normalizing" adjustments.
- Develop and implement, in close cooperation with owners and senior management, monthly executive committee meetings to address the primary business needs of a specialty distributor. Develop action plans and implement corrective action and business solutions, including provide advice on corporate restructuring and restoring several divisions to profitability.
- Investigate thefts of unclaimed cash wages and other elements of payroll fraud. Design and implement internal accounting controls to prevent the reoccurrence of such fraud. Present findings during an investigation by a governmental accounting oversight review board.
- Perform financial analysis of all program revenues and expenditures for a large city services department. Establish internal control systems and financial reporting systems to provide program managers with early warning of significant over/under utilization of program revenues. Attest to examinations of program revenues and costs, including financial compliance with federal programs.
- Review functions, duties and responsibilities of president and senior management of a multi-division food processing company. Analyze nature of acquisitions and divestitures. Identify and implement organizational changes, establish working committees of middle management and implement recommendations of organizational psychologists.
- Prepare an internal control study to document current procedures and internal controls relating to specific activities and locations to determine if any control objectives were not being adequately met to reduce internal control risk to acceptable levels.
- Review calculations of expected present values of actual and/or contingent asbestos and other contingent liabilities, with comparisons to anticipated insurance recoveries under various probability assumptions.



MICHAEL D. PAKTER

INTELLECTUAL PROPERTY/FRANCHISE

Provide trial lawyers, their clients and franchisees and franchisors with consulting and expert services related to intellectual property issues and franchise related disputes. Focus on startup businesses, economic damages related to copyright infringement and franchise cash flow modeling.

- Determine economic damages suffered by designer, manufacturer and seller of original fine furniture as a result of copyright, trademark and trade dress infringements by multiple unlawful manufacturers and sellers. Determine the unjust enrichment of the infringing companies and lost profits on infringed and companion sales.
- Engaged by legal counsel to investigate and report on the nature, timing and extent of multiple fraud schemes involving counterfeit and “buy-down” products. Describe how, in order to increase customer and revenue base, Defendants created, directed and engaged in multiple schemes that caused the Plaintiff to pay rebates that it otherwise would not, and should not, have paid.
- Review, analyze and render opinions relating to direct and indirect economic damages from alleged infringement of a copyrighted song whose lyrics were included as an element of a radio imaging piece with the creativity and production of others and aired on commercial radio station. Focus on an analysis in the event the trier of fact finds infringement of copyright claims of statutory damages and actual damages considering Plaintiff’s and Defendant’s Profits.
- Calculate damages suffered by franchisees as a result of franchisors’ breach of franchise agreement. Analyze lost profits during the “but for” period and support for assumptions in the damages model.
- Evaluate economic damages suffered by manufacturer as a result of a distributor’s breach of an exclusive private-label food production contract. Identify flaws in opposing expert’s methodology and calculations creating specific significant and quantifiable overstatements of damages.
- Review transactions acquiring and managing skilled nursing facilities and related franchised businesses and calculate management fees, “earn out” calculations and profits earned on charges exceeding the fair market value of goods and services.
- Reconstruct and determine the actual losses sustained by several car wash purchasers/licenses due to the alleged fraudulent misrepresentations made by the seller/licensor regarding the financial performance, licensee involvement and maintenance required to own and operate the car washes.
- Rebut expert report on present value of lost profits associated with alleged failure to renew franchise agreements, proving the damages claim was unsubstantiated and unsupported, the claim was speculative and that there were no damages.
- Determine that the franchisee’s payments of rents and royalties under a Master Franchise Agreement were proper, accurate and complete. Investigate whether the franchisee had correctly accounted for all adjustments necessary after acquiring certain regional franchise and non-franchise businesses.
- Determine the completeness of revenues due by a manufacturer and distributor of electronic equipment under a royalty and licensing agreement. Investigate and reconstruct the manner in which the royalty revenues were calculated and perform a royalty audit.
- Analyze the completeness and/or proper reporting of royalty payments due an individual for use of their likeness by a distributor of specialized products through multiple distribution channels. Investigate and recreate the quantities and pricing of reportable products sold over a ten-year period.



MICHAEL D. PAKTER

REAL ESTATE/CONSTRUCTION

Provide developers, owners and tenants of property/equipment with financial analysis and services to resolve disputes. Focus on real estate development, landlord/tenant issues, environmental remediation and working with architects, engineers and counsel to analyze and determine costs and economic damages.

- Perform a financial analysis of a lump sum engineering, procurement and construction contract for a high-tech steel production plant to determine amounts owed to vendors. Categorize, trace and verify internal and third party charges, pass-through costs and change orders to support drawdowns on letters of credit.
- Perform court-ordered accounting of six years of profits and losses of ten real estate developments in different stages of construction with varying partnership interests. Report to the Court the extent of partners' compliance with partnership agreements and prepared amended financial statements and tax returns.
- Investigate complex international real estate transactions in a matrimonial dispute and integrate the work of U.S. and international experts. Prepare pre-trial summary and analysis of marital assets and assisted counsel to gain an understanding of complex transactions by demonstrating the true substance of the transactions.
- Review documentation and interview contractors regarding rehabilitation of homeless shelters to develop strategic responses to unresolved issues. Perform analysis of contractor and subcontractor invoices, working with architects and engineers to establish scope of work for binding arbitration.
- Analyze Landlord's calculation of Additional Rent defined in the Building Lease and rendered expert opinion that Landlord failed to provide Tenant with sufficiently complete and supportable information and documentation to verify expenses included in the calculation. Compute, to the extent Landlord's limited information and documentation was reliable, the annual aggregate overcharges of Additional Rent.
- Determine lost profits, sunk costs and other damages in a dispute between a real estate developer and its client over air rights. Economic damages included analyses of real estate development costs incurred, direct and indirect overhead of land parcels and replacement value.
- Prepare financial analysis of asbestos abatement expenditures in accordance with regulatory requirements, verified expenditures and reimbursement requests, reconciled costs to contracts and change orders, responded to adverse EPA findings and segregated costs between original scope of work and unforeseen site conditions.
- Assist CEO of a major law firm in recovering significant revenue in a case involving operating expenses on a lease. Discover and develop a proof of the lessor's pattern of overcharging on common area expenses.
- Analyze key processes in a city's ongoing capital improvement program, especially construction management policies and procedures. Conduct construction document reviews of a sample of new construction and major renovation projects with emphasis on the nature, extent and pattern of change orders.
- Reconstruct all annual financial statements and financial accounting books and records of rental property, including all cash received from and/or disbursed to partners, and prepare report as to the net amount due from one partner in the real estate venture to the other.
- Investigate a landlord/tenant dispute as to the amount of rent and common area maintenance costs charged to the tenant and other issues alleged in the Complaint. Trace all available invoices, summaries of costs, general ledgers, trial balances and check registers. Compute the annual allocations of common area maintenance costs by reference to the original lease, subsequent lease amendments, a reclamation agreement and correspondence between the parties.



MICHAEL D. PAKTER

WHOLESALE/RETAIL

Provide wholesalers and retailers and their legal counsel with financial analysis regarding expected revenues and costs of revenues. Focus on economic damages, “earn outs” and evaluating the reasonableness of management’s forecasts, projections and assumptions.

- Determine accuracy and validity of “earn out” calculations of multiple wholesale business units pursuant to a Sale and Purchase Agreement, taking into account inconsistencies between GAAP and the Sellers’ prior practices. Investigate allegations that after-acquired businesses were comingled, revenues were diverted, expenses were shifted and underlying supporting documentation was destroyed.
- Determine an authorized dealer for a large retailer of tools, garden products, home electronics and appliances suffered no lost profits and had no damages as a result of the retailer’s actions. Find that its damages analysis was speculative, unsubstantiated and/or unsupported, that the authorized retailers financial performance and profitability began to decline before the retailer opened a competing store.
- Identify, on behalf of counsel for minority shareholders, selected classes of transactions for in-depth investigation to ensure properly accounted for in a manufacturing and distribution company’s financial books and records to establish the business’ true financial condition for settlement negotiations and business valuation purposes.
- Compare valuation of year-end retail inventory performed by public company’s officers and auditors. Issues included concealment of internal control deficiencies, inappropriate “roll-forward” procedures, accounting for rebates, cost accounting and sampling errors and fraudulent physical counting problems.
- Develop corporate performance measurement systems, internal controls, financial reporting, accounting policies, procedures and processes for a large structural steel wholesaler and retailer. Analyze profitability, liquidity and return on investment by customer, by warehouse and by product segment.
- Assist counsel with discovery, financial analysis and document requests relating to termination of a merger agreement in reliance on a material adverse change clause. Analyze acquired company’s GAAP earnings, revenue recognition, “earn out” calculations and causes of business failure.
- Perform a Court-ordered accounting of the amount that may be owed by a large, diversified retailer to its overseas supplier in the event monies were still owed at all. Verify, including by non-statistical sampling, the accounting of all invoices, payments and other debits and credits for a three-year period.
- Evaluate contracts to outsource operations to outside vendors, review bid results and assess the performance of vendors under contracts, including inspections to determine vendors’ compliance with contract elements. Determine damages and identify operational efficiencies.
- Investigate and identify suspicious cash and credit card disbursements of a senior executive director using specific investigative criteria and integrate findings into spreadsheets, calendars and other demonstrative presentations. Support special counsel’s investigation into executive director’s activities and its interviews of senior management and others and implement additional internal control procedures.
- Enable large coffee wholesaler to reduce several of its costs of doing business using an expense reduction approach that integrated non-payroll overhead audits, payroll reviews, information technology teams, reengineering of operational procedures and establishing and monitoring budgets.

MICHAEL D. PAKTER



MANUFACTURING/DISTRIBUTION/TRANSPORTATION

Provide manufacturing and distribution companies with financial analysis regarding costs of manufacturing, distribution and transportation. Focus on issues related to financial reporting and other disclosures, adequacy of documentation, cost charge-backs, costing systems, economic damages, special purpose examinations and purpose of business expenditures.

- Assist counsel for truck drivers' association to determine excessive charge-backs and other damages, suffered by a class of independent owner-operators as a result of actions by a regulated motor carrier. Damage analysis necessitated reconstructing an accounting of all fuel purchases and sales and other charge-backs during the class period.
- Investigate and reconstruct the job-cost accounting system and internal control structure of a manufacturer of tooling molds to the automotive industry. Apply cost accounting principles to recompute manufacturing labor and overhead rates, verify in-house and outsourced material component costs and reallocate job-costs of a capital nature, in conformity with customer's manufacturing guidelines
- Perform, on behalf of Inspector General, an in-depth investigation, evaluation and management study of a school transportation program. Evaluate program manager's performance and vendors' contract compliance. Perform unannounced inspections of school buses for driver and bus safety compliance. Provide numerous efficiency initiatives and management recommendations.
- Determine damages sustained by an Illinois distributor as a result of the alleged breach of contract and violation of the Illinois Consumer Fraud and Deceptive Business Practices Act by national developer and marketer of educational materials.
- Conduct an investigation of the activities of the chief financial officer of a distribution company through interviews of the target, senior management and employees. Supervise forensic examinations of computers using predetermined search criteria. Integrate reviews of company documentation with online public records database searches. Determine the entity's losses by type of fraud scheme and present the fraudulent activities to senior management and legal counsel.
- Engaged by insurance company to investigate contractor's claim for increased transportation and material handling costs of performance of environmental remediation during conversion of a military base to residential redevelopment. Prepare analysis of construction claims and liens.
- Investigate diversion of assets by principal stockholders and senior management from a transportation carrier using related party leases and other financial schemes. Evaluate the audits performed by a national CPA firm prior to discovery of the wrongdoing and the investigative work performed after the fraud was uncovered.
- Engaged by legal counsel to investigate and evaluate vendors' claims for amounts owed in construction of a rail transit project. Review architects' and engineers' reports, contracts, change orders, financial/accounting records and deposition transcripts to determine vendors' increased costs of performance.
- Enable large coffee wholesaler to reduce several of its costs of doing business using an expense reduction approach that integrated non-payroll overhead audits, payroll reviews, information technology teams, reengineering of operational procedures and establishing and monitoring budgets.
- Reconstruct the accounting books and records of a joint venture formed by distributors of printing presses from date new entity formed through date of dissolution. Account for the parties' contributions, distributions, profits and losses as provided for by the terms of the joint venture's operating agreement.



MICHAEL D. PAKTER

FEDERAL/STATE/LOCAL GOVERNMENT

Provide managers of state and local governmental units with financial analysis and consulting to create efficient and effective operations and accountability. Focus on program revenues and costs, false claims and investigating and analyzing billings by and payments to government contractors to establish allowability, allocability and reasonableness.

- Examine a city hall's renovation programs to determine construction and other costs incurred by the city since inception. Evaluate allocations of project costs for reasonableness in accordance with accounting, allocation and cost principles/criteria.
- Engaged by United States Attorney for Northern District of Illinois to review financial records of defendants violating Clean Water Act to determine ability to pay damages under Consent Decree. Identify material inconsistencies in defendants' financial documents and representations to U.S. Department of Justice.
- Conduct fraud investigation on behalf of chief operating officer of city government into financial activities of delegate agency. Find delegate agency filed false and misleading financial reports, breached federal, state and city mandates and was insolvent. Provide inspector general with support for termination of agency.
- Analyze a real estate developer's financing and other carrying costs associated with acquiring, holding and developing property awaiting annexation by a village. Determine these costs arose primarily due to the way in which the property was originally acquired and transactions were originally structured. Conclude that the costs were not primarily related to alleged delays in the village's processes and that claims for damages were speculative, insufficiently detailed and overreaching.
- Analyze and evaluate the contractors' labor, overhead and capital expenditures for allowability, allocability and reasonableness in accordance with a city's multi-million contract to upgrade its emergency communications system and assemble evidential matter supporting the city's legal counsel claims for recovery of overcharges.
- Perform investigation to determine if a board of commissioners properly expended funds in the best interests of taxpayers in accordance with prescribed requirements. Evaluate internal controls to ensure adequate safeguarding of funds and perform additional specific procedures to report findings covering a four-year period.
- Perform utility rate structure audits on behalf of a city's energy department to analyze and review propriety of charges levied by utility vendors. Verify the use of the contractual tariff structure, summarize and examine invoices for potential billing inaccuracies and cost savings, quantify annual billings under alternative tariff rates and negotiate credits with vendors under a revised tariff structure.
- Perform agreed upon procedures, on behalf of Special Counsel to the Board of Commissioners of a large, developing Illinois county, to assist the elected officials to analyze the financial condition of the provider of a Guaranty relative to the current and future financial performance obligations of the provider's corporations developing and operating a waste disposal facility located in the county.
- Perform special-purpose vendor compliance examinations on behalf of city government and audit vendor charges to ensure billings in accordance with contract and prevailing tariffs. Determine vendor overcharges and contractual violations and assist in recovering significant refunds due to the city.



MICHAEL D. PAKTER

PUBLICATIONS AND PRESENTATIONS

Implementing New Firm-wide Audit Methodologies for Generally Accepted Auditing Standards

Altschuler, Melvoin & Glasser ("AM&G")

Various dates 1986 – 1991

Financial Statements¹

Chicago Bar Association ("CBA"), Continuing Legal Education ("CLE") Forum

Various dates 1996 – 2012

Consideration of the Internal Control Structure in a Financial Statement Audit

Illinois CPA Society ("ICPAS") News Journal

July 1989

Communications of Internal Control Structure Related Matters Noted in an Audit:

SAS No. 60 Audit Procedures

ICPAS News Journal

August 1989

Effective Audits and the Detection of Fraud

AM&G Ledger

September 1989

Preparing Your CPA Firm For Quality Review

Chicagoland Public Accounting Firm

January 17, 1990

Audit Strategy and the New Expectation Gap Standards

Chicagoland Public Accounting Firm

December 12, 1990

Accounting & Auditing: The Effect of Incorporating SAS no. 55 on Audit Strategy

ICPAS Insight

February/March 1991

Avoid Being Sued! Your Pockets Aren't Deep Enough

ICPAS Insight

February/March 1991

Closing the Gap: Beyond SAS No. 55

ICPAS Insight

April 1991

Effects of Expectation Gap Standards on Quality Control

ICPAS Insight

May 1991

New Audit Standards on Internal Control: Should Lenders Care?

Commercial Loan Monitor

Spring 1991

Litigation Relating to the Accountants of Automobile Dealerships

Crum & Forster Managers Corporation (IL)

April 8, 1992

¹ Various annual presentations on the theme of financial statements (understanding them and/or financial statement misstatements) with or without incorporating the "Confree Manufacturing" or "Composite Manufacturing" case study including: "Financial Statements - What They Can and Can't Tell You"; "Understanding Financial Statements"; "A Financial (Mis)Statements Case Study"; "Understanding Financial Statements, Uses and Application, Principles and Practices and Terminology and Fundamentals"; and "Using and Misusing Financial Statements - Can You Trust the Financial Information you are Given?"



MICHAEL D. PAKTER

You Can't Be Sued for Providing Consulting Services ... Can You?

ICPAS Insight
April 19, 1992

White Collar Crime: Could it Happen to You?

AM&G Ledger, later reprinted in the Isle of Man Financial and Business Review
Summer 1992

Does the Balance Sheet Reflect Net Worth?

Law Firm, Chicago, Illinois
February 6, 1995

Does the Balance Sheet Reflect Net Worth?

Law Firm, Chicago, Illinois
February 15, 1996

Four Phases of a Fraud Audit

ICPAS Midwest Accounting and Business Management Show
August 27, 1996

Fraud Auditing and Forensic Accounting

Philippine Certified Public Accountants of Greater Chicago Chapter
Other 1996

Determining Vendor Compliance and Detecting Procurement Fraud

ICPAS Government Conference
April 23, 1997

Management Financial Statements – Can You Trust the Financial Information You Are Given?

Law Firm, Chicago, Illinois
May 1, 1997

Four Phases of a Fraud Audit

ICPAS Management of an Accounting Practice Division
May 28, 1997

Expense Reduction Services

Law Firm, Chicago, Illinois
July 1997
Rome 'n Times
August 1997

Intermediate Financial Analysis

CNA Insurance Systems and Financial Training Forum
August 26-27, 1997

Achieving Efficiency: A Study in Cost Reduction,

ICPAS Business & Technology Solutions Show
August 28, 1997

Introduction to Financial Analysis

CNA Insurance Systems and Financial Training Forum
September 17-18, 1997

A Look at SAS No. 82, Considering Fraud in a Financial Statement Audit

Chicago Chapter of Association of Certified Fraud Examiners
September 19, 1997

GAAP Update

Rome Associates LLP, Accounting and Audit Department Training
October 27, 1997



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Internal Control and COSO; Framework, Evaluation and Reporting

ICPAS

November 17, 1997

GAAS Update With Focus on Audit Risk Alerts

Rome Associates LLP, Audit Department Training

December 8, 1997

Accounting and Auditing, GAAP and GAAS Update

ICPAS, North Shore Chapter

December 16, 1997

How Expense Reduction Services Can Bring Value to Your Clients

National Council of Philippine American Canadian Accountants Annual Convention

Other 1997

Four Phases of a Fraud Audit

National Council of Philippine American Canadian Accountants Annual Convention

Other 1997

Non-Traditional Services - Consulting, Litigation and Assurance Services

Rome Associates LLP, Audit Department Training

Other 1997

SSARS Update

Rome Associates LLP, Accounting and Audit Department Training

January 23, 1998

Dollar Value Auditing

The Institute of Internal Auditors, Chicago Chapter

March 16, 1998

Review of Expert Reports in Labor Litigation

Law Firm, Chicago, Illinois

May 7, 1998

How Do You Really Comply with Fraud Detection Standards

ICPAS

November 4, 1998

Financial Statements – What They Can and Can't Tell You!!!

The Chicago Bar Association

November 9, 1998

Accounting and Auditing (GAAP & GAAS) Update

Rome Associates LLP Accounting and Auditing Department

October 30, 1998

Review of Expert Reports of Lost Profits in Commercial Litigation

Law Firm, Chicago, Illinois

Other 1998

Fraud and the Audit Process

Rome Associates LLP Audit Department

Other 1998

Expense Reduction Services Case Study

Rome Associates LLP

Other 1998



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The Financial Shenanigans of Confree Manufacturing

LaSalle Bank N.A.
Other 1998

Introduction to Financial Analysis

CNA Insurance Systems and Financial Training Forum
Other 1998

A Financial (Mis)Statements Case Study

Business Law Center, School of Law, Loyola University, Chicago, Illinois
October 31, 2000

Financial Statements: What They Can and Cannot Tell You About Your Vendors

Chicago Public Schools Office of the Inspector General
Other 2000

Financial Statements: What They Can and Cannot Tell You About Your Vendors

Chicago Bar Association
May 11, 2001

A Forensic Examination of Financial Statements

Illinois Chapter of the Association of Inspectors General
September 14, 2001

Understanding Financial Statements

Business Law Center, School of Law, Loyola University, Chicago, Illinois
March 12, 2002

Four Topics CPE

Russell Novak & Company, LLP
October 21, 2002

Composite Manufacturing – A Financial (Mis)Statements Case Study

Business Law Center, School of Law, Loyola University, Chicago, Illinois
February 25, 2003

Composite Manufacturing – A Financial (Mis)Statements Case Study

Law Firm, Chicago, Illinois
September 17, 2003

Vendor Audits, How to Recover Money

ICPAS, Annual Fraud Conference
November 6, 2003

**How Labor and Employment Lawyers Can Use Forensic Accountants/
Expert Witnesses in Litigation Proceedings**

Law Firm, Chicago, Illinois
February 19, 2004

Due Diligence Considerations, Preparing to Buy or Sell a Closely Held Business

Lorman Education Services, Oak Brook, Illinois
October 19, 2004

ACFE Report to the Nation: Occupational Fraud and Abuse

Law Firm, Chicago, Illinois
December 3, 2004

Composite Manufacturing – A Financial (Mis)Statements Case Study

Law Firm, Chicago, Illinois
February 8, 2005



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Forensic Accounting

Business Law Center, School of Law, Loyola University, Chicago, Illinois
April 19, 2005

Financial Statements, Finding the Red Flags

CBA Young Lawyers Section, Family Law Committee
May 10, 2005

**Understanding the Fraud Environment and How Fraud Occurs in the Construction Industry:
Price Fixing, Bid Rigging and Customer Allocation**

ICPAS Construction Conference
November 7, 2005

ACFE Report to the Nation on Occupational Fraud and Abuse

Professional Networking Group, Inc.
January 18, 2006

Some Thoughts on Vendor Fraud

Law Firm, Chicago, Illinois
February 20, 2006

Fraud and Forensic Accounting

ICPAS
February 21, 2006

Fraud & Forensic Accounting

Independent Accountants Association of Illinois, Northwest Suburban Chapter 18
August 3, 2006

Forensic Accounting and Construction Claims/Damages

ICPAS, Construction Conference, Oak Brook, Illinois
November 2, 2006

The Red Flags of Fraud: Finding and Preventing Financial Fraud in the Real Estate Industry

ICPAS, Chicago, Illinois
December 15, 2006

Forensic Accounting Update

Professional Networking Group
Other 2006

Financial Statements

Business Law Center, School of Law, Loyola University, Chicago, Illinois
April 10, 2007

Forensic Accounting Conference: Special Applications in Business Litigation

Half-Day Conference, ICPAS, Chicago, Illinois and Springfield, Illinois
May 22, 2007 & July 27, 2007

Forensic Accounting and Fraud: 2006 ACFE Report to the Nation on Occupational Fraud and Abuse

Graduate School of Business, Loyola University, Chicago, Illinois
June 25, 2007

Top Five Issues to Look For In Financial Statements

Law Firm, Chicago, Illinois
June 28, 2007

Forensic Procedures and Specialists

Graduate School of Business, Loyola University, Chicago, Illinois
October 2, 2007



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Forensic Accounting Half-Day Conference

ICPAS, Chicago, Illinois
May 13, 2008 & May 13, 2009

ACFE 2008 Report to the Nation

Loyola University, Chicago, Illinois
September 15, 2008

**ACFE 2008 Report to the Nation on Occupational Fraud and Abuse:
With Special Emphasis on Financial Statement Fraud**

Illinois Chapter of the Association of Inspector Generals, Chicago, Illinois
Also, ICPAS, Industry & Business Forum, Skokie, Illinois
April 13, 2009

An Analysis of Recent Published Fraud Surveys: Lessons for Academics and Practitioners

Working Paper
July 8-11, 2009

Exploring the Anatomy of Fraud – The Cendant/CUC Revenue Recognition Fraud

Thomson Reuters AuditWatch National School for Audit Leaders, Chicago, Illinois
August 7, 2009

Lost Profits Damages 101

Gould & Pakter Associates, LLC, Chicago, Illinois
August 13, 2009

Financial Statement Fraud

ICPAS, North Shore Chapter, Northbrook Illinois
September 15, 2009

Lost Profits Damages 101:

Including Comparisons to Business Interruption Claims, Lost Earnings and Lost Business Value

Loyola University, Chicago, Illinois & CPA CPE Group, Highland Park, Illinois
October 6, 2009 & October 7, 2009

Are You Being Robbed From Within

Ravinia Green Country Club, Deerfield Illinois
November 5, 2009

Warning Signs of Distressed Entities²

CBA Corporation & Business Law Committee Forum
November 17, 2009

Financial Shenanigans and Accounting Magic Tricks in Mergers and Acquisitions

CBA Corporation & Business Law Committee, Mergers and Acquisitions Subcommittee Forum
December 10, 2009

Initial Financial Analysis of Financial Statements

Law Firm, Chicago, Illinois
Loyola University, School of Law, Chicago, Illinois
February 8, 2010 & February 16, 2010

Using Forensic Accounting in Real World Litigation

Prentice Hall Accounting Symposium for Educators, Oak Brook, Illinois
March 5, 2010

Business Damages Determination: Special Forensic Accounting Considerations

ICPAS, Forensic Accounting Conference
June 2, 2010

² Part of Panel Presentation: Distressed Entity Issues for the Non-Bankruptcy/Insolvency Practitioner.



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Business Damages Determination: Special Forensic Accounting Considerations

Loyola University, School of Accounting, Chicago, Illinois
June 22, 2010

Composite Manufacturing Company: A Financial (Mis)Statement Case Study

Journal of Business Case Studies, Clute Institute for Academic Research, Vol. 6, No. 5 (2010)
2010³ (Presented with Best Paper Award October 11-13, 2010)

Composite Manufacturing Company: A Financial (Mis)Statement Case Study

Business Law Center, School of Law, Loyola University, Chicago, Illinois
November 2, 2010

Composite Manufacturing Company: A Financial (Mis)Statement Case Study

Bankruptcy Law Firm, Chicago, Illinois
January 11, 2011

Unique Forensic Accounting Issues Involving Organized Crime

Learnucopia, Indianapolis, Indiana
February 25, 2011

Composite Manufacturing Company: A Financial (Mis)Statement Case Study

Business Law Center, School of Law, Loyola University, Chicago, Illinois
March 29, 2011

Annual Forensic Accounting Update

ICPAS Fox River Trail Chapter, Lake Zurich, Illinois
April 28, 2011

**Janis Joplin's Yearbook, Ex Ante, Ex Post and
Other Essential Elements of Measuring Benefit
Streams in Determining Economic Damages**

ICPAS Forensic Accounting Conference, Chicago, Illinois
June 8, 2011

**Economic Damages: Non-Competition and Other Claims:
Establishing Lost Profits Damages in the Context
Of a Violation of a Non-Compete Agreement**

Law Firm, Chicago, Illinois
June 22, 2011

Establishing Lost Profits Damages

Law Firm, Chicago, Illinois
June 29, 2011

Composite Manufacturing Company: A Financial (Mis)Statement Case Study

Business Law Center, School of Law, Loyola University, Chicago, Illinois
October 18, 2011

**Economic Damages: Non-Competition and Other Claims:
Establishing Lost Profits Damages in the Context
Of a Violation of a Non-Compete Agreement**

Loyola University, School of Accounting, Chicago, Illinois
October 19, 2011
ICPAS Financial Forensic Workshop
June 27, 2012

³ Co-authored with Professor Ellen Landgraf, Ph.D., MBA, CPA, BBA and Andrea Katzenstein, CFE and presented by Professor Landgraf to the 2009 International Fraud & Forensic Accounting Education Conference, Las Vegas, Nevada.



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Composite Manufacturing Company: A Financial (Mis)Statement Case Study

The Chicago Bar Association

September 17, 2007, May 21, 2008, September 11, 2008, September 11, 2009, September 15, 2010, November 8, 2011, September 11, 2012, September 10, 2013, September 9, 2014 and September 20, 2016

SEC Whistleblower Program

American Accounting Association

2012 Forensic and Investigative Accounting Section Meeting

March 30, 2012

Financial Forensics in Litigated Solvency and Preference Analyses

National Association of Certified Valuators and Analysts

May 18, 2012

Cornerstones of Financial Forensics Workshop

National Association of Certified Valuators and Analysts

May 25, 2012 (Chicago), August 10, 2012 (Denver), November 16, 2012 (Philadelphia); July 19, 2013 (Orlando); October 25, 2013 (San Diego); November 8, 2013 (Houston); November 18, 2013 (Fort Lauderdale); and October 24, 2014 (New Orleans)

Financial Forensics in Litigated Solvency and Preference Analyses

National Association of Certified Valuators and Analysts

August 17, 2012

Composite Manufacturing Company: A Financial (Mis)Statement Case Study

Law Firm, Chicago, Illinois

July 23, 2012

October 3, 2012

Latest Developments in Forensic Accounting

ICPAS, Industry & Business Forum, Skokie, Illinois

September 10, 2012

Business Valuations⁴

Sacramento Valley Bankruptcy Forum; Annual Fall Program, California

September 28, 2012

Providing Services to Family Offices ... CPA Risks and Responses

Accountants & Lawyers' Annual Defense Network ("ALADN") Conference

October 10, 2012

Litigation for Bankruptcy and Insolvency

Consultants' Training Institute Online Learning Lecture Series

January 17, 2013 and February 8, 2013

Apple v. Samsung: Lessons Learned for Financial Experts

National Litigation Consultants' Review

Volume 1, 2013

Book Review: How to Prepare Your Expert Witness for Deposition

National Litigation Consultants' Review

Volume 1, 2013

Spousal Support and Asset Division

AICPA 2013 Family Law Conference, Las Vegas, Nevada

May 9, 2013

⁴ Three-part program with emphasis on normalizing adjustments, valuation approaches, methods and discount rates for "mom & pop," distressed and start-up businesses and identifying fraudulent financial statements and persons engaged in fraud.



MICHAEL D. PAKTER

Measuring Performance and Defending Your Budget

Developing, Managing and Analyzing a Budget
Lorman Education Services, Chicago, Illinois
May 16, 2013

Financial Forensics Symposium: Bankruptcy, Insolvency, Reorganization

2013 NACVA Annual Consultants' Conference, Washington, DC
June 6, 2013

**Janis Joplin's Yearbook: Ex Post, Ex Ante and
Other Approaches to Determining Economic Damages**

ICPAS Forensic Accounting Conference, Chicago, Illinois
June 21, 2013

Apple v. Samsung Debate: Focus on Damages

National Litigation Consultants' Review
Volume 2, 2013

Book Review: The Litigation Services Handbook

National Litigation Consultants' Review
Volume 2, 2013

Introduction to Financial Forensics in Bankruptcy Proceedings

NACVA's Business Valuation Webinar Week
July 22, 2013

**Economic Damages: Non-Competition and Other Claims:
Establishing Lost Profits Damages in the Context
Of a Violation of a Non-Compete Agreement**

Law Firm, Chicago, Illinois
July 24, 2013; October 17, 2013; November 6, 2013

Composite Manufacturing – A Financial (Mis)Statements Case Study

Law Firm, Chicago, Illinois
July 30, 2013

How to Survive a Motion to Exclude Your Expert Testimony

John Marshall Law School
August 5, 2013

How to Survive a Motion to Exclude Your Expert Testimony

NACVA Webinar
August 8, 2013

ACFE 2012 Report to the Nations on Occupational Fraud and Abuse

Law Firm, Chicago, Illinois
September 24, 2013

How to Survive a Motion to Exclude Your Expert Testimony

Forensic Expert Witness Association
December 7, 2013

Book Review: Determination of Value

National Litigation Consultants' Review
Volume 3, 2013

How to Survive a Motion to Exclude Your Expert Testimony

NACVA Webinar
February 20, 2014



MICHAEL D. PAKTER

Determining a Distressed Debtor Company Discount Rate, Part 1

Business Valuation Update
Vol. 20, No. 1, January 2014

Determining a Distressed Debtor Company Discount Rate, Part 2

*Business Valuation Update*⁵
Vol. 20, No. 2, February 2014

Ex-Ante and Ex-Post Considerations in Economic Damages Calculations

NACVA QuickRead
April 2, 2014

Composite Manufacturing – A Financial (Mis)Statements Case Study

Law Firm, Chicago, Illinois
April 3, 2014

Presenting Personal Injury and Wrongful Death Opinions to the Judge and Jury

Consultants' Training Institute Financial Forensics Webinar Week
March 14, 2014 and April 11, 2014

Lost Profits Methods and Procedures

NACVA Master Analyst in Financial Forensics Specialty Webinar
May 8, 2014

Other Considerations in Lost Profits Calculations

NACVA Master Analyst in Financial Forensics Specialty Webinar
May 9, 2014

**Nature, Timing and Extent of Financial Investigations
Necessary to Determine Income Available for
Spousal and Child Support Calculations**

NACVA Webinar
May 19, 2014

**Establishing Lost Profits Damages in the Context
Of a Violation of a Non-Compete Agreement**

Law Firm, Chicago, Illinois
May 30, 2014

Composite Manufacturing – A Financial (Mis)Statements Case Study

Law Firm, Chicago, Illinois
June 11, 2014

Does Your Expert Report Need a Peer Review?

National Litigation Consultants' Review
Volume 2, 2014

Developing a FRE 702 Expert Report

John Marshall Law School
August 7, 2014

Financial Investigations Necessary to Determine Spousal and Child Support

NACVA
September 22, 2014

Composite Manufacturing – A Financial (Mis)Statements Case Study

Law Firm, Chicago, Illinois
October 8, 2014

⁵ Part 1 and Part 2 republished in Business Valuation Resources, LLC. (BVR) Business Valuation & Bankruptcy Case Law Compendium, Second Edition, 2014



MICHAEL D. PAKTER

Services Provided to Distressed Businesses

NACVA Master Analyst in Financial Forensics (MAFF) Workshop
November 3, 2014

Fraud, Financial Forensics and Special Investigations

NACVA Master Analyst in Financial Forensics (MAFF) Workshop
November 4, 2014

Finance for Lawyers

Law Firm, Chicago, Illinois
February 3, 2015

Determining a Distressed Debtor Company Discount Rate

NACVA Business Valuation Specialty Webinar Week
March 13, 2015

Standards For Distressed Business Valuation, Part One

NACVA QuickRead
April 1, 2015

Unique Issues in Standards for Distressed Business Valuation, Part Two

NACVA QuickRead
May 6, 2015

Business Valuation with a Focus on Valuations of Distressed Businesses

Northwest Bar Association's Civil Litigation Seminar
November 11, 2015

The Income Tax Treatment of Economic Damages Awards

National Litigation Consultants' Review
Volume 3, 2015
NACVA QuickRead
June 16, 2016

Mr. Unlucky—A Construction Worker Injured Twice On-site

NACVA QuickRead
April 6, 2016

How To Assist An Expert Witness Practice – The Support Staff Program

Gould & Pakter Associates, LLC
April 7, 2016

Valuation 2016 - Bankruptcy Valuation Issues

Valuation in the Context of a Fraudulent Transfer or Preference Attack

Financial Poise Faculty Webinar
May 27, 2016

Book Review: The Comprehensive Guide to Economic Damages

Volume 1 and 2, 4th ed.

Business Valuation Update
Volume 22, No. 7, July 2016

Book Review: Analyzing Complex Appraisals for Business Professionals

NACVA QuickRead
October 27, 2016

PAULA KAY JACOBI

Barnes & Thornburg LLP
One North Wacker Drive, 44th Floor
Chicago, Illinois 60606
Office: (312) 214-4866

Capital Partner

CAREER SUMMARY

Extensive experience in all facets of insolvency law, in both court and out of court work-outs, Chapter 11 reorganizations, representing SEC/CFTC and state court receivers, Chapter 7 trustees, corporate and partnership debtors and secured and unsecured creditors, including financial institutions, insurance lenders, and REITs. Extensive experience with financing, contracting and leasing for corporate clients. Extensive trial and appellate work in state and federal district and bankruptcy courts on wide range of business disputes, guaranty, fraudulent transfer, preferential transfers.

PROFESSIONAL EXPERIENCE

- . Representation of court appointed receivers in SEC and CFTC cases, state court receivers for corporations and foreclosure cases, assignees for the benefit of creditors for companies, trustees in Chapter 11 and Chapter 7 cases (including prosecution of fraudulent transfer cases) all of who are responsible for realizing the maximum from assets and distributing the same to creditors according to applicable priorities.
- . Representation of both secured and unsecured creditors including public REIT, with work including recovery of collateral, enforcement of security interests, representation of members of creditors committees, representation of Chapter 11 committees, adjudication of claims, assumption\rejection and cure\rejection litigation for lessors, and prosecution and defense of fraudulent transfer and preferential conveyance litigation.
- . Representation of financially troubled debtors [corporations, partnerships, individuals with guarantee or IRS debt], which debtors have been engaged in wide variety of businesses [real estate developers, manufacturing, retail, hotel, catering, distribution, healthcare, service, mortgage brokers, computer/software], which has included resolving their respective situations through out-of-court compositions and internal reorganizations, sales, liquidations, assignments for the benefit of creditors, reorganization through Chapter 11, restructuring of loans, obtaining forbearances from lenders, and performing general corporate financing, contract and leasing work during and after reorganization.
- . Representation of financial institutions, insurance companies, special loan servicers, which has included collecting loans through litigation, liquidation, secured creditor sales, plans of reorganization, financing Chapter 11 debtors, proposing and confirming creditor plans of reorganization, and restructuring and documenting loans.

- . Representation of corporations in litigation on business disputes and general corporate representation.

LEGAL EDUCATION

NORTHWESTERN UNIVERSITY SCHOOL OF LAW, J.D. Class of 1977

Honors and Activities:

Dean's List 1976-1977

Journal of Criminal Law and Criminology, Senior Staff Editor

Authored "Juvenile Confessions," Journal of Criminal Law and Criminology,
June, 1976

UNIVERSITY OF CINCINNATI SCHOOL OF LAW, 1974-1975

Honors and Activities:

Law Review, Staff Member

Constitutional Law Award

GRADUATE AND UNDERGRADUATE EDUCATION

SMITH COLLEGE, 1972-1973

Graduate studies in psychiatric social work

UNIVERSITY OF MICHIGAN, B.Ed. 1972

Honors and Activities:

James B. Angel Scholar

Arts Chair 1971 Creative Arts Fair

RECENT REPRESENTATIVE EXAMPLES OF WORK

Representing Court Appointed Receivers in SEC and CFTC and State Court Business Cases

SEC v. HJ Capital Representing court-appointed receiver for the defendant corporation and individual/principal. We are working to protect/locate assets and to liquidate them for the benefit of the investors who "invested" \$20 million. To date, we have been successful in recovering over \$11 million from sale of aircraft, real estate, personal property, litigation, and continued business operations. Successful in recovering \$4.5 million sought in two separate actions (unjust enrichment and fraudulent transfer). Successful in getting a proposed distribution plan approved by Court and have recovered and distributed to date 50% of net investments made. [Northern District of Illinois][Handler receiver]

SEC v. Nutmeg
Group LLC Representing the court appointed receiver for the company and the investment funds for which the company was the manager and investment advisor. We are working locate and recover assets for the benefit of investors. [Northern District of Illinois][Weiss receiver]

CFTC v. Raleigh
Capital Management Representing the court appointed receiver for the corporation and individual/principal. Assets have been recovered and distribution plan court approved and initial distributions approved. Clawback litigation is under way together with getting assets out of Swiss bank. [Northern District of Illinois][Thorne receiver]

Secured Creditors in/out of Court

First Bank and Trust
Company of Illinois Currently representing the Bank in numerous contested state court actions to collect over \$28 million wherein receivers were successfully retained for condominium project and hotel, judicial and non-judicial foreclosures and sales were accomplished for other real estate projects including a health club, recovery against guarantors and relatives of guarantor was accomplished through fraudulent conveyance actions, and prosecution for recovery on indemnity bond and for appraisal malpractice is in progress. [Chicago/Michigan]

Bank of America Recovered full loan recovery through Chapter 11 case against a retailer operating in seven states and full loan recovery out side of court from three food processors.

**RECENT REPRESENTATIVE EXAMPLES OF WORK
(Continued)**

Unsecured Creditors in Chapter 11 Cases

- Stepan Company In Reichhold represented the chemical manufacture who was the largest non-governmental creditor of Reichhold to recover \$3.5m, get them on and participate in the Committee of Unsecured Creditors, and negotiate assumption and assignment of its supply agreement to the buyer of assets [Delaware]
- Acco Brands In School Specialties worked with supplier of school materials to recover on its claim and deal with requirements contract and the significant set-off rights it had. [Delaware]
- Airliance Materials In ATA Airlines represent the used parts supplier working to recover \$500,000 in parts wrongfully held by the debtor and to use common law liens retain \$500,000 in ATA inventory until repairs are paid for in full. [Indiana]
- Airliance Materials In United Air Lines, represented the used parts supplier, defeated debtor's objection to \$1 M set-off, and negotiated continuations/modification of executory contracts. [Chicago]
- Living Water Fund/
ABBA Fund In Refco Capital Markets Inc., represented customers of debtor regarding derivative contracts and account. Prosecuted claim for breach of prime broker duties in closing out futures contracts through trial. After trial matter settled in conjunction with claim adjudication and preference actions. [New York]
- Living Water Fund/
ABBA Fund In Refco Inc. represented customers of debtor being sued for account balances alleged to be from trading losses (matter still pending). [New York]
- Livid Holdings LLC In Purely Cotton, represented \$12 M preferred shareholders, conducted hearing on objection to plan confirmation, obtaining substantial plan modification to improve client's position, and conducted discovery sufficient to support and pursue securities fraud claims. [Chicago]
- Livid Holdings LLC In 9th Circuit, successful prosecuted claim against Smith Barney for securities fraud related to the \$12 M preferred stock solicitation in Purely Cotton. [Seattle]

Fraudulent Transfer/Preference Defendants/Plaintiffs

University of Iowa, University
Of Northern Iowa, St. Lukes,
Allen Hospital and

Ed Dobson In Peregrine Financial Group, Inc. defending four charitable organizations and one individual in fraudulent transfer actions wherein the Trustee is seeking approximately \$2M. [Illinois]

Kehe Food
Distributors In Bruno's Supermarkets [Alabama] and The Penn Traffic Company [Delaware] each sued the specialty food distributor for \$1.2M and \$850,000 respectively for alleged preferences. We resolved the cases for \$40,000 and \$50,000 respectively.

ABBA Fund In Refco Capital Markets Inc., represented customers of debtor is getting \$5 M in preference claims dismissed. [New York]

Gongaware In Conseco, successfully got dismissal of \$23M fraudulent conveyance claim based, in part, on faulty lender/debtor documentation which adversely affected standing of Conseco. [Chicago]

Corporate Debtors:

Hollywood Boulevard
Cinema

Currently representing a diner/movie theatres company in Chapter 11 reorganization. To date, successful getting the IRS to agree without litigation that its tax lien was junior to others and had no value allowing potential refinancing of entity, defeating challenges to use of cash collateral, and securing movie distribution from Warner Bros. over its initial objections all of which was necessary to submit a confirmable plan of reorganization.

Erie Property LLC Successfully reorganized a company that owned two commercial buildings and retained me shortly before scheduled foreclosure sale, confirming a plan under which the senior secured debt was reduced by \$2.5 million, junior secured position was eliminated, eliminated all default and post-petition interest, and obtained 5 years for payout. [Chicago]

Heartland Memorial
Hospital, LLC

Sold the "going-concern" assets of a hospital/surgical center through Chapter 11 proceeding within first 90 days of the case, and worked on realizing maximum value for remaining assets wherein company had layers of secured debt [bank and IRS] and numerous claims against former insiders for fraudulent conveyances. [Indiana]

Quin-T (New Hampshire)
Corporation

In Chapter 11 maximized value of the manufacturer of electrical insulating papers and boards which, historically, had contained asbestos. We marketed the company, conducted a Section 363 sale, and obtained a permanent injunction against all asbestos claims (which covered the buyers) of which there were over 500 cases pending at the time of the Chapter 11. The lenders had been Harris Bank and its participant LaSalle Bank NA. [New Hampshire]

H. Kramer & Co.

Reorganized 100 year old smelter notwithstanding significant environmental enforcement actions from federal and state agencies with respect to its California facility. This case involved every facet of corporate reorganization, including disputes with existing revolving lender, contested cash collateral, obtaining new financing source, defeating secured equipment lease claims, reclamation claims, mechanic lien claims, labor issues, contested confirmation proceedings, plan voting issues including withdrawal and changing votes. [Chicago][California real estate]

Creditors Committees:

Jernberg Industries,
Inc. / Iron Mountain

Represented the Creditors Committee in Jernberg Industries, Inc. et. al. where debtors filed a motion to sell all assets on the same day the Chapter 11 commenced. We were successful in obtaining \$1.4 million in funds through the sale process from creditors whose capital leases were being assumed but who were unsecured due to failures in their UCC perfections. This recovery doubled the funds available to unsecured creditors in the case. [Chicago]

Lessors/Option Holders in Chapter 11 cases

CB Richard Ellis
Realty Trust

In American LaFrance currently representing the landlord of debtor's largest manufacturing facility and headquarters in opposing proposed lease assumption terms. [Delaware]

CB Richard Ellis
Realty Trust

In Women's Apparel Group currently representing REIT which owns the distribution center and headquarters for the debtor. Opposed assets sale that violated lease terms wherein lease was going to be rejected and obtained protective requirements of the sale and administrative claims regarding move out of the premises. [Boston]

RECENT REPRESENTATIVE EXAMPLES OF WORK
(Continued)

Lexington-Warren
LLC

In K-Mart, represented the largest warehouse landlord in extended litigation regarding payment of pre-and post-petition expenses, and successfully objected to attempted assumption by K-Mart that would not have fully paid all sums due under the lease, and obtained assumption of lease on terms that paid all sums due.[Chicago]

Becknell Properties

Represented large warehouse landlord in bankruptcies in numerous states regarding lease assumptions, claims against lessee and claims against lessee guarantors [Indiana, Florida, Georgia, New Jersey]



Paula K. Jacobi | Partner

Chicago

One North Wacker Drive
Suite 4400
Chicago, IL 60606-2833

P: 312-214-4866

F: 312-759-5646

BAR ADMISSIONS

Illinois

COURT ADMISSIONS

U.S. Court of Appeals
for the 7th Circuit

U.S. Court of Appeals
for the 9th Circuit

U.S. Bankruptcy
Court for the Central
District of Illinois

U.S. Bankruptcy
Court for the Northern
District of Illinois

U.S. Bankruptcy
Court for the
Southern District of
Illinois

Paula K. Jacobi is a partner in the Chicago office of Barnes & Thornburg LLP, where she is a member of the firm's Finance, Insolvency and Restructuring Department. She has more than 25 years experience in virtually all areas of insolvency law, in both court litigation and reorganization and out-of-court work-outs, representing debtors, secured creditors, trustee, receivers, landlords, REITS, and unsecured creditors. Prior to concentrating her practice in the area of insolvency, she did business litigation for five years.

Ms. Jacobi represents a variety of clients, including financial institutions, lenders, REITS, corporate creditors, secured and unsecured, corporate and partnership debtors, assignees

PUBLICATIONS

Commercial Finance
& Insolvency Bulletin -
September 2009

ABI Journal -
Correction
Statements:
Protection Lien
Priority or Preferential
Transfer

ABI 2008 Winter
Leadership
Conference

NEWS

Barnes & Thornburg
Attorneys Named to
Illinois Super Lawyers
and Rising Stars 2016

Barnes & Thornburg
Attorneys Named
2015 Illinois Super
Lawyers

Barnes & Thornburg
Attorneys Named
Illinois Super Lawyers
2014®

U.S. Bankruptcy
Court for the Northern
District of Indiana

for the benefit of creditors,
trustees, and receivers. She has
a breadth of experience with
financing, contracting and leasing
for corporate clients, and has
extensive trial and appellate
experience in state and federal
courts.

U.S. Bankruptcy
Court for the
Southern District of
Indiana

U.S. Bankruptcy
Court for the Western
District of Michigan

For her work in bankruptcy
and business litigation, Ms.
Jacobi has been recognized as
an Illinois Super Lawyer by the
Illinois Super Lawyers Magazine
in 2005, 2008 - 2009, 2012 -
2016.

U.S. District Court for
the Central District of
Illinois

U.S. District Court for
the Northern District
of Illinois

Ms. Jacobi received her B.Ed. in
1972 from the University of
Michigan, where she was a
James B. Angel Scholar, and
conducted her graduate studies
in psychiatric social work at Smith
College (1972-73). She attended
the University of Cincinnati
School of Law (1974-75), where
she was a member of the Law
Review and recipient of the
Constitutional Law Award. She
earned her J.D. from
Northwestern University School
of Law in 1977 and was on the
Dean's List and was a senior staff
editor of the *Journal of Criminal
Law and Criminology*.

U.S. District Court for
the Southern District
of Illinois

U.S. District Court for
the Northern District
of Indiana

U.S. District Court for
the Southern District
of Indiana

U.S. District Court for
the Western District
of Michigan

EDUCATION

Ms. Jacobi is a member of the
American Bankruptcy Institute, as
well as the American and Illinois

EVENTS

[Mixing Business With
Basketball: CLE and
Bracket Bash](#)

[Barnes & Thornburg's
Day at the Park - CLE
Lunch and Social
Event](#)

[Attorney Presentation
- Being Prepared For
a Bankruptcy In Your
Supply Chain and/or
Industry](#)

PRACTICES

[Corporate](#) >

[Bankruptcy and
Restructurings](#) >

[Finance, Insolvency
and Restructuring](#) >

[Bankruptcy](#) >

[Financial Institutions](#) >

[Loan
Documentation and
Financing](#) >

[Receiverships](#) >

[Regulatory Matters](#) >

[Litigation](#) >

[Commercial
Litigation](#) >

Northwestern
University School of
Law (J.D., 1977)

University of
Michigan (B.Ed.,
1972)

State bar associations. She is admitted to practice in the state of Illinois and in numerous federal circuit (7th and 9th Circuits), district (Northern and Southern Districts of Illinois and Indiana), and bankruptcy courts throughout the country.

Finance, Insolvency
and Restructuring >
Litigation

EXPERIENCE

In re Erie Property LLC, 09 B
06968 (Bankr. N.D. Ill.).

In re Heartland Memorial
Hospital LLC, 07 20188 (Bankr.
N.D. Ind.).

In re Baskin, 09 B 09825
(Bankr. N.D. Ill.).

In re Metrowest Shoppes, 6-10-
BK-03332 (Bankr. M.D. Fla.)
and In re Lighthouse Place
Development LLC, 09-04779
(Bankr. W.D. Mich.).

In re ATA Airlines, 08-03675-
BHL-11 (Bankr. S.D. Ind.).

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TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Plan Administrator in United States Bankruptcy Court for the Western District of Texas Case No. 16-51419, styled *Cowboys Far West, Ltd.*

Address: _____
Phone: _____ E-mail: _____
Fax: _____ Other: _____

Buyer: Westdale Properties America I, Ltd.

Address: 3100 Monticello Avenue, Suite 600 Dallas, Dallas County, TX 75205
Phone: _____ E-mail: _____
Fax: _____ Other: _____

2. **PROPERTY:**

A. "Property" means that real property situated in _____ Bexar _____ County, Texas at 3030 NE Loop 410, San Antonio, TX 78218

(address) and that is legally described on the attached Exhibit _____ or as follows:

Tract 1: Being 11.19 acres of land, more or less, out of Lot 4, New City Block 12188, INTERCHANGE PARK UNIT 2-D, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9537, Page 22, Deed and Plat Records of Bexar County, Texas; said 11.19 acres being more particularly described by metes and bounds on the attached Exhibit "A".

Tract 2: Being a 5.441 acre, more or less, tract of land out of New City Block 12179, and out of the D.J. Davis Survey 103, Abstract 208, the J.G. Miller Survey 103 1/2, Abstract 532, and the Gertrude Rodriguez Survey 13, and being part of a 51.083 acre tract, a part of a 14.115 acre tract and a part of Fratt Road closed by QuitClaim Deed, Volume 5892, Page 1753, Real Property Records of Bexar County, Texas; said 5.441 acre tract being more particularly described by metes and bounds on the attached Exhibit "B".

B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)
(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing\$ 6,500,000.00
B. Sum of all financing described in Paragraph 4\$ 0.00
C. Sales price (sum of 3A and 3B)\$ 6,500,000.00

(TAR-1801) 4-1-14

Initialed for Identification by Seller  and Buyer _____

Page 1 of 14

Commercial Contract - Improved Property concerning 3030 NE Loop 410, San Antonio, TX 78218

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- A. Third Party Financing: One or more third party loans in the total amount of \$ _____. This contract:
 - (1) is not contingent upon Buyer obtaining third party financing.
 - (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
- B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 50,000.00 as earnest money with Capital Title of Texas (title company) at 7001 Preston Rd, Suite #120, Dallas, TX 75205 (address) _____ (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
 - (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) _____
 Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:

- A. Title Policy:
 - (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
 - (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
 - (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
 - (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

Commercial Contract - Improved Property concerning 3030 NE Loop 410, San Antonio, TX 78218

B. Survey: Within 20 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) Within 30 days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 15 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

Commercial Contract - Improved Property concerning 3030 NE Loop 410, San Antonio, TX 78218

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within 90 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to timely pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: (Check all that apply.)

Commercial Contract - Improved Property concerning 3030 NE Loop 410, San Antonio, TX 78218

- (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- (b) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (e) copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- (g) copies of all current warranties and guaranties relating to all or part of the Property;
- (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
- (j) a copy of the "as-built" plans and specifications and plat of the Property;
- (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- (p) _____

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. **LEASES**: All leases of the Property will be terminated within sixty (60) days of the Effective Date of this Contract.

Commercial Contract - Improved Property concerning 3030 NE Loop 410, San Antonio, TX 78218

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: N/A Cooperating Broker: N/A

Agent: _____ Agent: _____

Address: _____ Address: _____

Phone & Fax: _____ Phone & Fax: _____

E-mail: _____ E-mail: _____

License No.: _____ License No.: _____

Principal Broker: *(Check only one box.)*

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: *(Check only (1) or (2) below.)*

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

- _____ % of the sales price.
- _____

Cooperating Broker a total cash fee of:

- _____ % of the sales price.
- _____

The cash fees will be paid in _____ County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

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NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) 30 days after the expiration of the feasibility period.

_____ (specific date).

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

(1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;

(2) without any assumed loans in default; and

(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

(1) tax statements showing no delinquent taxes on the Property;

(2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;

(3) an assignment of all leases to or on the Property;

(4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:

(a) licenses and permits;

(b) maintenance, management, and other contracts; and

(c) warranties and guaranties;

(5) a rent roll current on the day of the closing certified by Seller as true and correct;

(6) evidence that the person executing this contract is legally capable and authorized to bind Seller;

(7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and

(8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable to the title company;

(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;

(3) sign and send to each tenant in the Property a written statement that:

(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and

(b) specifies the exact dollar amount of the security deposit;

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- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

See Attached Exhibit C.

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed and any bill of sale;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)

enforce specific performance, or seek such other relief as may be provided by law.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

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- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent

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feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's attorney's e-mail at dickson@thetexasfirm.com.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

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- D. Addenda which are part of this contract are: *(Check all that apply.)*
- (1) Property Description Exhibit identified in Paragraph 2;
 - (2) Commercial Contract Condominium Addendum (TAR-1930);
 - (3) Commercial Contract Financing Addendum (TAR-1931);
 - (4) Commercial Property Condition Statement (TAR-1408);
 - (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
 - (7) Notice to Purchaser of Real Property in a Water District (MUD);
 - (8) Addendum for Coastal Area Property (TAR-1915);
 - (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - (10) Information About Brokerage Services (TAR-2501); and
 - (11) Special Provisions Addendum

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.

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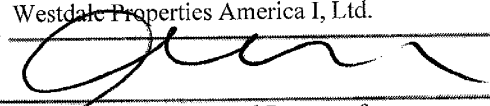
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: _____

 By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____
 By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

Buyer: ~~Westdale Properties America I, Ltd.~~


 JGB Ventures, Inc., General Partner of
 By: ~~Westdale Properties America I, Ltd.~~
 By (signature): _____
 Printed Name: Joseph G. Beard
 Title: President of JGB Ventures, Inc.
 By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

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AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- \$ _____, or
- _____ % of the sales price, or
- _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYS

Seller's attorney: _____ Buyer's attorney: J. David Dickson

Address: _____ Address: 220 South Fourth Street, Waco Texas 76701

Phone & Fax: _____ Phone & Fax: 254-776-5500 & 254-776-3591

E-mail: _____ E-mail: dickson@thetexasfirm.com

Seller's attorney requests copies of documents, notices, and other information:

- the title company sends to Seller.
- Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- the title company sends to Buyer.
- Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- A. the contract on this day _____ (effective date);
- B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____ Address: _____

By: _____ Phone & Fax: _____

Assigned file number (GF#): _____ E-mail: _____

EXHIBIT A

EXHIBIT "A"
TRACT 1
11.19 ACRES

STATE OF TEXAS
COUNTY OF BEXAR

Field notes for a 11.19 (487,436 sq ft) acre tract of land out of Lot 4, New City Block 1218E, Interchange Park Unit 2-D, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9337, Page 22, Deed and Plat Records of Bexar County, Texas. Said 11.19 acre tract being more particularly described by names and bounds as follows:

BEGINNING at a Calcedo "JC" found on the southeast right-of-way of the Frontage Road of IH 410 south for the west corner of the herein described 11.19 acre tract and being on the west line of Lot 4, New City Block 1218E, Interchange Park Unit 2-D, according to plat thereof recorded in Volume 9337, Page 22, Deed and Plat Records of Bexar County, Texas. Said point of beginning also being the north corner of Lot 5, New City Block 1218E, Jumbale's Restaurant, according to plat thereof recorded in Volume 9337, Page 22, Deed and Plat Records of Bexar County, Texas.

THENCE along the southeast right-of-way of the Frontage Road of IH 410 north the following four calls; North 42° 32' 42" East, a distance of 218.94 feet to a one half inch steel pin set; North 44° 22' 41" East, a distance of 160.98 feet to a one half inch steel pin set; North 48° 14' 29" East, a distance of 480.46 feet to a one half inch steel pin set and North 52° 58' 51" East, a distance of 306.46 feet to a one half inch steel pin set for the P.C.C. of a curve to the right.

THENCE with said curve to the right, (whose radius is 26.66 feet, central angle is 50° 00' 45" and whose chord bears South 82° 01' 06" East, a distance of 37.71 feet) an arc distance of 41.88 feet to a one half inch steel pin set on the west right of way line of Interchange Parkway (86' row) for the P.C.C. of a curve to the right.

THENCE with said curve to the right, (whose radius is 25.34 feet, central angle is 17° 15' 26" and whose chord bears South 23° 23' 01" East, a distance of 7.60 feet) an arc distance of 7.83 feet to a one half inch steel pin set for the P.C.C. of a curve to the right.

THENCE with said curve to the right, (whose radius is 107.91 feet, central angle is 29° 32' 13" and whose chord bears South 04° 59' 12" East, a distance of 35.01 feet) an arc distance of 35.63 feet to a one half inch steel pin set for the P.T. of the curve.

THENCE continuing along the west right-of-way line of Interchange Parkway, South 09° 46' 57" West, a distance of 731.31 feet to a one half inch steel pin set for the P.C. of a curve to the right.

THENCE with said curve to the right, (whose radius is 453.87 feet, central angle is 25° 36' 26" and whose chord bears South 22° 25' 10" West, a distance of 201.16 feet) an arc distance of 202.83 feet to a one half inch steel pin set for the southeast corner of the herein described tract also being the southeast corner of the aforesaid Lot 4 and the east corner of a 5.44 acre tract surveyed this same date.

THENCE with the south line of this tract also being the south line of the aforesaid Lot 4, South 88° 02' 05" West, a distance of 325.04 feet to a one half inch steel pin found capped marked "Fwd" for the southwest corner of the herein described tract and being the east corner of the aforesaid Lot 4.

THENCE with the west line of this tract being the east line of Lot 5, North 41° 03' 49" West, a distance of 278.95 feet to the POINT OF BEGINNING.

(Reference is hereby made to an 11 x 17" survey prepared this same date.)

(All pins set with red cap stamped No. 4724)

I, Jerry D. Wilkie, Jr., hereby certify that these field notes were prepared from an on the ground survey made under my direction and supervision on September 20, 2004.

Jerry D. Wilkie, Jr.
Registered Professional Land Surveyor
No. 4724

Job Number 2004721



EXHIBIT B

EXHIBIT "B"
TRACT 1
5.44 ACRES

STATE OF TEXAS
COUNTY OF BEXAR

Field notes for a 5.44 (236,966 sq ft) acre tract of land out of New City Block 12177, and out of the D. Davis Survey 103, Abstract 208, The I.G. Miller Survey 103 1/2, Abstract 532 and the Gertrude Rodriguez Survey 132, and being a part of a 31.083 acre tract, a part of a 14.115 acre tract and part of Pratt Road created by Quit Claim Deed, Volume 5822, Page 1753 of the Real Property Records of Bexar County, Texas. Said 5.44 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a capped one half inch steel pin found marked "Fors" on the south line of the herein described 5.44 acre tract and being the west corner of Lot 1, New City Block 12188, Jurado's Re-creation, recorded in Volume 2130, Page 210 of the Deed and Plat records of Bexar County, Texas.

THENCE with the north line of the herein described tract and being the south line of the remaining portion of Lot 4, New City Block 12188, Interchange Park Unit 2D, recorded in Volume 9537, Page 22 of the Deed and Plat records of Bexar County, Texas, North 88° 02' 05" East, a distance of 525.04 feet to a one half inch steel pin set on a curve on the west right-of-way line of Interchange Parkway (86' now) for the southeast corner of this tract and being the southeast corner of the aforesaid lot 4.

THENCE with said curve to the right, (whose radius is 451.37 feet, central angle is 14° 43' 44" and whose chord bears South 42° 45' 13" West, a distance of 116.35 feet) an arc distance of 116.35 feet to a one half inch steel pin set for the P.T.C. of a curve to the left.

THENCE with said curve to the left, (whose radius is 637.04 feet, central angle is 33° 06' 19" and whose chord bears South 33° 33' 57" West, a distance of 174.38 feet) an arc distance of 379.64 feet to a one half inch steel pin set for the P.T. of the curve.

THENCE continuing with the west right-of-way line of Interchange Parkway, South 17° 00' 48" West, a distance of 25.98 feet to a one half inch steel pin set for the P.C. of a curve to the right.

THENCE with said curve to the right, (whose radius is 25.00 feet, central angle is 71° 01' 17" and whose chord bears South 32° 31' 37" West, a distance of 19.04 feet) an arc distance of 30.99 feet to a one half inch steel pin set for the P.T. of the curve and being on the north right-of-way line of Pratt Road (86' now).

THENCE along the north right-of-way line of Pratt Road and the south line of this tract, South 88° 02' 05" West, a distance of 415.47 feet to a one half inch steel pin set for the southwest corner of the herein described tract and being the southeast corner of the Interchange Park LP property recorded in Volume 2696, Page 469 of the Real Property Records of Bexar County, Texas.

THENCE with the west line of this tract the following two calls: North 14° 03' 58" East, a distance of 206.31 feet to a one half inch steel pin set and North 25° 26' 19" East, a distance of 259.62 feet to a one half inch steel pin set for the northwest corner of this tract and being on the south line of the aforesaid Lot 1.

THENCE with the south line of Lot 1, North 88° 02' 05" East, a distance of 115.49 feet to the POINT OF BEGINNING.

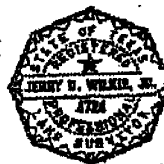
(Reference is hereby made to an 11 x 17" survey prepared this same date.)

(All pins set with red cap stamped No. 4724)

I, Jerry D. Wilkie, Jr., hereby certify that these field notes were prepared from an on the ground survey made under my direction and supervision on September 20, 2004.

Jerry D. Wilkie, Jr.
Jerry D. Wilkie, Jr.
Registered Professional Land Surveyor
No. 4724

Job Number 2004721



RECORDER'S MEMORANDUM
AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISGLOMERED PAPER ETC.

Any provision herein which restricts the sale, or use of the described real property because of race is invalid and unenforceable under Federal law STATE OF TEXAS, COUNTY OF BEXAR
I hereby certify that this instrument was FILED in File Number Sequence on this date and at the time stamped hereon by me and was duly RECORDED in the Official Public Record of Real Property of Bexar County, Texas on:

DEC 31 2007

Doc# 20070298272 Fees: \$76.00
12/31/2007 11:22AM # Pages 16
Filed & Recorded in the Official Public
Records of BEXAR COUNTY
GERARD RICKHOFF COUNTY CLERK



Gerard Rickhoff
COUNTY CLERK BEXAR COUNTY, TEXAS

EXHIBIT C

EXHIBIT C

Special Provisions

- 1) Closing is contingent upon the United States Bankruptcy Court for the Western District of Texas (the "Bankruptcy Court"), case No. 16-51419, styled *Cowboys Far West, LTD.*, entering an Order under 11 U.S. Code § 363 approving the sale of the Property, granting Buyer the status of a Good Faith Purchaser, and stating that the Property is transferred free and clear from all liens and interests.
- 2) Closing is contingent upon the Bankruptcy Court entering an Order approving the rejection of all executory contracts associated with the Property.
- 3) During the Feasibility Period, Seller grants Buyer access to the Property for Physical Inspection, including, but not limited to, access to conduct a Phase 1 Environmental Study, Asbestos Study, and Survey.
- 4) If this Agreement is terminated, no party to this Agreement will have any further liability or obligation under this Agreement to the other Party except for what is stated below, it being the intentions of the Parties to place a cap on the maximum damages, costs, expenses, losses, or liabilities in the event of termination.

If this Agreement is terminated by Seller, then Seller will pay to Buyer in immediately available funds the sum of \$250,000.00.

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE: (CHAPTER 11
(
COWBOYS FAR WEST, LTD., (
(
DEBTOR. (CASE NO. 16-151419-RBK

ORAL AND VIDEOTAPED DEPOSITION OF
MICHAEL J. MURPHY
ON BEHALF OF
COWBOYS FAR WEST, LTD.
PURSUANT TO FRCP 30(b)(6)
OCTOBER 6, 2016

ORAL AND VIDEOTAPED DEPOSITION OF MICHAEL
J. MURPHY, produced as a witness at the instance of
the CLAIMANT, and duly sworn, was taken in the
above-styled and numbered cause on the 6th of
October, 2016, from 10:04 a.m. to 3:05 p.m., at the
offices of Wilkins & Wilkins, 711 Navarro, Suite
711, San Antonio, Texas, pursuant to the Federal
Rules of Civil Procedure and the provisions stated
on the record or attached hereto.

1 A P P E A R A N C E S

2

3 FOR THE CLAIMANT:

4 Mr. Eric M. English
5 PORTER HEDGES, LLP
6 1000 Main Street, 36th Floor
7 Houston, TX 77002
8 713.226.6612
9 eenglish@porterhedges.com

7

8

9 FOR COWBOYS FAR WEST, LTD.:

10 Mr. James S. Wilkins, P.C.
11 WILLIS & WILKINS, LLP
12 711 Navarro Street, Ste 711
13 San Antonio, TX 78205
14 210.271.9212
15 jwilkins@stic.net

12

13 FOR COWBOYS FAR WEST, LTD., and MICHAEL J. MURPHY:

14 Mr. Robert "Woody" Wilson
15 SANCHEZ & WILSON, PLLC
16 6243 IH-10 West, Ste 1025
17 San Antonio, TX 78201
18 210.222.8899
19 rww@sanchezwilson.com

17

18 FOR PSP CREDIT SERVICES:

19 Mr. Elliott S. Cappuccio
20 PULMAN CAPPUCCIO PULLEN BENSON & JONES
21 2161 NW Military, Ste 400
22 San Antonio, TX 78213
23 210.222.9494
24 ecappuccio@pulmanlaw.com

22

23 ALSO PRESENT:

24 Mr. Mario Cool, Videographer

24

25

1 Q. And what is that reason?

2 A. We ran into difficulty with your client,
3 and into the proceedings that we're in. So, we
4 were -- suffered some business shortfalls.

5 Q. So, the reason that the debtor hasn't been
6 paying this note isn't because the bankruptcy
7 case -- because you think the bankruptcy case
8 prevents you from making the payment.

9 Is that right?

10 A. I can't answer that.

11 Q. But you're testifying that it's because of
12 business shortfalls that you haven't been making
13 the payments?

14 A. Cash flow, yes, sir.

15 Q. What sort of cash flow problems is the
16 debtor facing?

17 A. A distinct decrease in revenue.

18 Q. Can you quantify the decrease in revenue?

19 A. 40 percent.

20 Q. Over what time period? From before the
21 bankruptcy case until now?

22 A. From the bankruptcy case till now.

23 Q. And what do you attribute that decline in
24 revenues to?

25 A. Bad publicity by -- in the newspaper and

1 MR. ENGLISH: Okay, I see.

2 Q. (BY MR. ENGLISH) So, the three pad sites
3 are separate from the \$7.7 million value for the --
4 for the main building, and then --

5 A. Correct.

6 Q. Okay. So that leads to a total value of --

7 A. I believe it's 8.8.

8 Q. 8.8 million. Okay.

9 And do you think that that number, based on
10 what you know -- and I understand that you're not a
11 real estate expert.

12 A. Yes, sir.

13 Q. But just based on your understanding of this
14 property, do you think that's a fair value?

15 A. No.

16 Q. Okay. Why not?

17 A. Because I have seen property around it and
18 seen all the improvements that have gone on the
19 neighborhood and -- and the completion of the
20 freeway jobs there.

21 And I think it's -- I think it's way on the
22 conservative light side.

23 Q. What would you put the value at?

24 A. 10.8 million.

25 Q. Did you have any correspondence with

1 Valbridge or the Dugger Canaday firm, or Mr. Grafe,
2 in connection with this appraisal?

3 A. No, sir, I didn't.

4 Q. Did you have any conversations with them in
5 connection with this appraisal?

6 A. None. I was very disappointed in this.

7 Q. We're on No. 18.

8 (Exhibit 18 is marked.)

9 Q. (BY MR. ENGLISH) I'm handing you what's
10 been marked as Exhibit 18. This is an appraisal by
11 a company called Integra Realty Resources. It's
12 dated April 25th, 2016. It's a separate appraisal
13 from the one we were just looking at, but it's for
14 the same property.

15 Have you ever seen this appraisal before?

16 A. No, sir.

17 Q. Okay. I can tell you that this appraisal
18 reaches a different conclusion about value, and
19 that it has a roughly \$5.8 million valuation for
20 everything, if I'm reading it correctly.

21 MR. WILKINS: That includes it's by
22 itself?

23 MR. ENGLISH: I believe it does. It
24 says, "market value as is, and excess land
25 value" --

1 MR. WILKINS: What page are you one?

2 MR. ENGLISH: I'm on page 2 of the
3 letter, the cover letter.

4 MR. WILKINS. Yeah, it refers to it
5 as excess land.

6 MR. ENGLISH: I think that's
7 covering all of the excess land, or it's intended
8 to.

9 MR. WILKINS: Right.

10 Q. (BY MR. ENGLISH) But you haven't seen this
11 document before, Mr. Murphy?

12 A. No, sir, I haven't.

13 Q. Are you aware of any other appraisals on
14 this property, other than the document that we're
15 looking at right now, the Valbridge appraisal that
16 we just looked at, and the GE appraisal that you
17 referenced earlier?

18 A. No.

19 Q. Going back to our Exhibit 3, back to the
20 schedules, again, and in particular, this is the
21 eight-page document that's Exhibit 3.

22 On page 4 of 8, looking at the numbers at
23 the top, there's a -- there's a No. 39 for
24 furniture and fixtures.

25 This is a list of assets of the debtor. The

1 furniture and fixtures is No. 39, and you've
2 estimated a market -- or excuse me, a current value
3 of \$50,000.

4 Do you see that?

5 A. Yes.

6 Q. And how did you arrive at that number?

7 A. I think that's a figure just for the
8 furniture.

9 Q. Okay. And how did you come up with that
10 figure?

11 A. Well, that -- we would count the tables and
12 chairs that were there, and counters.

13 Q. So, you didn't get any kind of formal
14 appraisal for --

15 A. No.

16 Q. -- for that property?

17 A. No.

18 Q. It was just your own estimate, based on your
19 review?

20 A. Yes, yes.

21 Q. Just below that, in No. 41, it says, sound,
22 light, and video equipment. And the debtor's value
23 is estimated to be -- or stated to be 75,000.

24 Do you see that?

25 A. Yes.

1 STATE OF TEXAS)
COUNTY OF HARRIS)

2

3 I, Amy Prigmore, Texas CSR No. 3929, do hereby
4 certify:


5 That the foregoing deposition of MICHAEL J.
6 MURPHY was taken at the time and place herein set
7 forth, at which time the witness was put under
8 oath;

9 That the testimony of the witness and all
10 objections made at the time of the examination were
11 recorded, and were thereafter transcribed under my
12 direction and supervision and that the foregoing is
13 a true record of same.

14 I further certify that I am neither counsel
15 for nor related to any party to said action, nor in
16 any way interested in the outcome thereof.

17 In witness whereof, I have subscribed my
18 name this, the ____ day of _____, 2016.

19
20
21
22
23
24
25


AMY PRIGMORE, Texas CSR 3929
Expiration Date: 12/31/16
DTI Global
2600 North Loop West, Suite 200-A
Houston, Texas 77092
Firm No. 210



SCHEDULE 1

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals**

12/15

Part 1: Summary of Assets

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ <u>10,000,000.00</u>
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ <u>512,195.36</u>
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ <u>10,512,195.36</u>

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ <u>6,115,112.89</u>
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$ <u>0.00</u>
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$ <u>3,685,320.09</u>
4. Total liabilities Lines 2 + 3a + 3b	\$ <u>9,800,432.98</u>

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.
United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS
Case number (if known) 16-51419

Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)
- Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)
- Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)
- Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)
- Schedule H: Codebtors (Official Form 206H)
- Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)
- Amended Schedule **B**
- Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders (Official Form 204)
- Other document that requires a declaration _____

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 20, 2016

X /s/ MICHAEL J. MURPHY

Signature of individual signing on behalf of debtor

MICHAEL J. MURPHY

Printed name

President of Cowboys Concert Hall-Arlington, Inc., Gen. Ptr.

Position or relationship to debtor

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

Official Form 206A/B Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- No. Go to Part 2.
 Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. **Checking, savings, money market, or financial brokerage accounts** (Identify all)

Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	Current value of debtor's interest
3.1. Plains Capital	Checking	0232	\$29,740.95
3.2. Plains Capital	Checking	2743	\$118,445.39
3.3. Plains Capital (-\$20,403.82)	Checking	2662	\$0.00
3.4. Plains Capital (-\$1,574.12)		2727	\$0.00
3.5. Plains Capital	Checking	5321	\$1,490.61
3.6. Plains Capital Bank	Checking	2654	\$62.28

Debtor COWBOYS FAR WEST, LTD. Case number (If known) 16-51419
 Name

3.7. Plains Capital Bank (Pledged) CD 3617 \$104,178.91

3.8. Ciera Bank (Pledged) CD 0056 \$5,044.52

4. **Other cash equivalents (Identify all)**

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$258,962.66

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- No. Go to Part 3.
- Yes Fill in the information below.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- No. Go to Part 4.
- Yes Fill in the information below.

Part 4: Investments

13. Does the debtor own any investments?

- No. Go to Part 5.
- Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- No. Go to Part 6.
- Yes Fill in the information below.

	General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19.	<u>Raw materials</u> <u>Liquor</u>		<u>\$0.00</u>		<u>\$24,091.88</u>
	<u>Beer</u>		<u>\$0.00</u>		<u>\$29,868.89</u>
	<u>Wine</u>		<u>\$0.00</u>		<u>\$271.93</u>

20. **Work in progress**

21. **Finished goods, including goods held for resale**

22. **Other inventory or supplies**

Debtor COWBOYS FAR WEST, LTD. Case number (If known) 16-51419
 Name _____

23. **Total of Part 5.** \$54,232.70
 Add lines 19 through 22. Copy the total to line 84.

24. **Is any of the property listed in Part 5 perishable?**
 No
 Yes

25. **Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?**
 No
 Yes. Book value _____ Valuation method _____ Current Value _____

26. **Has any of the property listed in Part 5 been appraised by a professional within the last year?**
 No
 Yes

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. **Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?**

- No. Go to Part 7.
 Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. **Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?**

- No. Go to Part 8.
 Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39. Office furniture Furniture and fixtures	\$0.00		\$50,000.00
40. Office fixtures			
41. Office equipment, including all computer equipment and communication systems equipment and software Sound, light and video equipment	\$0.00		\$75,000.00

42. **Collectibles** Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. **Total of Part 7.** \$125,000.00
 Add lines 39 through 42. Copy the total to line 86.

44. **Is a depreciation schedule available for any of the property listed in Part 7?**
 No
 Yes

45. **Has any of the property listed in Part 7 been appraised by a professional within the last year?**
 No
 Yes

Part 8: Machinery, equipment, and vehicles

46. **Does the debtor own or lease any machinery, equipment, or vehicles?**

Debtor COWBOYS FAR WEST, LTD. Case number (If known) 16-51419
Name

- No. Go to Part 9.
 Yes Fill in the information below.

General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
47. Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles			
47.1. <u>Ford Truck</u>	<u>\$0.00</u>		<u>\$35,000.00</u>
47.2. <u>Ford Truck</u>	<u>\$0.00</u>		<u>\$39,000.00</u>
48. Watercraft, trailers, motors, and related accessories <i>Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels</i>			
49. Aircraft and accessories			
50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment)			
51. Total of Part 8. Add lines 47 through 50. Copy the total to line 87.			<u>\$74,000.00</u>
52. Is a depreciation schedule available for any of the property listed in Part 8? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
53. Has any of the property listed in Part 8 been appraised by a professional within the last year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Part 9: Real property

54. Does the debtor own or lease any real property?

- No. Go to Part 10.
 Yes Fill in the information below.

55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
55.1. <u>Land, building and improvements located at 3030 NE Loop 410, San Antonio, Bexar County, Texas 78218.</u>		<u>\$10,000,000.00</u>	<u>Appraisal</u>	<u>\$10,000,000.00</u>

Debtor COWBOYS FAR WEST, LTD.
Name

Case number (If known) 16-51419

56. **Total of Part 9.**
Add the current value on lines 55.1 through 55.6 and entries from any additional sheets.
Copy the total to line 88.

\$10,000,000.00

57. **Is a depreciation schedule available for any of the property listed in Part 9?**
 No
 Yes

58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**
 No
 Yes

Part 10: Intangibles and intellectual property

59. **Does the debtor have any interests in intangibles or intellectual property?**

- No. Go to Part 11.
- Yes Fill in the information below.

Part 11: All other assets

70. **Does the debtor own any other assets that have not yet been reported on this form?**

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
- Yes Fill in the information below.

Current value of debtor's interest

71. **Notes receivable**
Description (include name of obligor)

72. **Tax refunds and unused net operating losses (NOLs)**
Description (for example, federal, state, local)

73. **Interests in insurance policies or annuities**

74. **Causes of action against third parties (whether or not a lawsuit has been filed)**

75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**
Wrongful Acceleration of Promissory Note and Breach of Implied Covenant of Good Faith and Fair Dealing against Everbank Financial Corporation and Business Property Lending, Inc.

Nature of claim	Breach of Contract	
Amount requested	\$0.00	Unknown

76. **Trusts, equitable or future interests in property**

77. **Other property of any kind not already listed** *Examples: Season tickets, country club membership*

78. **Total of Part 11.**
Add lines 71 through 77. Copy the total to line 90.

\$0.00

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**
 No

Debtor COWBOYS FAR WEST, LTD.
Name

Case number (If known) 16-51419

Yes

Debtor COWBOYS FAR WEST, LTD.
Name

Case number (If known) 16-51419

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	<u>\$258,962.66</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$0.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$0.00</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$0.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$54,232.70</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$125,000.00</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$74,000.00</u>	
88. Real property. <i>Copy line 56, Part 9.....></i>		<u>\$10,000,000.00</u>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$0.00</u>	
91. Total. Add lines 80 through 90 for each column	<u>\$512,195.36</u>	+ 91b. <u>\$10,000,000.00</u>
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		<u>\$10,512,195.36</u>

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A	Column B
		Amount of claim	Value of collateral that supports this claim
		Do not deduct the value of collateral.	
<p>2.1 Everbank</p> <p>Creditor's Name 390 S. Woods Mill Road, Suite 300 Chesterfield, MO 63017</p> <p>Creditor's mailing address</p> <p>Creditor's email address, if known</p> <p>Date debt was incurred</p> <p>Last 4 digits of account number 3001</p> <p>Do multiple creditors have an interest in the same property? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority. 1. Everbank 2. Prinsbank</p>	<p>Describe debtor's property that is subject to a lien Land, building and improvements located at 3030 NE Loop 410, San Antonio, Bexar County, Texas 78218.</p> <p>Describe the lien First Mortgage</p> <p>Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)</p> <p>As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p>	<p>\$3,892,472.11</p>	<p>\$10,000,000.00</p>

<p>2.2 Ford Motor Credit</p> <p>Creditor's Name P.o. Box 650575 Dallas, TX 75265-0575</p> <p>Creditor's mailing address</p> <p>Creditor's email address, if known</p> <p>Date debt was incurred</p> <p>Last 4 digits of account number 3636</p> <p>Do multiple creditors have an interest in the same property?</p>	<p>Describe debtor's property that is subject to a lien 2015 Ford F150</p> <p>Describe the lien</p> <p>Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)</p> <p>As of the petition filing date, the claim is: Check all that apply</p>	<p>\$37,750.97</p>	<p>\$35,000.00</p>
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Debtor **COWBOYS FAR WEST, LTD.** Case number (if know) **16-51419**
 Name

- No
 Yes. Specify each creditor, including this creditor and its relative priority.
- Contingent
 Unliquidated
 Disputed

2.3	Ford Motor Credit	Describe debtor's property that is subject to a lien 2016 Ford F150	\$59,024.38	\$40,000.00
	Creditor's Name P. o. Box 650575 Dallas, TX 75265-0575	Describe the lien		
	Creditor's mailing address	Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
	Creditor's email address, if known	Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)		
	Date debt was incurred	As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed		
	Last 4 digits of account number 5788	Do multiple creditors have an interest in the same property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.		

2.4	National Loan Investors	Describe debtor's property that is subject to a lien Certificate of Deposit No. 515013617	\$66,028.24	\$100,000.00
	Creditor's Name 5619 N. Classen Blvd. Oklahoma City, OK 73118	Describe the lien		
	Creditor's mailing address	Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
	Creditor's email address, if known	Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)		
	Date debt was incurred	As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed		
	Last 4 digits of account number 0330	Do multiple creditors have an interest in the same property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.		

2.5	Prinsbank	Describe debtor's property that is subject to a lien Land, building and improvements located at 3030 NE Loop 410, San Antonio, Bexar County, Texas 78218.	\$2,059,837.19	\$10,000,000.00
	Creditor's Name 508 Third Street P.O. Box 38 Prinsburg, MN 56281	Describe the lien		
	Creditor's mailing address	Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
	Creditor's email address, if known			

Debtor **COWBOYS FAR WEST, LTD.** Case number (if know) **16-51419**
Name

Is anyone else liable on this claim?

Date debt was incurred

- No
- Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

Last 4 digits of account number

8178

Do multiple creditors have an interest in the same property?

- No
- Yes. Specify each creditor, including this creditor and its relative priority.

As of the petition filing date, the claim is:

- Check all that apply
- Contingent
 - Unliquidated
 - Disputed

Specified on line 2.1

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.	\$6,115,112.89
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Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address	On which line in Part 1 did you enter the related creditor?	Last 4 digits of account number for this entity

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

Official Form 206E/F
Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).
- No. Go to Part 2.
- Yes. Go to line 2.

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

		Amount of claim
3.1	Nonpriority creditor's name and mailing address Amie Haynes c/o Kevin B. Miller Law Office of Miller & Bicklein 8270 Callaghan Road, Suite 250 San Antonio, TX 78230 Date(s) debt was incurred _ Last 4 digits of account number _	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: _ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <hr/> Unknown
3.2	Nonpriority creditor's name and mailing address Comptroller of Public Accounts P.O. Box 13528 Austin, TX 78711-8528 Date(s) debt was incurred _ Last 4 digits of account number _	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: NOTICE ONLY Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <hr/> \$0.00
3.3	Nonpriority creditor's name and mailing address Cowboys Concert Hall- Arlington Ltd. 3030NE Loop 410 San Antonio, TX 78218 Date(s) debt was incurred _ Last 4 digits of account number _	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <hr/> \$37,800.00
3.4	Nonpriority creditor's name and mailing address Far West Realty, Ltd. 16500 San Pedro Ave, Suite 280 San Antonio, TX 78232 Date(s) debt was incurred _ Last 4 digits of account number _	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <hr/> \$3,000,000.00

Debtor COWBOYS FAR WEST, LTD. Case number (if known) 16-51419

Name

3.5	Nonpriority creditor's name and mailing address Internal Revenue Service Special Procedures Staff STOP 5022 AUS 300 E. 8th St. Austin, TX 78701	As of the petition filing date, the claim is: <i>Check all that apply.</i>	\$0.00
	Date(s) debt was incurred _____ Last 4 digits of account number _____	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: NOTICE ONLY Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

3.6	Nonpriority creditor's name and mailing address INTERNAL REVENUE SERVICE P.O. Box 21126 Philadelphia, PA 19114	As of the petition filing date, the claim is: <i>Check all that apply.</i>	\$0.00
	Date(s) debt was incurred _____ Last 4 digits of account number _____	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: NOTICE ONLY Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

3.7	Nonpriority creditor's name and mailing address Johnson Controls P.O. Box 730068 Dallas, TX 75373	As of the petition filing date, the claim is: <i>Check all that apply.</i>	\$667.20
	Date(s) debt was incurred _____ Last 4 digits of account number <u>8284</u>	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

3.8	Nonpriority creditor's name and mailing address Jose Maria Garza Trevino 136500 San Pedro Ave., Suite 280 San Antonio, TX 78232	As of the petition filing date, the claim is: <i>Check all that apply.</i>	\$500,000.00
	Date(s) debt was incurred _____ Last 4 digits of account number _____	<input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

3.9	Nonpriority creditor's name and mailing address Nicholas Joseph Finnerty c/o Monica I. Bohuslov 901 Main Street, Suite 5200 Dallas, TX 75202	As of the petition filing date, the claim is: <i>Check all that apply.</i>	Unknown
	Date(s) debt was incurred _____ Last 4 digits of account number _____	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

3.10	Nonpriority creditor's name and mailing address Red River Beverage, Inc. 3030 NE Loop 410 San Antonio, TX 78218	As of the petition filing date, the claim is: <i>Check all that apply.</i>	\$126,060.00
	Date(s) debt was incurred _____ Last 4 digits of account number _____	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

3.11	Nonpriority creditor's name and mailing address Renea Menzies c/o Carabin & Shaw, P.C. 630 Broadway San Antonio, TX 78215	As of the petition filing date, the claim is: <i>Check all that apply.</i>	\$3,500.00
	Date(s) debt was incurred _____ Last 4 digits of account number _____	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

Debtor **COWBOYS FAR WEST, LTD.** Case number (if known) **16-51419**
 Name

3.12 Nonpriority creditor's name and mailing address **Sunstate Equipment Co., LLC** As of the petition filing date, the claim is: *Check all that apply.* **\$3,523.21**
5552 W. Washington St.
Phoenix, AZ 85034
 Date(s) debt was incurred _____
 Last 4 digits of account number **2380**
 Contingent
 Unliquidated
 Disputed
 Basis for the claim: _____
 Is the claim subject to offset? No Yes

3.13 Nonpriority creditor's name and mailing address **Texas Alcoholic Beverage Commission** As of the petition filing date, the claim is: *Check all that apply.* **\$10,500.00**
5806 Mesa Drive
Austin, TX 78711
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
 Contingent
 Unliquidated
 Disputed
 Basis for the claim: _____
 Is the claim subject to offset? No Yes

3.14 Nonpriority creditor's name and mailing address **Triple D Security, Inc.** As of the petition filing date, the claim is: *Check all that apply.* **\$3,269.68**
P.O. Box 2346
Victoria, TX 77902
 Date(s) debt was incurred _____
 Last 4 digits of account number **W000**
 Contingent
 Unliquidated
 Disputed
 Basis for the claim: _____
 Is the claim subject to offset? No Yes

3.15 Nonpriority creditor's name and mailing address **U.S. Attorney** As of the petition filing date, the claim is: *Check all that apply.* **\$0.00**
601 NW Loop 410, Suite 600
San Antonio, TX 78216
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
 Contingent
 Unliquidated
 Disputed
 Basis for the claim: **NOTICE ONLY**
 Is the claim subject to offset? No Yes

3.16 Nonpriority creditor's name and mailing address **United States Attorney General** As of the petition filing date, the claim is: *Check all that apply.* **\$0.00**
Main Justice Bldg., Rm. 5111
10th & constitution Ave., NW
Washington, DC 20530
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
 Contingent
 Unliquidated
 Disputed
 Basis for the claim: **NOTICE ONLY**
 Is the claim subject to offset? No Yes

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address	On which line in Part 1 or Part 2 is the related creditor (if any) listed?	Last 4 digits of account number, if any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

	Total of claim amounts
5a. Total claims from Part 1	\$ 0.00
5b. Total claims from Part 2	\$ 3,685,320.09
5c. Total of Parts 1 and 2 Lines 5a + 5b = 5c.	\$ 3,685,320.09

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

Official Form 206G Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, number the entries consecutively.

1. Does the debtor have any executory contracts or unexpired leases?

- No. Check this box and file this form with the debtor's other schedules. There is nothing else to report on this form.
- Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B).

2. List all contracts and unexpired leases	State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease
--	--

2.1 State what the contract or lease is for and the nature of the debtor's interest

State the term remaining

List the contract number of any government contract _____

2.2 State what the contract or lease is for and the nature of the debtor's interest

State the term remaining

List the contract number of any government contract _____

2.3 State what the contract or lease is for and the nature of the debtor's interest

State the term remaining

List the contract number of any government contract _____

2.4 State what the contract or lease is for and the nature of the debtor's interest

State the term remaining

List the contract number of any government contract _____

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

**Official Form 206H
Schedule H: Your Codebtors**

12/15

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

1. Do you have any codebtors?

- No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
- Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

Column 1: Codebtor

Column 2: Creditor

	Name	Mailing Address	Name	Check all schedules that apply:
2.1	_____	Street _____ City State Zip Code	_____	<input type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.2	_____	Street _____ City State Zip Code	_____	<input type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.3	_____	Street _____ City State Zip Code	_____	<input type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.4	_____	Street _____ City State Zip Code	_____	<input type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G

Fill in this information to identify the case:

Debtor name COWBOYS FAR WEST, LTD.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-51419

Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

04/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income

1. Gross revenue from business

None.

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year

Sources of revenue
Check all that apply

Gross revenue
(before deductions and exclusions)

From the beginning of the fiscal year to filing date:
From 1/01/2016 to Filing Date

Operating a business
 Other _____

\$2,013,575.29

For prior year:
From 1/01/2015 to 12/31/2015

Operating a business
 Other _____

\$6,648,431.70

For year before that:
From 1/01/2014 to 12/31/2014

Operating a business
 Other _____

\$6,125,785.17

2. Non-business revenue

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

None.

Description of sources of revenue

Gross revenue from each source
(before deductions and exclusions)

Part 2: List Certain Transfers Made Before Filing for Bankruptcy

3. Certain payments or transfers to creditors within 90 days before filing this case

List payments or transfers--including expense reimbursements--to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

None.

Creditor's Name and Address

Dates

Total amount of value

Reasons for payment or transfer
Check all that apply

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

Creditor's Name and Address	Dates	Total amount of value	Reasons for payment or transfer <i>Check all that apply</i>
3.1. Everbank 390 S. Woods Mill Road Chesterfield, MO 63017	March 1, 2016 April 1, 2016 May 1, 2016	\$133,581.00	<input checked="" type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other ___
3.2. Prinsbank 508 Third Street P.O. Box 38 Prinsburg, MN 56281	March 1, 2016 April 1, 2016 May 1, 2016	\$48,634.41	<input checked="" type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other ___
3.3. National Loan Investors	March 1, 2016 April 1, 2016 May 1, 2016	\$8,351.49	<input checked="" type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other ___

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

None.

Insider's name and address Relationship to debtor	Dates	Total amount of value	Reasons for payment or transfer
4.1. Far West Realty	April 29, 2016	\$20,179.41	

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

None

Creditor's name and address	Describe of the Property	Date	Value of property
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6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
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Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

None.

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1.	Nocholas J. Finnerty vs. Cowboys Far West, Ltd., et.al 2012-CI-14229	Civil	Bexar County	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.2.	Renea Menzies vs. Cowboys Dance Hall, et.al. 372813	Civil	Bexar County	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.3.	Amie Haynes vs. Cowboys Far West Ltd. et.al. 2012-CI-16520	Civil	Bexar County	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input checked="" type="checkbox"/> Concluded
7.4.	Texas Alcoholic Beverage Commission vs. Cowboys MB-547115	Purported violations of the Texas Alcoholic Beverage Code	Texas Alcoholic Beverage Commission Austin, TX 78711	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input checked="" type="checkbox"/> Concluded

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

None

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
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Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

None

Description of the property lost and how the loss occurred	Amount of payments received for the loss	Dates of loss	Value of property lost
	If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).		

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

None.

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.1. JAMES S. WILKINS WILLIS & WILKINS, L.L.P. 711 Navarro Street, Suite 711 San Antonio, TX 78205-1711	Attorney Fees		\$40,000.00
Email or website address jwilkins@stic.net			
Who made the payment, if not debtor?			

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device. Do not include transfers already listed on this statement.

None.

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
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13. Transfers not already listed on this statement

List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

None.

Who received transfer? Address	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
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Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

Does not apply

Address	Dates of occupancy From-To
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Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:
 - diagnosing or treating injury, deformity, or disease, or
 - providing any surgical, psychiatric, drug treatment, or obstetric care?

- No. Go to Part 9.
 Yes. Fill in the information below.

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
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Part 9: Personally Identifiable Information

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

16. Does the debtor collect and retain personally identifiable information of customers?

- No.
- Yes. State the nature of the information collected and retained.

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- No. Go to Part 10.
- Yes. Does the debtor serve as plan administrator?

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

- None

Financial Institution name and Address	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
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19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

- None

Depository institution name and address	Names of anyone with access to it Address	Description of the contents	Do you still have it?
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20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

- None

Facility name and address	Names of anyone with access to it	Description of the contents	Do you still have it?
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Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own

21. Property held for another

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

- None

Part 12: Details About Environment Information

For the purpose of Part 12, the following definitions apply:

Environmental law means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).

Site means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.

Hazardous material means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- No.
- Yes. Provide details below.

Case title Case number	Court or agency name and address	Nature of the case	Status of case
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23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

- No.
- Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
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24. Has the debtor notified any governmental unit of any release of hazardous material?

- No.
- Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
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Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

- None

Business name address	Describe the nature of the business	Employer Identification number <small>Do not include Social Security number or ITIN.</small>	Dates business existed
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26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

- None

Name and address	Date of service From-To
26a.1. CPAOKC 780 E. Britton Road Oklahoma City, OK 73114	01/01/2015 - 05/31/2016
26a.2. Steakley & Gilbert 780 E. Britton Road Oklahoma City, OK 73114	Until 01/01/2015

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

- None

Name and address	Date of service From-To
26b.1. CPAOKS 780 E. Britton Road Oklahoma City, OK 73114	01/01/2015 - 05/31/2016

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

Name and address	Date of service From-To
26b.2. Steakley & Gilbert 780 E. Britton Road Oklahoma City, OK 73114	Until 01/01/2015

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

None

Name and address	If any books of account and records are unavailable, explain why
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26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

None

Name and address
26d.1. Everbank 390 S. Woods Mill Road Chesterfield, MO 63017

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

No

Yes. Give the details about the two most recent inventories.

Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
27.1 Keith Dunne	06/12/2016	Liquor, beer and wine \$57,670.00

Name and address of the person who has possession of inventory records
Keith Dunne

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position and nature of any interest	% of interest, if any
Cowboys Concerta Hall-Arlington, Inc.		General Partner	50% Owner

Name	Address	Position and nature of any interest	% of interest, if any
Far West Realty, Ltd.	16500 San Pedro Ave, Suite 280 San Antonio, TX 78232	Limited Partner	50% Owner

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

No

Yes. Identify below.

30. Payments, distributions, or withdrawals credited or given to insiders

Debtor **COWBOYS FAR WEST, LTD.**

Case number (if known) **16-51419**

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- No
 Yes. Identify below.

	Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1	Far West Realty	\$20,179.41	04/26/2016	
	Relationship to debtor			
30.2	Michael J. Murphy	100,000.00	Annual	Salary
	Relationship to debtor President			

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

- No
 Yes. Identify below.

Name of the parent corporation	Employer Identification number of the parent corporation
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32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

- No
 Yes. Identify below.

Name of the parent corporation	Employer Identification number of the parent corporation
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Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **July 08, 2016**

/s/ MICHAEL J. MURPHY
 Signature of individual signing on behalf of the debtor

MICHAEL J. MURPHY
 Printed name

Position or relationship to debtor **President of Cowboys Concert Hall-Arlington, Inc., Gen. Ptr.**

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- No
 Yes

B2030 (Form 2030) (12/15)

**United States Bankruptcy Court
Western District of Texas**

In re **COWBOYS FAR WEST, LTD.**

Debtor(s)

Case No. **16-51419**

Chapter **11**

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	<u>40,000.00</u>
Prior to the filing of this statement I have received	\$	<u>40,000.00</u>
Balance Due	\$	<u>0.00</u>

2. The source of the compensation paid to me was:

Debtor Other (specify):

3. The source of compensation to be paid to me is:

Debtor Other (specify):

4. I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. [Other provisions as needed]

6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

July 08, 2016

Date

/s/ JAMES S. WILKINS

JAMES S. WILKINS 21486500

Signature of Attorney

JAMES S. WILKINS

WILLIS & WILKINS, L.L.P.

711 Navarro Street, Suite 711

San Antonio, TX 78205-1711

210-271-9212 Fax: 210-271-9389

jwilkins@stic.net

Name of law firm

United States Bankruptcy Court
Western District of Texas

In re COWBOYS FAR WEST, LTD.

Debtor(s)

Case No. 16-51419

Chapter 11

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with rule 1007(a)(3) for filing in this Chapter 11 Case

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
Cowboys Concert Hall- Arlington Ltd. 3030NE Loop 410 San Antonio, TX 78218			General Partner 50 % Owner
Far West Realty, Ltd. 16500 San Pedro Ave, Suite 280 San Antonio, TX 78232			Limited Partner 50% Owner

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the **President of Cowboys Concert Hall-Arlington, Inc., Gen. Ptr.** of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date July 08, 2016

Signature /s/ MICHAEL J. MURPHY
MICHAEL J. MURPHY

Penalty for making a false statement of concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571.

SCHEDULE 2

COWBOYS FAR WEST DISTRIBUTION/LIQUIDATION ANALYSIS

	Potential recovery under BPL's Plan of Liquidation	Hypothetical Percentage Recovery in Ch 7 Liquidation	Potential recovery under Chapter 7 Liquidation
	[1]	[2]	[1] * [2] = [3]
Potential Starting Cash	UNKNOWN	100%	UNKNOWN
Potential Recovery from Sale of Property	9,089,000	100%	9,089,000
Total Assets Available for Distribution	9,089,000		9,089,000
Costs Associated with Liquidation:			
Chapter 7 professional fees	n/a		(295,920)
Plan administrator fee	(295,920)		n/a
Real Estate Broker	(454,450)		(454,450)
Legal/Misc.	(50,000)		(50,000)
Total	(750,370)		(750,370)
Net Estimated Proceeds Available for Distribution	8,338,630		8,338,630
	Estimated Claims if Allowed	Estimated Recovery Value %	Estimated Recovery Value
Less Secured Claims:			
BPL Claim	4,292,482	100%	4,292,482
PSB Claim	2,059,537	100%	2,059,537
Ford Motor Claim	163,000	100%	163,000
Total Secured Claims	6,515,019		6,515,019
Estimated Liquidation Proceeds Available After Payment on Secured Claims	1,823,611		1,823,611
Less Priority Claims:			
Priority tax claim	154,000	100%	154,000
Total Estimated Liquidation Proceeds Available to Unsecured Claims:	1,669,611		1,669,611
Total Unsecured Claims	22,668		22,668
Estimated Distribution to Unsecureds	100.00%		100.00%