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

IN RE:	§	
	§	**CASE NO. 16-51583-CAG**
FRANZEN INTERNATIONAL, LLC.	§	
	§	**CHAPTER 11 PROCEEDING**
DEBTOR	§	

DISCLOSURE STATEMENT FOR DEBTOR'S PLAN OF REORGANIZATION

IMPORTANT DATES

Date by which Ballots must be received:_____**, at 5:00 p.m.** (Prevailing Central Time)

Date by which Objections to Confirmation of the Plan must be filed and served _____**, at 5:00 p.m.** (Prevailing Central Time)

Hearing on confirmation of the Plan: _____**, at** _____ **a.m./p.m.** (Prevailing Central Time)

THE LAW OFFICES OF RAY BATTAGLIA, PLLC.
Raymond W. Battaglia
66 Granburg Circle
San Antonio, Texas 78218
Telephone (210) 601-9405

ATTORNEYS FOR FRANZEN INTERENATIONAL, LLC

Dated: March 6th, 2017

IMPORTANT NOTICE

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT INCLUDES FORWARD-LOOKING STATEMENTS BASED LARGELY ON THE CURRENT EXPECTATIONS OF THE DEBTOR AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING THE FINANCIAL CONDITION OF THE DEBTOR OR THE REORGANIZED DEBTOR'S BUSINESS. THE WORDS "BELIEVE," "MAY," "WILL," "ESTIMATE," "CONTINUE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS INDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED BELOW UNDER THE CAPTION "RISK FACTORS." IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. NEITHER THE DEBTOR NOR THE REORGANIZED DEBTOR UNDERTAKE ANY OBLIGATIONS TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

NO REPRESENTATIONS OR OTHER STATEMENTS CONCERNING THE DEBTOR (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS ASSETS) ARE AUTHORIZED BY THE DEBTOR, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE, WHICH ARE OTHER THAN AS SET FORTH IN THIS STATEMENT, SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISIONS. ANY SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT, WHICH MAY TAKE SUCH ACTION AS IT DEEMS APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN INDEPENDENTLY AUDITED, EXCEPT AS SPECIFICALLY REFERENCED HEREIN. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTOR AND ITS INTERNAL ACCOUNTING STAFF, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. THE DEBTOR'S PLAN IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND EACH CREDITOR IS URGED TO REVIEW THE PLAN IN ITS ENTIRETY PRIOR TO VOTING ON IT.

THE DEBTOR MAKES NO REPRESENTATIONS WITH RESPECT TO THE EFFECTS OF TAXATION (STATE OR FEDERAL) ON THE INTEREST HOLDERS OR CREDITORS WITH RESPECT TO THE TREATMENT OF THEIR CLAIMS OR INTERESTS UNDER THE PLAN, AND NO SUCH REPRESENTATIONS ARE AUTHORIZED BY THE DEBTOR. CREDITORS AND INTEREST HOLDERS ARE ENCOURAGED TO SEEK THE ADVICE OF THEIR OWN PROFESSIONAL ADVISORS IF THEY HA VE ANY SUCH QUESTIONS.

ARTICLE 1.
INTRODUCTION

This Disclosure Statement is submitted by Franzen International, LLC (the "Debtor"), the Chapter 11 Debtor in Possession in the above-captioned Case, in connection with the Debtor's efforts to solicit votes necessary to confirm the Debtor's Plan of Reorganization (the "Plan"). A copy of the Plan is attached hereto as Exhibit A.

1.01 Filing of the Debtor's Chapter 11 Case

On July 13, 2016 the Debtor filed a voluntary petition for relief under the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division. The Debtor continues to manage its affairs as a debtor-in-possession pursuant to Bankruptcy Code Sections 1107 and 1108. This Disclosure Statement and the accompanying Plan are filed on behalf of the Debtor.

1.02 Purpose of Disclosure Statement

The purpose of this Disclosure Statement is to provide you, as the holder of a Claim against the Debtor, with information to enable you to make a reasonably informed decision on the Plan before exercising your right to vote to accept or reject the Plan.[1]

On _____, after notice and a hearing, the Bankruptcy Court approved this Disclosure Statement as containing information, of a kind and in sufficient detail, adequate to enable the holders of Claims against the Debtor to make an informed judgment to accept or reject the Plan (A copy of the *Order Pursuant to 11 U.S.C. §1125, and FED. R. BANKR. P. 3017 Approving Disclosure Statement and Fixing Time for Filing Acceptances or Rejections of Plan* [Docket No. _____] is attached hereto as Exhibit B). **THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THIS INFORMATION OR THE BANKRUPTCY COURT'S ENDORSEMENT OF THE PLAN.**

You should read all of this Disclosure Statement before voting on the Plan. **HOWEVER, THE DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN ITSELF BY EACH HOLDER OF A CLAIM OR INTEREST. THE DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW. THE DESCRIPTION OF THE PLAN IS A SUMMARY ONLY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES IN INTEREST ARE CAUTIONED TO REVIEW THE PLAN AND ANY RELATED ATTACHMENTS IN THEIR ENTIRETY FOR A FULL UNDERSTANDING OF THE PLAN'S PROVISIONS. THE DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.**

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

About this Disclosure Statement:

- The statements contained in this Disclosure Statement are made as of the date that the Bankruptcy Court enters an order approving this Disclosure Statement, unless another time is specified in this Disclosure Statement. Neither the delivery of this Disclosure Statement nor any action taken in

[1] Capitalized terms that are not defined in the Disclosure Statement are defined in the Plan.

connection with the Plan implies that the information contained in this Disclosure Statement is correct as of any time after that date.

- Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Disclosure Statement includes the masculine, feminine and neuter; (b) references to articles and sections (other than in connection with the Bankruptcy Code, the Bankruptcy Rules, another specified law or regulation or another specified document) refer to the articles and sections of this Disclosure Statement; and (c) "including" means "including, without limitation."

- Many capitalized words used in this Disclosure Statement have been defined in the context of the provisions in which they first appear within this Disclosure Statement. Any other capitalized terms used in this Disclosure Statement are intended to have the meanings ascribed to them in the Plan. Any capitalized term not defined in the context of a provision or in the Plan shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, whichever is applicable.

- You may not rely on this Disclosure Statement for any purpose other than to determine how to vote on the Plan. Nothing contained in this Disclosure Statement constitutes or will be deemed to be advice on the tax or other legal effects of the Plan on holders of Claims or interests.

- Certain of the information contained in this Disclosure Statement is forward-looking. This Disclosure Statement contains estimates and assumptions that may prove not to have been accurate and financial projections that may be materially different from actual future experiences.

- Acceptance or rejection of the Plan is subject to a number of risks. See "Risk Factors" at Article 9 of this Disclosure Statement.

1.03 **Plan Balloting and Confirmation Procedures**

1.03.01 ***Holder of Claims and Interests Entitled to Vote***

Only Classes of Claims and interests that are (i) "impaired" by a plan of reorganization and (ii) entitled to receive a distribution under such a plan are entitled to vote to accept or reject a plan under the Bankruptcy Code. In this case, holders of Claims in Class 1 and Class 12 are impaired, or possibly impaired, by the Plan and entitled to vote to accept or reject the Plan.

1.03.02 ***Voting Procedures***

If you are entitled to vote to accept or reject the Plan, a Ballot (the "Ballot") for acceptance or rejection of the Plan and a pre-addressed envelope for return of the Ballot are enclosed. BALLOTS FOR ACCEPTANCE OR REJECTION OF THE PLAN ARE BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASS 10 AND CLASS 11, BECAUSE THEY ARE THE ONLY HOLDERS OF CLAIMS THAT MAY VOTE TO ACCEPT OR REJECT THE PLAN. If you are the holder of a Claim in one of these Classes and did not receive a Ballot, received a damaged or illegible Ballot, or lost your Ballot, or if you are a party in interest and have any questions concerning the Disclosure Statement and Exhibits hereto, the Plan or the voting procedures in respect thereof, please contact:

Raymond W. Battaglia, Esq.
Counsel for Debtor
Law Offices of Ray Battaglia, PLLC
66 Granburg Circle
San Antonio, Texas 78218

After carefully reviewing this Disclosure Statement, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan, then return the Ballot to the Debtor's counsel, at the address set forth on the Ballot, in the enclosed, postage paid, return envelope by **5:00 p.m.**, (Prevailing Central Time) on _____. Any Ballot not indicating an acceptance or rejection will be deemed an acceptance of the Plan. You may also return your Ballot by courier or fax by following the instructions on the Ballot. **ANY BALLOTS RECEIVED BY THE DEBTOR'S COUNSEL AFTER 5:00 P.M., PREVAILING CENTRAL TIME, ON _____, WILL NOT BE COUNTED, UNLESS THIS DATE IS EXTENDED BY THE BANKRUPTCY COURT.**

1.03.03 ***Voting Requirements for Class Acceptance of the Plan***

YOUR ACCEPTANCE OF THE PLAN IS IMPORTANT. In order for the Plan to be "accepted" by Creditors and interest holders, at least sixty-six and two-thirds percent (66.66%) in amount of Allowed Claims and more than fifty percent (50%) in number of Allowed Claims voting in each Class must accept the Plan. By not voting, a Creditor favoring acceptance of the Plan jeopardizes confirmation.

1.03.04 ***Confirmation Hearing***

The Bankruptcy Court has entered an order fixing _____, at ____ a.m./p.m (Prevailing Central Time), Bankruptcy Courtroom 3, San Antonio, Texas as the date, time and place for the initial commencement of a hearing on confirmation of the Plan, and fixing _____ at **5:00 p.m.**, (Prevailing Central Time), as the time by which all objections to confirmation of the Plan must be filed with the Bankruptcy Court and served on counsel for the Debtor. The confirmation hearing may be adjourned from time to time without further notice except for the announcement of the adjourned time and date at the confirmation hearing or any adjournment thereof.

Section 1128(a) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be in writing, conform to Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court, set forth the name of the objecting party, the nature and amount of the Claim or Interest held or asserted by the objecting party against the Debtor's Estate, the basis for the objection and the specific grounds thereof. The objection, together with proof of service thereof, must then be filed with the Bankruptcy Court, with copies served upon the following and upon the Limited Service list in this case:

Raymond W. Battaglia, Esq.
Counsel for Debtor
Law Offices of Ray Battaglia, PLLC
66 Granburg Circle
San Antonio, Texas 78218

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

ARTICLE 2.
DEBTOR'S BACKGROUND AND FINANCIAL PICTURE

2.01 General

Franzen International, LLC was formed in June 2007. At its inception, the Debtor was a site work, excavation, utility and land development contractor focused on commercial property development. As oil and gas exploration exploded in the Eagle Ford Shale, Franzen expanded to service the burgeoning market for oil field site work. By 2011, fifty percent of Franzen's billings were for oil field site work.

In May of 2010, the principals of Franzen reorganized its corporate structure for tax purposes and formed All American Excavation, Inc. ("All American"). After the reorganization Franzen evolved into an equipment leasing company. All American assumed the role as construction contractor. Franzen leased equipment almost exclusively to All American. Franzen charged All American an hourly rate for use of the equipment pursuant to a written lease agreement. The hourly utilization rates charged to All American were based on market rates for rental of similar equipment in the geographic market in which Franzen operated. Under the equipment lease agreement with All American, All American was and remains responsible for payment of insurance, maintenance and taxes on Franzen's equipment, in addition to the hourly fee paid to Franzen.

2.02 Causes of Bankruptcy Filing

In order to meet the increased demand for construction services in the Eagle Ford, Franzen purchased additional equipment on credit. When oil and gas prices fell precipitously in late 2014, All American and Franzen suffered a concomitant decline in the demand for oil field construction services. Moreover, drilling contractors and operators unable to pay their obligations did not pay All American and Franzen for work performed.

Utilization rates for Franzen's equipment declined and Franzen found itself unable to service the debt incurred to acquire the equipment needed to serve the now moribund oil field construction demand. By 2016, Franzen became delinquent on its obligations and creditors initiated litigation to repossess equipment securing their particular debt.

In order to retain equipment and service its obligations to all of its creditors, on July 13, 2016 the Debtor filed a voluntary petition initiating this chapter 11 case.

ARTICLE 3.
SELECTED FINANCIAL INFORMATION, PROJECTIONS AND VALUATION ANALYSIS

3.01 Operations During the Chapter 11

During the pendency of this Case the Debtor's monthly revenues have increased from $34,818 in August, 2016 to $71,413 in January, 2017. All American has experienced a significant increase in bid requests and awards since the Petition Date. As a result, the utilization rates of the Debtor's equipment have increase significantly during that time frame. Moreover, the Debtor's monthly revenue in November 2016 through January 2017 would have been higher but for the effect of weather and seasonality. Should any party be interested in the Debtor's historical financial statements, the Debtor has filed Monthly Operating Reports with the Court since the Petition Date. Those reports are available for inspection through the Bankruptcy Clerk's office and are available online through PACER.

This Section will focus on the projections which are based on information available as of the date of this Disclosure Statement. The Debtor maintains its own financial information. The financial information contained in this Disclosure Statement has not been audited. The significant assumptions underlying the projections and the basis of their preparation are discussed below.

3.02 Post Confirmation of the Reorganized Debtor

Based on the trends in the Debtor's post petition utilization rates, the hourly rate charged for use of its equipment, the level of current and anticipated bid activity by All American, the Debtor's management has prepared pro forma projections of anticipated revenue for the relevant period. The Debtor has limited operating expenses and its primary expense consists of debt service. The projected debt service in the projections are based on the restructured terms in the Plan.

The Debtor's projected revenues for the remainder of 2017 are based on existing and anticipated contracts awarded to All American. Based on those contracts, the Debtor has projected the anticipated heavy equipment utilization to fulfill those contracts and the revenue generated based on that usage of its equipment.

FRANZEN INTERNATIONAL, LLC - PRO FORMA INCOME STATEMENT 2017-2019

Volume	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	total estimated sales (2017)	FYE 2018	FYE 2019	total through 2019
Equipment Rental	$218,700	$242,550	$243,000	$198,000	$902,250	$1,035,000	$1,215,000	$3,152,250
Gross Revenue	$218,700	$242,550	$243,000	$198,000	$902,250	$1,035,000	$1,215,000	$3,152,250
Gross profit					total estimated profit (2017)	FYE 2018	FYE 2019	total through 2019
Equipment Rental	$106,467	$129,211	$57,657	$12,657	$305,992	$336,026	$518,420	$1,160,437
Total Expenses	$106,467	$129,211	$57,657	$12,657	$305,992	$336,026	$518,420	$1,160,437
Costs/overhead/sg&a	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Total estimated costs (2017)	FYE 2018	FYE 2019	total through 2019
Ally Bank/Ally Financial	$0	$0	$3,077	$3,077	$6,155	$12,306	$12,306	$30,767
Cat Finance	$83,693	$83,693	$114,421	$114,421	$396,227	$457,684	$457,684	$1,311,595
Daimler Finance	$0	$0	$19,771	$19,771	$39,542	$79,084	$79,084	$197,710
Deere Finance	$26,457	$26,457	$22,548	$22,548	$98,011	$90,194	$90,194	$278,399
Ford Credit	$2,083	$3,190	$2,748	$2,748	$10,769	$10,992	$10,992	$32,754
TD Finance	$0	$0	$1,580	$1,580	$3,160	$6,320	$6,320	$15,801
Wells Fargo	$0	$0	$1,197	$1,197	$2,394	$2,394	$0	$4,788
Unsecured Creditors			$20,000	$20,000	$40,000	$40,000	$40,000	$120,000
Total Expenses/Debt Service	$112,233	$113,339	$185,343	$185,343	$596,258	$698,974	$696,580	$1,991,813
Net Profit	$106,467	$129,211	$57,657	$12,657	$305,992	$336,026	$518,420	$1,160,437
Beginning Cash Bal.		$145,401	$274,612	$332,269	$332,269	$332,269	$332,269	$332,269
Culmulative Cash/Ending Balance		**$274,612**	**$332,269**	**$344,926**	**$638,261**	**$668,294**	**$850,688**	**$1,492,706**

The projections included in this Disclosure Statement are based upon a number of important assumptions, which are subject to significant business, and economic risks and uncertainties that are not within the Debtor's control and could cause actual results to differ materially and adversely from the Projections. These and other factors are described in greater detail in Article 9 entitled "Risk Factors."

The projections are not and should not be regarded as a representation that the forecasted revenue and expense levels will be achieved. However, based upon the projections, the Debtor believes that the Reorganized Debtor will be able to meet its financial obligations under the Plan and, accordingly, that confirmation of the Plan is not likely to be followed by further liquidation or the need for further reorganization. The Projections must be read in conjunction with the assumptions and notes set forth herein below. The approval of this Disclosure Statement is not a determination of the value of Debtor's assets or the value of the collateral securing claims.

The principal remaining assets include the Debtor's equipment which is listed in detail in the Schedules filed by the Debtor in this bankruptcy case. The Debtor's current balance sheet reflects the following assets and liabilities:

1:59 PM
03/06/17
Accrual Basis

Summary Balance Sheet
As of Feb 2017

	Franzen Int LLC
ASSETS	
Current Assets	
Checking/Savings	145,401
Accounts Receivable	71,413
Other Current Assets	1,352
Total Current Assets	218,166
Fixed Assets	9,005,955
TOTAL ASSETS	**9,224,121**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	338,147
Credit Cards	0
Other Current Liabilities	636,369
Total Current Liabilities	974,515
Long Term Liabilities	3,140,093
Total Liabilities	4,114,608
Equity	5,109,513
TOTAL LIABILITIES & EQUITY	**9,224,121**

ARTICLE 4.
PROCEEDINGS IN THE CHAPTER 11 CASE

4.01 Commencement and Administration of the Case

The Debtor's Chapter 11 Case was commenced on July 13, 2016. The following is a description of the more significant matters to have come before the Court:

- Adequate Protection Orders – The Debtor has negotiated and entered into agreed adequate protection orders with John Deere Construction and Forestry Company, Caterpillar Financial Services Corp, Ford Motor Credit and Mercedes-Benz Financial Services USA, LLC pursuant to which the Debtor has paid monthly adequate protection payments to each of these secured creditors.

- Premium Finance Motion – The Debtor sought and obtained approval of a premium finance agreement to pay premiums for (i) Commercial Auto; (ii)Worker's Compensation and (iii) Excess Liability insurance.

- United States Trustee's Motion to Dismiss – The United States Trustee file a motion to dismiss the Debtor's chapter 11 case. The Debtor and the United States Trustee reached an agreement resolving the motion. The agreement provided for a series of deadlines for the filing of the Debtor's plan, approval of this Disclosure Statement and confirmation of the Debtor's plan.

ARTICLE 5.
SUMMARY OF THE DEBTOR'S PLAN

5.01 Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, the plan proponent attempts to restructure a debtor's financial affairs or effectively liquidate the debtor's assets for the benefit of the creditors, equity interest holders and other parties in interest. The Chapter 11 plan is the debtor's agreement with its creditors containing the terms and conditions for the operation and/or liquidation of the properties and assets of the debtor and the treatment of the Claims and interests of creditors and parties-in-interest. In this instance, the Debtor's Plan proposes to restructure the Debtor's debts and maintain operations.

According to Section 1125 of the Code, acceptances of a Chapter 11 plan may be solicited by the debtor only after a written disclosure statement approved by the Bankruptcy Court as containing adequate information has been provided to each creditor or equity interest holder.

5.02 Terms of the Plan Control

The following represents the Debtor's best efforts to describe the treatment afforded the Claims of the Creditors in various Classes. Creditors should be aware that the terms of the Plan control the treatment of all Claims. In the event of any inconsistencies between the Plan and this Disclosure Statement, the terms of the Plan shall be, in all events, determinative. The Debtor urges all Creditors to read the Plan for a complete understanding of the treatment of their Claims.

5.03 Classification and Treatment of Claims and Interests

The Bankruptcy Code requires that a plan group creditors in Classes with other creditors holding similar Claims or interests. The Code provides little guidance as to how to classify Claims other than to prohibit the placement of creditors with dissimilar Claims in the same class. Generally, every creditor

holding a Secured Claim is separately classified in recognition of the fact that each secured creditor's rights are different from every other creditor. Creditors whose Claims and rights are similar are generally grouped into the same class of Claims. Certain types or groups of creditor are not classified for treatment under the Plan. The Classification of Claims under the Plan is reflected below.

The Plan contains definitions and rules of interpretation and provides for the treatment of separate classes for holders of Claims against, and Equity Interests in, the Debtor. As required by the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified.

The table below summarizes the classification and treatment of the principal prepetition Claims and Equity Interests under the Plan. The classification and treatment for all Classes are described in more detail in the Plan.

Class	Description	Description of Claim(s)	Treatment
Unclassified	**Administrative Expense Claims:** Post Petition Trade Claims: Professionals Fees:	 Paid Current Law Offices of Ray Battaglia, PLLC Est. Amt: $35,000	 Paid according to terms Retainer: $23,300, balance paid on Effective Date
Unclassified	**Priority Tax Claims and Priority Secured Tax Claims**	IRS $68,300.00 Cotulla ISD $2,274.01 Comal County $65,815.54 Texas Comptroller $12,891.42 LaSalle County $605.67	Disputed – Debtor's estimated claim amount - $0 Disputed – Debtor's estimated claim amount - $0 Disputed – Debtor's estimated claim amount - $0 Disputed – Paid, balance due- $0 Cash payments from Reorganized Debtor over a period not exceeding five (5) years from the date of assessment of the Priority Tax Claim or Priority Secured Tax Claims. Payments by Reorganized Debtor provided for herein shall be made in equal monthly installments with the first payment due on the tenth Business Day of the first month following the Effective Date. Interest shall accrue on the Priority Tax Claim or Priority Secured Tax Claims in accordance with section 511 of the Bankruptcy Code.
Class 1	**Priority Claims**	No known claims	Paid in cash on later of Effective Date of upon Allowance
Class 2	**Ally Bank** Loan number 611917492673	 Estimated Claim - $20,824.84 Secured by Ford F550	 Paid in 48 equal monthly installments at 8% simple interest. Guaranties (if any) reinstated. Estimated Monthly Payment: $508.40
Class 3	**Ally Financial** Loan numbers 24919810579 and 24917856116 Loan number 24917734088	 Estimated Claim - $21,193.17 Secured by Ford F250 and Ford F350 Estimated Claim - $1,158.22 Secured by Jeep Patriot	 Consolidated into a single note paid in 48 equal monthly installments at 8% simple interest. Guaranties (if any) reinstated. Estimated Monthly Payment: $517.39 Paid in full in a single installment and lien released upon payment.
Class 4	**Ford Motor Credit** Loan numbers 51904298 and 49936497	 Estimated Claim - $37,522.82 Secured by Ford F250 and Dodge 5500	 Consolidated into a single note paid in 48 equal monthly installments at 8% simple interest. Guaranties (if any) reinstated.

			Estimated Monthly Payment: $916.04
Class 5	**Caterpillar Financial Services Corp.** Loan numbers 001-0663914, 001-0727866, 001-0747961, 001-0699631, 001-0703529, and 001-0714967, 001-0023962	Estimated Claim - $3,012,682.52 Secured by: Trailer Lowboy Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Trailer Bottom Dump Wheel Loader Wheel Loader Hydraulic Excavator Motorgrader Truck Water GPS Equipment Wheel Loader Wheel Loader Loader Landscaper Tractor Crawler Tractor Crawler Tractor Crawler Tractor Crawler Tractor Crawler Hydraulic Excavator Motorgrader Motorgrader Motorgrader Elevating Motor Scraper Compactor Reclaimer	Consolidated into a single note amortized over 94 months, provided the entire principal balance and any accrued but unpaid interest shall be fully paid on or before the first day of the 60th month following the commencement of payments on the CAT Consolidated Loan Guaranties (if any) reinstated. Estimated Monthly Payment: $38,140.32 Estimated Balloon Payment: $1,265,777.91
Class 6	**John Deere Construction and Forestry Company** Loan numbers 510001059068, 510000791808, 510000800554	Estimated Claim - $ 398,286.3 Secured by: 9560RT Scraper Farm Tractor 2112W Pull Scraper (Pan) SV 510D Compactor SV 505 Compactor	Consolidated into a single note paid in 60 equal monthly installments at 5% simple interest. Guaranties (if any) reinstated. Estimated Monthly Payment: $7,516.15
Class 7	**Mercedes-Benz Financial Services USA, LLC** Loan numbers 1000239199001, 1000240092001, 1000240576001, 5000004882001, 5000007949001 and 5000012765001	Estimated Claim - $ 349,227.03 Secured by: 357 Truck Tractor 357 Truck Tractor 357 Truck Tractor 357 Truck Tractor 357 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor	Consolidated into a single note paid in 60 equal monthly installments at 5% simple interest. Guaranties (if any) reinstated. Estimated Monthly Payment: $6,590.34

		AT9513 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor AT9513 Truck Tractor 4900SB Truck Tractor	
Class 8	**TD Auto Finance, LLC** Loan number 1100951005	Estimated Claim - $21,574.80 Secured by Ford F250	Paid in 48 equal monthly installments at 8% simple interest. Guaranties (if any) reinstated. Estimated Monthly Payment: $526.70
Class 9	**Wells Fargo Vendor Financial Services, LLC** Loan number 69595	Estimated Claim - $4,660.81 Secured by S850 Skid Steer Loader	Paid in 12 equal monthly installments at 5% simple interest. Guaranties (if any) reinstated. Estimated Monthly Payment: $399.00
Class 10	**Volvo Financial Services**	Contingent guaranty claim	Guaranties (if any) reinstated.
Class 11	**General Unsecured Creditors**	IRS $ 7,500.00 Inline Fence $124,394.02 Holt Texas $ 51,108.70 City of SA (SAWS) $ 12,980.58 Texas Comptroller $ 1,160.22 Martin Marietta $293,146.57	Disputed – Debtor's estimated claim amount - $0 Disputed – Debtor's estimated claim amount - $0 Disputed – Debtor's estimated claim amount - $unknown Disputed – Debtor's estimated claim amount - $unknown Disputed – Paid, balance due- $0 Undisputed The Reorganized Debtor shall pay $40,000 annually, increasing to $50,000 in 2021, to be distributed pro rata to holders of Allowed Class 11 Claims which will be paid in annual installments commencing on December 31, 2017 and continuing on the same date of each successive year until Allowed Class 11 Claims are paid in full with interest at 5% simple interest.
Class 12	**Equity Interests**	Impaired	Yes

5.04 **Discharge of Claims.**

The rights afforded in the Plan and the payments and distributions to be made thereunder are in complete exchange for, and in full satisfaction and release of, all existing Claims, and, debts and obligations of any kind, nature or description whatsoever of or against the Debtor or any of its assets or property to the fullest extent permitted under Section 1141 of the Bankruptcy Code. Upon the Effective Date, all existing Claims against the Debtor and the Reorganized Debtor shall be and shall be deemed to be discharged. All holders of Claims or Equity Interest shall be precluded from asserting against the Debtor, the Reorganized Debtoror any of its assets or property, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder filed a proof of Claim or proof of interest. Upon the Effective Date, the Debtor shall be deemed discharged and released from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim or Interest based upon such obligation is filed or deemed filed under Section 501 of the Bankruptcy Code; (ii) a Claim or Interest based upon such debt is Allowed under Section 502 of the Bankruptcy Code; or (iii) the holder of a Claim or

Interest based upon such debt has accepted the Plan. Except as provided herein, the Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtor and the Reorganized Debtor. In accordance with Section 524 of the Bankruptcy Code, the discharge provided for hereunder shall void any judgment against the Debtor to the extent it relates to a Claim discharged, and operates as an injunction against the prosecution of any action against the Debtor or its Property to the extent it relates to a discharged Claim.

5.05 **Injunction.**

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date, all Persons or entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor are permanently enjoined from taking any of the following actions against the Estate, Reorganized Debtor, or any of their property on account of any such Claims or Equity Interests: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any Lien or encumbrance; and (iv) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan.

5.06 **Plan Releases and Exculpation**

None of the Debtor, Reorganized Debtor, or any of their respective members, officers, directors, employees, agents, advisors or Professionals have or may incur any liability to any holder of a Claim or Equity Interest, or any other party in interest, or any of their respective members or former members, agents, employees, representatives, financial advisors, attorneys or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to or arising out of the Chapter 11 Case, the negotiation and pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan (the "Chapter 11 Activities"), except for their acts or omissions constituting willful misconduct or gross negligence, as finally determined by a court of competent jurisdiction, and in all respects are entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities in connection with the Chapter 11 Activities. No holder of a Claim, Equity Interest or any other party in interest, including their respective agents, employees, representatives, financial advisors, attorneys or affiliates, have any right of action against the Debtor, the Reorganized Debtor, or any of their respective partners, general partners, officers, directors, members, employees, agents, advisors or Professionals for any act or omission in connection with the Chapter 11 Activities, except for their acts or omissions constituting willful misconduct or gross negligence as finally determined by a court of competent jurisdiction.

5.07 **Indemnification Obligations.**

Nothing in the Plan, including the discharge or release of the Debtor, diminishes or impairs the enforceability of any obligation of the Debtor to indemnify, reimburse or limit the liability of any Person, including but not limited to any shareholders, partners, general partners, officer or director of the Debtor, or any agent, Professional or financial advisor, relating to any acts or omissions occurring subsequent to the Petition Date and such obligations shall be assumed by Reorganized Debtor.

ARTICLE 6.
IMPLEMENTATION OF PLAN

6.01 **Summary of Implementation of the Plan**

The Plan contemplates that the Reorganized Debtor will continue to operate and generate sufficient net operating cash flow after payment of all operating expenses to pay the restructured debt service payments provided for in the Plan. From time to time, the Debtor may sell excess inventory of equipment and pay the proceeds to Creditors whose liens attach to such Property. Proceeds from the sale of unencumbered Property will supplement Cash available to make payments to Secured and Unsecured Creditors.

6.02 **Powers and Duties of the Reorganized Debtor**

The Reorganized Debtor shall have all duties, powers, authority and standing necessary to implement the Plan and to operate the business of the Reorganized Debtor and to sell equipment of the Reorganized Debtor for the benefit of holders of Allowed Claims. Included among the powers of the Reorganized Debtor, and not by way of limitation, the Reorganized Debtor may undertake the following on behalf of the Reorganized Debtor, without the need for further court approval:

(a) Collect and receive income, notes and other claims and receivables of the Reorganized Debtor;

(b) Incur, at the expense of the Reorganized Debtor, such charges, costs and fees as are necessary and appropriate in connection with the operation of the Reorganized Debtor's business;

(c) Pay all lawful expenses, debts, charges and liabilities incurred by the Reorganized Debtor;

(d) 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 Reorganized Debtor;

(e) Establish one or more checking, savings and investment accounts in the name of the Reorganized Debtor, and have exclusive control over the disbursement of the Reorganized Debtor's funds on deposit or invested therein;

(f) Operate and manage the day to day operations of the Reorganized Debtor;

(g) Execute and deliver documents and instruments and take any and all acts to consummate the transactions contemplated by the Plan or approved by Orders of he Court;

(h) File with the Bankruptcy Court the reports and other documents required by the Plan or otherwise required to close the Chapter 11 cases;

(i) Communicate, consult and report to the Creditors, the US Trustee and the Court (as may be required) with regard to the operations, assets, finances and sales of assets of the Reorganized Debtor;

(j) Object to the amount or priority of payment of any Claim or Interest under the Plan;

(k) Make interim and final distributions of Reorganized Debtor's assets in accordance with the Plan and Orders of the Court;

(l) Bring suit on behalf of or defend any suit against the Reorganized Debtor;

(m) Provide for storage and destruction of records;

(n) Exercise such other powers and duties as necessary or appropriate, in the discretion of the Plan Administrator to accomplish the purposes of the Plan as set out herein;

(o) Sell or otherwise transfer for value the non-Cash Property of the Reorganized Debtor pursuant to the terms and conditions of the Plan;

(p) Collect the proceeds of the sale of Property of the Reorganized Debtor;

(q) Compromise and settle claims and causes of action of the Reorganized Debtor;

(r) Discharge, compromise and settle any unascertained, unliquidated or contingent debts, liabilities or obligations of the Reorganized Debtor, including settlement of objections to claims filed in the Case;

(s) Retain such professionals, legal counsel, public accountants, brokers and other experts as the Reorganized Debtor may deem advisable in connection with the administration of the Reorganized Debtor or the exercise of his other powers set out herein.

6.03 **Management of the Reorganized Debtor.**

The equity of the Debtor and the Reorganized Debtor is owned 100% by Travis Franzen. Mr. Franzen is the managing member of the Debtor and will continue in that capacity for the Reorganized Debtor. Mr. Franzen receives no compensation from the Debtor and is not anticipated to receive compensation from the Reorganized Debtor. Mr. Franzen is an owner of All American and is paid compensation from All American.

6.04 **Establishment of Reserve Accounts**

On the Effective Date (or as soon as thereafter as is reasonably practicable) the Plan Administrator shall:

Disputed Claims Reserve. On the Effective Date (or as soon as thereafter as is reasonably practicable) the Plan Administrative shall establish a Disputed Claims Reserve and as soon as necessary a segregated bank account for deposit of the Disputed Claims Reserve. If a Claim or any portion of a Claim is disputed, no payment or distribution will be made on account of the disputed portion of such Claim (or the entire Claim, if the entire Claim is disputed), unless such Disputed Claim becomes an Allowed Claim.

On the date of any distribution to Creditors under the Plan (or as soon thereafter as is reasonably practicable), the Plan Administrator shall deposit Cash in the Disputed Claim Reserve that would have been distributed to the holders of Disputed Claims if such Disputed Claims had been Allowed Claim on the Effective Date. This amount will be determined based on the lesser of (1) the asserted amount of the Disputed Claims in the applicable Proofs of Claim, (2) the amount, if any, estimated by the Bankruptcy Court for purposes of distribution pursuant to Section 502(c) of the Bankruptcy Code, or (3) the amount otherwise agreed to by the applicable Debtor and the holders of such Disputed Claims. The Plan Administrator may seek Bankruptcy Court approval to reduce the size of the Disputed Claims Reserve based upon the amount of the remaining Disputed Claims or other changed circumstances.

After an objection to a Disputed Claim is withdrawn, resolved by agreement, or determined by Final Order, the distributions due on account of any resulting Allowed Claim shall be made by the Plan Administrator from the Disputed Claims Reserve. Such distribution shall be made at the time provided in the Plan for the next scheduled distribution to the Class or type of Claim of such holder and, if there is no

such further scheduled time, within forty-five (45) days of the date that the Disputed Claim becomes an Allowed Claim.

6.05 **Claims Objections**

Notwithstanding the occurrence of the Effective Date, and except as to any Claim that has been Allowed before the Effective Date, the Reorganized Debtor may object to the Allowance of any Claim against the Debtor or seek estimation of any Claim on any grounds permitted by the Bankruptcy Code. All objections to Claims must be brought by filing the appropriate pleading in the Bankruptcy Court before the first Business Day that is 180 days after the Effective Date, but the Bankruptcy Court may approve a later date on the Reorganized Debtor's motion filed (but not necessarily heard) before the first Business Day that is 180 days after the Effective Date.

6.06 **Contingent Claims**

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

6.07 **Distributions on Allowance or Disallowance of Disputed Claims**

No distributions will be made to any holder of a Claim unless and until the Claim becomes an Allowed Claim. If a Claim is not an Allowed Claim as of the Effective Date, distributions on account of that Claim will commence only when the Claim becomes an Allowed Claim after the Effective Date or as otherwise specifically provided in this Plan. If a Disputed Claim becomes an Allowed Claim, the Reorganized Debtor will make a distribution in accordance with the terms of this Plan applicable to Claims of the Class in which that Claim resides.

6.08 **De Minimis Distributions**

Any other provision of the Plan notwithstanding, the Plan Administrator shall not be required to make distributions to holders of Allowed Claims in an amount less than $50.00 (unless such Allowed Claim is less than $50.00). Cash allocated to an Allowed Claim but withheld from distribution pursuant to this subsection shall be held by the Reorganized Debtor for the account of and future distribution to the holder of such Allowed Claim.

6.09 **Additional Charges**

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

6.10 **Treatment of Executory Contracts and Unexpired Leases**

(a.) **Assumption or Rejection of Executory Contracts and Unexpired Leases**. On the Effective Date, except as otherwise provided in the Plan, any unexpired lease or executory contract that has not been previously assumed or rejected by the Debtor pursuant to an order of the Bankruptcy Court shall be deemed assumed by the Debtor under Sections 365(a) and 1123 of the Bankruptcy Code, unless specifically rejected under the Plan.

(b). **Bar Date for Rejection Damages. .** If the rejection of an executory contract or unexpired lease pursuant to Article 6.01 (a) gives rise to a Claim by the other party or parties to such contract or lease, such Claim, to the extent that it is timely Filed and is a Allowed Claim, shall be classified in Class 10; provided, however, that the Unsecured Claim arising from rejection shall be forever barred and shall not be enforceable against a Debtor, Reorganized Debtor, their successors or properties, unless a proof of Claim is Filed and served on the Reorganized Debtor within 30 days after the date of the notice of the entry of an order of the Bankruptcy Court authorizing rejection of the executory contract or unexpired lease, which order may be the Confirmation Order.

6.11 **Pending Claims and Causes of Action**

The following is a general discussion of the type and nature of the Litigation Claims of the Estate which shall be preserved and shall constitute Property of the Estate:

NOTE: THE FOLLOWING DISCUSSION IS NOT INTENDED TO BE EXHAUSTIVE AND SHALL NOT LIMIT OR MODIFY ANY CLAIMS OR CAUSES OF ACTION OF THE ESTATE.

6.12 **Preferences.**

Some of the payments made by the Debtor to creditors within ninety (90) days of the filing of bankruptcy (or to an insider within one year of the filing of bankruptcy) may be subject to a claim for recovery as preferential transfers under 11 U.S.C. §547, and while the Debtor may have made transfers to affiliates that could qualify as voidable transfers, the transferee affiliates are now unable to repay any such claims.

While the Debtor is unaware of any recoverable preferential or other voidable transfers at this time, the Reorganized Debtor will retain the right to object to claims pursuant to 11 U.S.C. § 502(d) or pursue any preference claims.

6.13 **Pending State Court Lawsuits.**

On the Petition Date, the Debtor was a party to certain State Court lawsuits. The remaining suits involve claims and counterclaims arising from business transactions between the Debtor and Inline Fence and between the Debtor and Holt Caterpillar.

6.14 **Collections Matters**.

Prior to the Petition Date and during the pendency of the Case, the Debtor accrued certain accounts receivable and contract claims arising out of the sale or lease of goods or services by the Debtor to third parties. To the extent any counterparty to a sale or lease owes the Debtor money, the resulting claim shall be a Litigation Claim vesting in the Reorganized Debtor. The Debtor's claims may arise under one or more of the following theories or causes of action: breach of contract, quantum meruit, and tort or may arise pursuant to state or federal statute.

6.15 **Notice to Creditors that All Claims are Preserved.**

ALL LITIGATION CLAIMS OF THE BANKRUPTCY ESTATE ARE BEING PRESERVED AND TRANSFERRED TO REORGANIZED DEBTOR UNDER THE PLAN.

The Court shall retain jurisdiction to determine all such Litigation Claims.

YOU MAY BE SUED IF:

i) You were or are a creditor and you received a payment on a prior debt within ninety (90) days before the Petition Date;

ii) You were an insider of the Debtor and you received a payment on a prior debt within one (1) year before the Petition Date;

iii) You received any payments or property from the Debtor for goods or services you did not deliver or provide before the Petition Date;

iv) You received any payments of property from the Debtor without providing reasonably equivalent value;

v) You received pre-payments, advances or deposits from the Debtor which you did not earn;

vi) You were an officer or director of the Debtor and you breached your fiduciary duties;

vii) You were involved in pending litigation with the Debtor at the time of the Petition Date;

viii) You owe the Debtor any money under a contract or as a result of your breach of contract with the Debtor;

ix) Potential claims against you or any of your affiliates are described or referred to in this Disclosure Statement; or

x) The Debtor has any claims against you under state or federal law, whether in contract or in tort, whether known or unknown.

ARTICLE 7.
CONFIRMATION OF THE PLAN

7.01 **Feasibility**

As a condition to confirmation of a plan, Section 1129 of the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor. The Debtor's performance of the terms of the Plan are dependent upon the utilization rates for its equipment. In turn, utilization is dependent upon the level of construction activity in the Austin, San Antonio and South Texas region.

The recent down turn in the market for construction, excavation, utility and site services in the Eagle Ford affected the Debtor along with others competing in the same market. Many competitors have failed, leaving more opportunity for construction companies that have survived. Reduced competition, along with an increase in recent construction activity in the Debtor's geographic region has resulted in a significant increase in utilization rates for the Debtor's equipment. All American has experienced increased bid submission, resulting in an increased rate of winning bids.

The Debtor's gross revenue has nearly doubled during the pendency of this bankruptcy case. Based on existing contracts awarded to All American, the Debtor anticipates that its gross revenues will continue to increase post confirmation. While the Debtor contemplated selling some of its heavy equipment at the outset of this bankruptcy case to reduce its leverage, as the case has progressed, the demand for its equipment has altered those plans. If the Debtor sold equipment, the Debtor would be forced to lease equipment to fulfill demand at current levels.

The Debtor's pro forma's reflect existing demand based on known contractual commitments from All American. The pro forma's evidence the Debtor's ability to meet its commitments under the Plan.

7.02 **Best Interests Test**

In order to confirm the Plan, the Court must find that each holder of an impaired Claim or Equity Interest either (i) accepted the Plan or (ii) received or retained under the plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. In a typical Chapter 7 case the debtor ceases operations and a trustee is appointed to conduct an orderly liquidation of the Debtor's assets. The proceeds, net of trustee's fees and other costs and expenses incurred in conducting the liquidation, are distributed to creditors in accordance with their Lien rights and statutorily prescribed priorities of payment.

If this Case were converted to a case under Chapter 7 of the Bankruptcy Code, it is highly unlikely that a Chapter 7 trustee would be able to produce a superior result to the Plan. The Plan proposed to pay all creditors in full, with interest. If the case were converted to a Chapter 7, two scenerios are likely, or come combination of the two. One scenario involves the sale of the Debtor's equipment in bulk. The second scenario contemplates the repossession and foreclosure upon the Debtor's assets. Under either scenario, the value of the Debtor's equipment is unlikely to satisfy the claims of secured creditors, resulting in significant deficiencies. The value realized from the sale of the Debtor's unencumbered equipment is unlikely to produce sufficient net value after costs of sale to satisfy creditor's claims.

Based upon the forgoing liquidation analysis, unsecured creditors and equity interest holders would likely receive significantly less on account of their Claims in a Chapter 7 liquidation. Under the Plan, those creditors will likely receive significantly more than they would get in a Chapter 7 Liquidation.

ARTICLE 8.
ALTERNATIVES TO THE PLAN

8.01 **General**

The Debtor believes that the Plan affords the holders of Claims the potential for the greatest realization on the Debtor's assets and, therefore, is in the best interests of such holders. If the Plan is not confirmed, however, the theoretical alternatives include: (a) an alternative plan of reorganization; or (b) liquidation of the Debtor under Chapter 7 of the Bankruptcy Code; or (c) dismissal of the Chapter 11 Case. THE DEBTOR BELIEVES THAT THE CREDITORS' CHOICE IS CLEAR. BASED UPON DEBTOR'S ASSESSMENT, UNSECURED CREDITORS WOULD RECEIVE NO DISTRIBUTIONS IN A CHAPTER 7 CASE OR IN THE EVENT OF DISMISSAL OF THE CASE.

8.02 **Alternative Plans**

If the Plan is not confirmed, the Debtor or any other party in interest in the case could attempt to formulate and propose a different plan. The Court has previously ordered that this Case will be converted in the event the Debtor fails to confirm a plan before June 1, 2017. Under the Court imposed time constraints, the Debtor does not believe an alternate plan could be confirmed in this Case.

8.03 **Liquidation Under Chapter 7**

If no Plan can be confirmed, this Chapter 11 Case may be converted to a case under Chapter 7 of the Bankruptcy Code. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the assets of the Debtor. The proceeds of the liquidation would be distributed to the respective holders of Claims against the Debtor in accordance with the priorities established by the Bankruptcy Code.

In the event that this Chapter 11 Case is converted to a Chapter 7 case, the ultimate distribution to Creditors would likely be less than as proposed in the Plan. The Debtor believes that a Chapter 7 Trustee would not be able to effectively liquidate the remaining assets of the Estate. In addition, in a Chapter 7 Case, there would be an additional layer of administrative costs on the Estate, such as the fees and expenses of the Chapter 7 Trustee, and professionals that may be employed by the Chapter 7 Trustee.

As described above, it is unlikely that a Chapter 7 trustee will be able to generate enough funds from liquidation of the Property of the Estate to fund all administrative claims and make a meaningful distribution to creditors.

Based on the foregoing, the Plan is clearly superior to a Chapter 7 liquidation.

8.04 **Dismissal of the Case**

If no Plan of Reorganization can be confirmed in this Chapter 11 Case, one alternative would be dismissal of the Debtor's Case. If the Chapter 11 case is dismissed it is unlikely that any of the remaining assets would be liquidated. Under this scenario, the Unsecured Creditors would receive nothing on account of their Claims.

ARTICLE 9.
RISK FACTORS

9.01 **General**

The Debtor's Plan contemplates that the Reorganized Debtor will generate income from continued operations. The Plan is subject to a number of material risks, some of which are described below. The primary risks confronting Creditors under the Plan is the general risk of economic uncertainty and specifically the demand for construction related services.

In spite of the risk associated with the Plan, the Debtor believes that its Plan offers creditors with a greater recovery than they would receive in a Chapter 7 Liquidation or alternative plan.

ARTICLE 10.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

10.01 **Income Tax Consequences**

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

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

THE TRANSACTION CONTEMPLATED BY THE CONFIRMATION OF THE PLAN MAY HAVE AN IMPACT ON THE TAX TREATMENT OF ANY CREDITOR OR INTEREST HOLDER. THAT IMPACT MAY BE ADVERSE TO THE CREDITOR OR INTEREST HOLDER. NOTHING HEREIN IS INTENDED TO BE ADVICE OR OPINION AS TO THE TAX IMPACT OF THE PLAN ON ANY INDIVIDUAL CREDITOR OR INTEREST HOLDER. EACH CREDITOR OR INTEREST

HOLDER IS CAUTIONED TO OBTAIN INDEPENDENT AND COMPETENT TAX ADVICE PRIOR TO VOTING ON THE PLAN.

ARTICLE 11.
JURISDICTION OF THE COURT

11.01 General Retention of Jurisdiction

Until the Bankruptcy Case is closed, the Bankruptcy shall retain the fullest and most extensive jurisdiction permissible, including, without limitation, that necessary (a) to ensure that the purposes and intent of the Plan are carried out, (b) to enforce and interpret the terms and conditions of the Plan, and (c) to enter such orders or judgments including, without limitation, injunctions necessary to enforce the rights, title, and powers of the Debtor, the Plan Administrator and/or the Reorganized Debtor. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against and Interests in the Debtor and to adjudicate and enforce all other causes of action that may exist on behalf of the Debtor.

11.02 Specific Purposes

Without limiting the effect of Section 11.01 the Bankruptcy Court shall retain jurisdiction after Confirmation to:

(a) modify the Plan after entry of the Confirmation Order, pursuant to the provisions of the Plan, the Bankruptcy Code, and the Bankruptcy Rules;

(b) correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Plan, or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;

(c) hear and determine any cause of action, and to enter and implement such orders as may be necessary or appropriate, to execute, interpret, implement, consummate, or enforce the Plan and the transactions contemplated thereunder;

(d) hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, and to enforce, including by specific performance, the provisions of the Plan;

(e) hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of the settlement agreements, asset purchase agreements or other agreements entered into by the Debtor during the Case;

(f) enter and implement orders or take such other actions as may be necessary or appropriate to restrain interference with the consummation or implementation of the Plan, including, without limitation, to issue, administer, and enforce injunctions, releases, assignments, transfers of property or property rights, or other obligations contained in the Plan and the Confirmation Order;

(g) assure the performance by Reorganized Debtor and the Plan Administrator of their respective obligations to make distributions under the Plan;

(h) enter such orders or judgments, including injunctions, as necessary to enforce the title, rights, and powers of the Debtor, Reorganized Debtor, or the Plan;

(i) hear and determine any and all adversary proceedings, applications, and contested matters, including any remands after appeal;

(j) ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(k) reduce the size of the Disputed Claims Reserve based upon the amount of the remaining Disputed Claims or other changed circumstances;

(l) hear and determine any timely objections to or motions or applications concerning Claims or the allowance, classification, priority, compromise, setoff, estimation, or payment of any Claim, to the fullest extent permitted by the provisions of section 157 of title 28 of the United States Code;

(m) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;

(n) hear and determine any motions, contested matters or adversary proceedings involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor, Reorganized Debtor, and/or the Plan Administrator arising on or prior to the Effective Date, arising on account of transactions contemplated by the Plan, or relating to the period of administration of the Case;

(o) hear and determine all applications for the employment or compensation of Professional Persons and reimbursement of expenses under sections 330, 331, or 503(b) of the Bankruptcy Code or the Plan;

(p) recover all assets of the Debtor and Property of the Estates wherever located, including actions under chapter 5 of the Bankruptcy Code;

(q) hear and determine any and all motions pending as of the Confirmation Date for the rejection, assumption, or assignment of executory contracts or unexpired leases and the allowance of any Claim resulting therefrom;

(r) hear and determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(s) consider and act on the compromise and settlement of any Claim against, or Interest in, the Debtor, including, without limitation, any disputes relating to any Administrative Claims, any Bar Date, or Bar Date Order;

(t) hear and determine all questions and disputes regarding title to the assets of the Debtor, its respective Estates or the Reorganized Debtor;

(u) hear and determine any other matters related hereto, including the implementation and enforcement of all orders entered by the Bankruptcy Court in the Case;

(v) enter such orders as are necessary to implement and enforce any injunctions provided for in the Plan and Confirmation Order; and

(w) hear and determine any motion to sell any Property of the Estate and to enter orders authorizing the sale of any property of the Debtor or the Reorganized Debtor in accordance with Section 363 of the Code free and clear of Liens, Claims and other interests..

ARTICLE 12.
MISCELLANEOUS

12.01 **Modification of the Plan**

The Debtor may propose amendments or modifications to its Plan at any time prior to the date of the entry of the Order Confirming Plan, with leave of the Court, and upon proper notice to parties in interest. After the date of the Order Confirming Plan, Debtor may, with approval of the Court so long as it does not materially or adversely affect the interests of creditors, remedy any defects or omissions or reconcile any inconsistencies in the Plan or in the Order Confirming Plan in such manner as may be necessary to carry out the purpose and effect of the Plan.

12.02 **Effective Date**

The effective date will be the first Business Day that is fourteen (14) days after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect; and (b) all conditions to effectiveness set forth in Section 7.2 of the Plan have been satisfied or waived in accordance with the terms of the Plan. No payments to creditors will be made prior to the Effective Date.

ARTICLE 13.
REQUEST FOR APPROVAL AND ACCEPTANCE OF PLAN

WHEREFORE, DEBTOR FRANZEN INTERNATIONAL, LLC**.,** submits this Disclosure Statement and the information contained therein, in good faith, in accordance with the provisions of Title 11, U.S.C. § 101 et. seq. for consideration by Creditors and other parties in interest, and as the sole source of information furnished by the Debtor, or to be furnished by the Debtor, in solicitation of acceptance of Debtor's Plan.

Dated March 6, 2017.

BY: ***/ S / Raymond W. Battaglia***

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