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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF WYOMING

In re:)
) Case No. 17-20458
Building Construction, Inc. A Wyoming)
Corporation,) Chapter 11
)
Debtor.)

DISCLOSURE STATEMENT

The debtor, Building Construction, Inc. (hereinafter “BCI”) provides this disclosure statement to all of its known creditors and interest holders in connection with its chapter 11 plan.

Purpose of Disclosure Statement. Pursuant to Section 1125 of the Bankruptcy Code (11 U.S.C. §1125) the debtor submits a disclosure statement to its creditors, interest holders, and other parties in interest with adequate information so they will be able to make an informed judgment about the acceptability of the plan. The disclosure statement should contain sufficient information that would allow a hypothetical reasonable investor typical of the holders of claims and interests in the classes impaired under the plan to make an informed judgment to accept or reject the plan.

Background of the Debtor. BCI is a Wyoming corporation. The sole shareholder is Brandy Chauvin. BCI is a construction company that specializes in steel erection. The debtor was incorporated February 8, 2010 and commenced its business shortly thereafter. The debtor operates primarily in Wyoming, Colorado, Montana, and

South and North Dakota. The debtor had up to 68 employees in 2014. The operations were very profitable until late 2015. The debtor also generated income from renting the construction equipment to third parties.

Factors precipitating the Chapter 11 filing. BCI filed a Chapter 11 petition on June 9, 2017. The debtor's financial problems began when it agreed to supply and install steel on the Performing Arts Center Project at the University of Wyoming in Laramie, WY (hereinafter "PAC Project"). On July 16, 2013, Debtor entered into a sub-contract with Sampson Construction Company, Inc. (hereinafter "Sampson") to supply and install steel on the PAC Project. Subsequently, Debtor entered into a contract with Duluth Steel Fabricators, Inc. (hereinafter "Duluth") to provide the steel for the PAC Project.

Problems arose between Sampson, Duluth, and the Debtor. BCI did not complete the PAC Project. On November 1, 2016, Duluth filed a Complaint against Sampson in the District Court, Second Judicial District, Albany County, Wyoming, Civil Action No. 33994. Sampson timely answered Duluth's Complaint. On December 19, 2016, Sampson filed a Third Party Complaint against BCI alleging breach of contract and indemnity. BCI did not answer the complaint and a default was entered. The debtor also became delinquent on the payment of its tax obligations as a result of the losses on the PAC Project.

Reorganization in Chapter 11—Actions taken to improve operations. Since filing its Chapter 11 petition, the debtor has continued to operate its business. The debtor's only postpetition source of income has been the income generated from the rental of the cranes. The debtor has deposited the rental income into the debtor in possession account. The quarterly fees for the United States Trustee and a casualty insurance payment have been the only expenses that the debtor has had since the petition

filing. These expenses were paid directly by Brandy Chauvin as a gift or capital contribution to the debtor. Brandy Chauvin has not paid herself a salary. The debtor does not anticipate spending any of the funds in the debtor in possession account prior to the confirmation of the plan. The debtor will file a motion to use cash collateral or will enter into a consensual agreement for the use of cash collateral before withdrawing funds from the debtor in possession account. The postpetition rental income has been limited thus far-but the debtor intends to begin an aggressive effort to secure more rental contracts. The rental income received since the petition filing is \$29,124.53.

How the plan will be effectuated. The debtor is filing a reorganization plan. The funds necessary for the plan payments will be made from rental income generated from the debtor's business operations. The debtor intends to fund its plan by renting out the cranes. The debtor does not intend to have any employees for the near future.

Financial Information. A summary of financial information for the 2015-2016 tax years is attached as Exhibit "A". A projection of income and expenses is attached as Exhibit "B." The projection assumes a recovering or at least a stabilized economy.

Summary of Assets and Liabilities. The debtor's assets on the date of filing consisted of the following:

Assets	Petition Date Value
Accounts Receivable	\$10,000
Autos-Machinery	\$239,400
Office Furniture	\$50

Please contact counsel for the debtor if you wish to review a more detailed list of the assets (the actual schedules filed with the court). The debtor has not had the above property recently appraised by a professional appraiser.

Liabilities.

Secured Claims The debtor has one secured creditor-First Interstate Bank.

Class One-First Interstate Bank has a first lien position on the vehicles, equipment and account receivable. The balance on the date of filing was approximately \$1,029,693.79. The collateral value stated on the First Interstate Bank's proof of claim is \$249,450. The debtor will pay First Interstate Bank's secured claim of \$249,450 with a 60 month amortization with an interest rate of 5%. The claim will be paid \$4,000 monthly with the final balance being due on the 60th month. The first payment shall be due within 20 days from the effective date and the subsequent payment will be made on the 15th of each month thereafter.

Class Two-Unsecured Creditors. The debtor owes its unsecured creditors approximately \$1,500,000. The bar date for claims was October 16, 2017. Please contact counsel for BCI if you wish to review a copy of the claims register. Class Two creditors with allowed unsecured claims will be paid \$1,000 per quarter for 60 months. The first quarterly payment shall be due within 20 days from the effective date. This will result in an approximate dividend of 1.3% to the unsecured creditors.

Class Three-Equity Security Holders. The equity security holder will retain her ownership interests.

Priority Claims

The debtor owes the following priority claims:

IRS	\$222,545.97
WY Dept Workforce Services	\$103,067.02

The priority claims will be paid within five years from the petition filing date at the statutory interest rate at the time of confirmation. The monthly priority claim payment

will be approximately \$6,000 per month with the final payment being the remaining balance. The first payment will be due 30 days from the effective date.

Chapter 7 Liquidation Analysis. In the event of a liquidation under Chapter 7, it is anticipated that the unsecured creditors would be paid nothing. First Interstate Bank has a first position claim on all property. Even if there were any free and clear assets the priority claims total \$325,612.99 and would be paid first.

The Chapter 7 trustee is paid as follows:

0-\$5,000 25%
5,000-50,000 10%
50,000-1,000,000 5%
Above 1,000,000 3%.

The payment of creditors through a chapter 7 liquidation would take approximately one to two years. The debtor anticipates making distributions under the plan within approximately 2 months of confirmation.

Administrative Claims. The only known administrative claimants consist of the estate attorney, Paul Hunter, and the US Trustee for his quarterly fees. Counsel estimates that his postpetition fees and expenses will total about \$7,000-\$10,000. It is presently anticipated that the retainer received by counsel prior to filing will be sufficient to pay counsel's fees. BCI is current on the payment of quarterly fees to the United States Trustee and will pay all fees required by law.

Alternatives to Reorganization. The management of BCI intends to reorganize. If any other adequate sale offers are received prior to confirmation, the sale will be noticed pursuant to Section 363. If the sale occurs after confirmation the debtor will provide written notice of the sale in substantial conformity with a Section 363 notice.

Risk Factors. The debtor is dependent on the existing management. If the present officer was unable to continue to serve as president the business operations might have to be terminated.

Existing Management and Proposed Compensation. The monthly compensation will be as follows: None at this time.

Executory Contracts (Leases). BCI will not assume the agreement for the office space with Mountain Ventures.

Pending Litigation. The litigation with Sampson Construction Company , Civil Action 33994 will continue to determine the final claim balance. No other actions are pending.

Tax Consequences. The debtor will not incur any tax liabilities as a result of the plan confirmation. You are urged to confer with your own tax advisor regarding the tax aspects of the plan.

Preference and other related litigation. The plan contemplates a consensual plan. The debtor does not intend to commence any litigation after confirmation other than claim objections. The debtor reserves the right to pursue such actions within the applicable statute of limitations.

Voting Procedures. After the approval of this disclosure statement, BCI will mail a voting ballot with the plan and the approved disclosure statement. Creditors and interest holders with “impaired” claims are entitled to vote. A claim is impaired if the principal, interest, length of time for payment, or a combination of these is changed. The holder of an unimpaired claim is conclusively presumed to have accepted the plan and the solicitation of acceptances from holders of the unimpaired claims is not required and will not be undertaken. Under BCI’s plan all unsecured claims are impaired. All creditors and

interest holders entitled to vote on the plan may cast their vote by completing, dating, and signing the Ballot included with this disclosure statement and mailing it to: Paul Hunter, 2616 Central Avenue, Cheyenne, WY 82001. IN ORDER TO BE COUNTED, THE COMPLETED BALLOT MUST BE RECEIVED NO LATER THAN _____ . A BALLOT DOES NOT CONSTITUTE A VALID PROOF OF CLAIM IN BCI's CASE.

Confirmation of the Plan. Following the approval of this disclosure statement, the United States Bankruptcy Court for the District of Wyoming (Honorable Cathleen Parker presiding) will hold a hearing to determine whether or not the reorganization plan should be confirmed. At the confirmation hearing, the court must determine whether or not the plan complies with 11 U.S.C. §1129. Among other things, the court must determine whether or not the plan has been accepted by each impaired class. Under 11 U.S.C. §1126(c), an impaired claim is deemed to have accepted the plan if at least 2/3s in amount and 1/2 in number of all allowed claims of class members actually voting have voted in favor of the plan. An impaired class is deemed to have accepted the plan if at least 2/3s in amount of the allowed interests have accepted the plan. Further, under 11 U.S.C. §1129(a)(7)(A)(ii) the court must find that each member of an impaired class will receive or retain more than if the debtor were liquidated. This is known as the “best interest of creditors” test.

Confirmation of the Plan without the creditor's consent—Cram Down. The plan may be confirmed even if it is not accepted by all impaired classes, if the court finds that the requirements of 11 U.S.C. §1129 are satisfied and certain other conditions are met. If the plan is not accepted by the impaired creditors or classes, the debtor will rely on the “cramdown provisions” of 11 U.S.C. §1129(b) and seek confirmation of the plan.

Generally, the debtor must show that the plan does not discriminate unfairly and that the plan is fair and equitable with respect to each class of claims or interests that is impaired under and has not accepted the plan. In order to be fair and equitable, as required by 11 U.S.C. §1129(b) of the Bankruptcy Code, the plan must provide that creditors and interest holders in non-consenting, impaired classes will either retain or receive on account of their claims or interests, property of a value, as of the effective date of the plan at least equal to the value of such claims or interests, or if they receive less than full value, no class or junior priority will receive or retain anything on account of such junior claim. The plan must also comply with the absolute priority rule if the creditors reject the plan. These are complex statutory provisions and this summary is not intended to be a complete statement of the law.

Disclaimers. NO REPRESENTATIONS ABOUT THE DEBTOR, PARTICULARLY ABOUT THE DEBTOR'S FUTURE OPERATIONS OR THE VALUE OF ITS PROPERTY, ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE AN ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY A CREDITOR OR INTEREST HOLDER. ANY ADDITIONAL REPRESENTATION OR INDUCEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR OR TO THE UNITED STATES TRUSTEE (308 West 21st Street, Room 203, Cheyenne, WY 82001 307-772-2790).

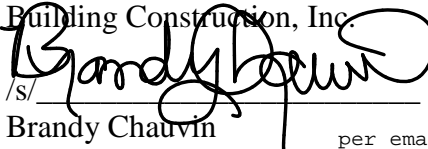
The information contained in this disclosure statement has not been subject to a certified audit. The debtor may not warrant or represent that all information in this disclosure statement is complete and accurate, although every reasonable effort has been

made to provide complete and accurate information. Approval of the disclosure statement is not equivalent to a recommendation by or a finding by the court that BIC's plan should be confirmed. You are urged to confer with your own counsel and a tax advisor about the plan and disclosure statement.

Dated: January 31, 2018.

Respectfully submitted,

Building Construction, Inc.



/s/

Brandy Chauvin

per email authorization

President

/s/

Paul Hunter

Counsel for Building Construction, Inc.

Exhibit "A" follows on the next page

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**Building Construction
Profit & Loss**

17-20458

02/27/17

January through December 2016

Accrual Basis

	<u>Jan - Dec 16</u>
Ordinary Income/Expense	
Income	
Construction Income	1,350,950.20
Refund	-249,619.18
Uncategorized Income	5,600.00
Total Income	<u>1,106,931.02</u>
Cost of Goods Sold	
Construction Materials Costs	44,856.21
Contract Labor	6,277.90
Subcontractors Expense	26,058.00
Total COGS	<u>77,192.11</u>
Gross Profit	1,029,738.91
Expense	
*Payroll Expenses	228,129.76
*Reconciliation Discrepancies	0.00
Auto Expense	6,964.87
Bank Service Charges	1,302.82
Cleaning	4,530.00
Dues & Subscriptions	1,949.79
Education	453.70
Employee Gifts	1,200.00
Employee Housing Expenses	7,307.15
Equipment Rental	23,530.26
Insurance Expense	45,825.78
Interest Expense	8,476.63
Licenses & Permits	12,098.64
Meals and Entertainment	
Meals out of town	1,485.97
On Site Meals	524.75
Meals and Entertainment - Other	6,750.27
Total Meals and Entertainment	<u>8,760.99</u>
Medical Expense	13,195.20
Miscellaneous	60.00
Office Supplies	20,550.61
Payroll Expenses	
FICA Expense	7,636.08
FUTA Expense	2,115.43
Per Diem	51,574.59
Salary & Wages	103,741.39
Taxes	34,325.33
Wages	182,316.98
Wyoming Unemployment	13,465.23
Wyoming Work Comp	2,362.42
Payroll Expenses - Other	40,101.01
Total Payroll Expenses	<u>437,638.46</u>
Personal	2,751.76
Professional Fees	
Attorney	31,799.36
Professional Fees - Other	526.00
Total Professional Fees	<u>32,325.36</u>
Purchases	1,700.00
Reimbursements	
Business Transfer	52,382.00
Reimbursements - Other	93,168.85
Total Reimbursements	<u>145,550.85</u>
Rent Expense	11,990.86

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02/27/17

Accrual Basis

Building Construction
Profit & Loss
 January through December 2016

	Jan - Dec 16
Repairs and Maintenance	31,547.54
Security	390.46
Shipping/Postage	4,569.61
Shop Supplies	2,363.42
Telephone Expense	3,246.08
Tools and Small Equipment	9,203.08
Training	1,937.00
Travel	
Fuel	32,802.49
Hotel / Lodging	39,493.88
Travel - Other	33,351.59
Total Travel	105,647.96
Trucking Expense	990.00
Uncategorized Expense	4,671.68
Uniforms	685.16
Utilities	6,071.75
Total Expense	1,187,617.23
Net Ordinary Income	-157,878.32
Other Income/Expense	
Other Income	
Interest Income	0.52
Total Other Income	0.52
Other Expense	
Ask My Accountant	26,714.36
Penalties	100.00
Reconciliation Discrepancies	-56.92
Total Other Expense	26,757.44
Net Other Income	-26,756.92
Net Income	-184,635.24

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06/28/17
Cash Basis

Building Construction 2017
Profit & Loss
January through May 2017

	Jan - May 17
Ordinary Income/Expense	
Income	
Construction Income	71,820.00
Total Income	71,820.00
Cost of Goods Sold	
Construction Expenses	1,072.21
Tools and Small Equipment	2,039.81
Total COGS	3,112.02
Gross Profit	68,707.98
Expense	
Advertising	7.00
Bank Service Charges	189.15
Employee Housing Expenses	9,205.23
Equipment Rental	1,097.25
Fuel & Travel Expenses	8,890.07
Insurance Expense	11,345.29
Interest Expense	487.36
Meals and Entertainment	
Meals out of town	1,000.00
Meals and Entertainment - Other	11.99
Total Meals and Entertainment	1,011.99
Medical Expense	154.67
Payroll Expenses	
Taxes	15,084.41
Wages	87,350.82
Wyoming Unemployment	100.00
Total Payroll Expenses	102,535.23
Reimbursements	1,390.00
Rent Expense	4,428.68
Repairs and Maintenance	5,453.03
Security	229.68
Telephone Expense	2,602.98
Transfer	160.00
Travel Card	2,313.01
Utilities	2,351.59
Total Expense	153,852.21
Net Ordinary Income	-85,144.23
Net Income	<u>-85,144.23</u>

-Y Please Note for some reason

May \$38,000 in

Receivables isn't showing up on your report?

Exhibit B

Monthly Projection of Income and Expense

Building Construction, Inc.

Monthly Rental Income	\$12,000
Misc. Expenses-	\$100
Repairs-	\$1,000
Plan Payments	
First Interstate Bank	\$4,000.
Unsecured Creditors	\$1,000 per quarter-\$333.33 per month
Priority claims	\$6,000