

Purpose of Disclosure Statement; Source of Information

Debtor submits this Disclosure Statement (“Disclosure Statement”) pursuant to Section 1125 of the Code to all known Claimants of Debtor for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of Debtor in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor’s Plan of Reorganization dated December 28, 2018 (“Plan”). This Disclosure Statement describes the operations of the Debtor contemplated under the Plan. You are urged to study the Plan in full and to consult with your counsel about the Plan and its impact upon your legal rights. Any accounting information contained herein has been provided by the Debtor.

Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in the debtor. After a plan of reorganization has been filed, it must be accepted by holders of claims against, or interests in, the debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a plan of reorganization. This Disclosure Statement is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

Explanation of the Process of Confirmation

Even if all Classes of Claims accept the plan, its confirmation may be refused by the Court. Section 1129 of the Code sets forth the requirements for confirmation and, among other things, requires that a plan of reorganization be in the best interests of Claimants. It generally requires that the value to be distributed to Claimants may not be less than such parties would receive if the debtor were liquidated under Chapter 7 of the Code.

Acceptance of the plan by the Creditors and Equity Interest Holders is important. In order for the plan to be accepted by each class of claims, the creditors that hold at least two thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims actually voting on the plan in such class must vote for the plan and the equity interest holders that hold at least two-thirds (2/3) in amount of the allowed interests actually voting on the plan in such class must vote for the plan. Chapter 11 of the Code does not require that each holder of a claim against, or interest in, the debtor vote in favor of the plan in order for it to be confirmed by the Court. The plan, however, must be accepted by: (i) at least the holder of one (1) class of claims by a majority in number and two-thirds (2/3) in amount of those claims of such class actually voting; or (ii) at least the holders of one (1) class of allowed interests by two-thirds (2/3) in amount of the allowed interests of such class actually voting.

The Court may confirm the plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

Confirmation of the plan discharges the debtor from all of its pre-confirmation debts and liabilities except as expressly provided for in the plan and Section 1141(d) of the Code. Confirmation makes the plan binding upon the debtors and all claimants, equity interest holders and other parties-in-interest, regardless of whether or not they have accepted the plan.

Voting Procedures

Unimpaired Class. Claimants in Class 1 and 7 are not impaired under the Plan. Such Class is deemed to have accepted the Plan.

Impaired Classes. The Class 2 through 6 Claimants are impaired as defined by Section 1124 of the Code. The Debtor is seeking the acceptance of the Plan by Claimants in Classes 2 through 6. Each holder of an Allowed Claim in Classes 2 through 6 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below.

For all Classes, the ballot must be returned to Eric A. Liepins, 12770 Coit Road, Suite 1100, Dallas, Texas 75251. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot.

Best Interests of Creditors Test

Section 1129(a)(7) of the Code requires that each impaired class of claims or interests accept the Plan or 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 Debtor was liquidated under Chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, each 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 secures such claims. In order for the Plan to be confirmed, the Bankruptcy Court must determine that the Plan is in the best interests of the Debtor's creditors. Accordingly, the proposed Plan must provide the Debtor's creditors with more than they would receive in a Chapter 7 liquidation. It is anticipated that in a Chapter 7 liquidation, the Debtor's creditors, other than the secured creditors, would receive nothing. Accordingly, since the Plan proposes a substantial dividend to all creditors, such creditors are receiving more than they would receive in a Chapter 7 liquidation. Accordingly, the Plan satisfies the requirements of Section 1129(a)(7).

Cramdown

The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

II REPRESENTATIONS

[Note: Paragraphs in brackets to be included after the Bankruptcy Court approves this Disclosure Statement.]

[This Disclosure Statement is provided pursuant to Section 1125 of the Code to all of the Debtor known Creditors and other parties in interest in connection with the solicitation of acceptance of its Plan of Reorganization, as amended or modified. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan. A copy of the Plan is attached hereto as Exhibit "A".]

[After a hearing on notice, the Court approved this Disclosure Statement as containing information of the kind and in sufficient detail adequate to enable a hypothetical, reasonable investor typical of the classes being solicited to make an informed judgment about the Plan.]

The information contained in this Disclosure Statement has been derived from the Debtor, unless specifically stated to be from other sources.

NO REPRESENTATIONS CONCERNING THE DEBTOR IS AUTHORIZED BY THE DEBTOR OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTOR RECOMMENDS THAT ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH IS NOT CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN REACHING YOUR DECISION ON HOW TO VOTE ON THE PLAN. ANY REPRESENTATION OR INDUCEMENT MADE TO YOU NOT CONTAINED HEREIN SHOULD BE REPORTED TO THE ATTORNEYS FOR DEBTOR WHO SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT

GOVERNMENTAL AUTHORITY IN ANY STATE OF THE UNITED STATES. IN ADDITION, NEITHER THE SEC, NOR ANY OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THE DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTORS ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.

DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. THE PLAN WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND EACH CREDITOR AND INTEREST HOLDER IS URGED TO CAREFULLY REVIEW THE PLAN PRIOR TO VOTING ON IT.

III

FINANCIAL PICTURE OF THE DEBTORS

Financial History and Background of the Debtor

The Debtor acquired the property located at 4511 Rhea Road in 2004. The Debtor purchased the 601 Monroe Street in 2006. The Debtor operates the Rhea property. In 2007 the Debtor leased out the Monroe property and it is currently leased to Bhavesh Patel. Because increased competition the Debtor began losing market share in 2017. The resulting loss of business cause the Debtor to fall

behind it in payments to its secured lender. The Property was posted for foreclosure and the Bankruptcy was filed to restructure the operations and continue in business.

Post Petition Operations

Since the filing of the bankruptcy, the Debtor has worked with its primary secured lender, Herring Bank (“Herring”) to continue its operations. The Debtor has been making adequate protection payments to Herring during the case and is current with those payments. The Debtor has been profitable during the case.

Future Income and Expenses Under the Plan

The Debtor believes it now has understand its new competitive environment and the new realities of its business. Attached hereto as Exhibit “B” are projections of gross income, expenses and operating income for the next year. It is anticipated that after confirmation, the Debtor will continue in business. Based upon the projections, the Debtor believes it can service the debt to the secured creditors and pay a dividend to the unsecured creditors.

Post-Confirmation Management

The Debtor is currently owned by Anil Parikh. Upon confirmation of the Debtor’s Plan, Mr. Parikh will remain the owner of the company.

IV.

ANALYSIS AND VALUATION OF PROPERTY

The Debtor operates a convenience store/gas station in Wichita Falls, Texas. The Debtor also owns another property in Wichita Falls which the Debtor leases out. The value of these assets of the Debtor if liquidated might not cover the secured creditor debt. Under the Debtor’s Plan the debtor proposes to pay all creditors in full.

A liquidation analysis of the Debtor’s assets is attached hereto as **Exhibit "C"**.

V.

SUMMARY OF PLAN OF REORGANIZATION

The Debtor will continue in business. The Debtor’s Plan will break the existing claims into 7 categories of Claimants. These claimants will receive cash payments over a period of time beginning on the Effective Date.

Satisfaction of Claims and Debts: The treatment of and consideration to be received by holders of Allowed Claims or interests pursuant to this Articles 5 and 6 of this Plan shall be the sole an exclusive means for full settlement, release and discharge of their respective Claims, Debts, or interests. On the Confirmation Date, the Reorganized Debtor shall assume all duties, responsibilities and obligations for the implementation of this Plan. Any class of Claimants failing to vote on this Plan shall be deemed to have accepted this Plan in its present form or as modified or amended as permitted herein.

Class 1 Claimants (Allowed Administrative Claims of Professionals and US Trustee) are unimpaired and will be paid in cash and in full on the Effective Date of this Plan. Professional fees are subject to approval by the Court as reasonable. Debtors' attorney's fees approved by the Court and payable to the law firm of Eric Liepins, P.C. will be paid immediately following the later of Confirmation or approval by the Court out of the available cash. The Debtor's case will not be closed until all allowed Administrative Claims are paid in full. Class 1 Creditor Allowed Claims are estimated as of the date of the filing of this Plan to not exceed the amount of \$15,000 including Section 1930 fees. Section 1930 fees shall be paid in full prior to the Effective Date. The Debtor is required to continue to make quarterly payments to the U.S. Trustee and shall required to file post-confirmation operating reports until this case is closed. The Class 1 Claimants are not impaired under this Plan.

Class 2 Claimants (Allowed Ad Valorem Tax Claims) are impaired and shall be satisfied as follows: The Allowed ad Valorem Tax Creditor Claims shall be paid out of the revenue from the continued operations of the business to Wichita County. Wise County has filed two Proofs of Claim in the total amount of \$16,659.42 for real and business property taxes for year 2018. ("Ad Valorem Taxes") The Ad Valorem Taxes will receive post-petition pre-confirmation interest at the state statutory rate of 12% per annum and post-confirmation interest at the rate of 12% per annum. The Debtor will pay the Ad Valorem Taxes over a period of 60 months from the Petition Date, commencing on the Effective Date. The Debtor's monthly payment to pay the Ad Valorem Taxes will be approximately \$370. The Taxing Authorities shall retain their statutory senior lien position regardless of other Plan provisions, if any, to secure their Tax Claims until paid in full as called for by this Plan.

Class 2 Claimants are impaired under this Plan.

Class 3 Claimants (Allowed Tax Claim of the Internal Revenue Service) are impaired and shall be satisfied as follows: The Allowed Amount of Tax Creditor Claims of the Internal Revenue Service ("IRS") shall be paid out of the continued operations of the business. The IRS has filed a Priority Tax Proof of Claim in the amount of \$4,860.87. The Debtor believes this amount of be incorrect because certain returns filed by the Debtor have not been processed, however, the Allowed IRS Priority Tax Claim will be paid in full over a 60 month period commencing on the Effective Date, with interest at a rate of 5% per annum. If allowed as filed, the monthly payment shall be approximately \$92. Failure of the Debtor to meet the payment obligations set forth in the

Plan shall constitute an event of default under the Plan. In addition, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of a Federal (or state) tax lien and the powers of levy, seizure, and sale under the Internal Revenue Code. The below stated provisions apply to the IRS:

- (a) If the Debtor fails to make any Plan payments, and deposits of any currently accruing employment or sales tax liability, fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the debtor or its successor in interest fails to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.
- (b) If the United States declares the Debtor to be in default of the Debtor's obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, shall become due and payable immediately upon written demand to the Debtor or the successor in interest.
- (c) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default and upon the third event of default, the IRS may proceed to collect on all accounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor.
- (d) The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan.
- (e) All payment will be sent to: Mike Smith, IRS, 1100 Commerce Street, Mail Code 5027 DAL, Dallas, Texas 75242

The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the plan, and as set forth in paragraph (4)(a)-(d) above.

The Class 3 creditor is impaired under this Plan.

Class 4 Claimants (Texas Workforce commission) are impaired and shall be satisfied as follows: the Texas Workforce Commission ("TWC") has filed a Proof of Claim asserting a claim for unemployment tax in the amount of \$348.22 of which \$120.23 is asserted to be a priority claim. The Debtor shall pay the priority claim in full on the Effective Date and the balance of the TWC claim will be treated as an unsecured creditor in Class 6 below.

A failure by the Reorganized Debtor to make a payment to the TWC pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default from the TWC

then the TWC may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the TWC may have under applicable state law; and/or © seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Comptroller may proceed with the state law remedies for collection of all amounts due under state law.”

Class 4 Claimant is impaired under this Plan.

Class 5 Claimant (Allowed Claims of Herring Bank) is impaired and shall be satisfied as follows: The Debtor executed a promissory note in favor of Herring Bank (Herring”) on April 29, 2013 in the original principal amount of \$200,000 (“First Note”). The First Note was secured by, among other things, a Deed of Trust of even date, securing the real property located at 4511 Rhea Road, Wichita Falls, Texas, as more fully described in the Deed of Trust (the “Property”). On March 30, 2017 the Debtor executed that certain Promissory Note in favor of Herring in the original principal amount of \$8,562.92 (“Second Note”). The Second Note was secured by that certain Commercial Security Agreement, UCC-1 Financing Statement and the Deed of Trust on the Property set forth above. On April 29, 2013 the Debtor executed that certain Real Estate Lien Note in favor of Herring in the original principal amount of \$93,000 (“Third Note”). The Third Note was secured by that certain Deed of Trust of even date securing that certain real property located at 1601 Monroe Street, Wichita Falls, Texas as more fully described in the Deed of Trust (“Note Three Property”). The Debtor believes the collateral securing the First Note, Second Note and Third Note is equal to the amounts on to Herring on the First Note, Second Note and Third Note. Herring shall retain its liens and all other provisions of the pre-petition loan documents of Herring shall remain in full force and effect except as modified by this Plan, until paid in full under this Plan. Debtor shall restructure the indebtedness to Herring as follows:

a. **First Note.** Herring shall have an Allowed Claim on the First Note in the amount of \$171,803.10. This amount shall be repaid commencing on the Effective Date in amortization of 240 months. The First Note shall be repaid as follows: The Debtor shall make 36 equal monthly payments commencing on April 1, 2019 through March 1, 2022 with interest at the rate of 5.95% per annum. On March 1, 2022, the interest rate applicable to the First Note will adjust to a rate equivalent to the then published Wall Street Journal (“WSJ”) Prime Rate plus 1%, however, this adjusted rate shall not be lower than 5.95%. The Debtor shall thereafter make 36 equal monthly payments at such adjusted interest rate for the monthly payments due from April 1, 2022 through March 1, 2025. On March 1, 2025, the interest rate applicable to the First Note will adjust to a rate equivalent to the then published WSJ Prime Rate plus 1%, however, this adjusted rate shall not be lower than 5.95%. The Debtor shall thereafter make 36 equal monthly payments at such adjusted interest rate for the monthly payments due from April 1, 2025 through March 1, 2028. On March 1, 2028, the interest rate applicable to the First Note will adjust to a rate equivalent to the then published WSJ Prime Rate plus 1%, however, this adjusted rate shall not be lower than 5.95%. The Debtor shall thereafter make 1 monthly payment at such adjusted interest rate for the monthly payment due on April 1, 2028. The Debtor shall then make 1

payment with interest at such adjusted interest rate on or before May 1, 2028 of all remaining principal and interest on the First Note.

b. Second Note. Herring shall have an Allowed Claim on the Second Note in the amount of \$8,652. This amount shall be ~~repay~~ repaid commencing on the Effective Date in 36 equal monthly payments with interest at the rate of 5.5% per annum, with the first payment due on April 1, 2019 and the last payment due on March 1, 2022.

c. Third Note. Herring shall have an Allowed Claim on the Third Note in the amount of \$78,087.21. The Debtor shall make 36 equal monthly payments commencing on April 1, 2019 through March 1, 2022 with interest at the rate of 5.95% per annum. On March 1, 2022, the interest rate applicable to the Third Note will adjust to a rate equivalent to the then published WSJ Prime Rate plus 1%, however, this adjusted rate shall not be lower than 5.95%. The Debtor shall thereafter make payments 36 equal monthly payments at such adjusted interest rate for the monthly payments due from April 1, 2022 through March 1, 2025. On March 1, 2025, the interest rate applicable to the Third Note will adjust to a rate equivalent to the then published WSJ Prime Rate plus 1%, however, this adjusted rate shall not be lower than 5.95%. The Debtor shall thereafter make 36 equal monthly payments at such adjusted interest rate for the monthly payments due from April 1, 2025 through March 1, 2028. On March 1, 2028, the interest rate applicable to the Third Note will adjust to a rate equivalent to the then published WSJ Prime Rate plus 1%, however, this adjusted rate shall not be lower than 5.95%. The Debtor shall thereafter make 1 monthly payment at such adjusted interest rate for the monthly payment due on April 1, 2028. The Debtor shall then make 1 payment at such adjusted rate on or before May 1, 2028 of all remaining principal and interest on the Third Note.

Class 5 is impaired under this Plan.

Class 6 Claimants(Allowed Unsecured Creditors) are impaired and shall be satisfied as follows: All allowed unsecured creditors shall share pro rata in the unsecured creditors pool. The Debtor shall make monthly payments commencing on the Effective Date of \$250 into the unsecured creditors' pool. The Debtor shall make distributions to the Class 6 creditors every 90 days commencing 90 days after the Effective Date. The Debtor shall make a payments until all Allowed unsecured claims are paid in full.

The Class 6 creditors are impaired.

Class 7 (Current Shareholders) are not impaired under the Plan and shall be satisfied as follows: The current shareholders will receive no payments under the Plan, and the current stockholders shall retain their existing interests.

Class 7 Claimants are not impaired under the Plan.

ARTICLE VI **MECHANICS/IMPLEMENTATION OF PLAN**

Debtor anticipates the continued operations of the business to fund the Plan.

As specified in Section 1125(e) of the Bankruptcy Code, persons that solicit acceptances or rejections of this Plan and/or that participate in the offer, issuance, sale or purchase of securities offered or sold under this Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, are not liable on account of such solicitation or participation for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejection of this Plan or the offer, issuance, sale or purchase of securities.

VII.
FEASIBILITY OF PLAN

The projections of the future business operations are attached hereto as Exhibit "B". The Debtor believes that the projections are conservative based upon the historical operations of the business. Based upon the projections, the Debtor believes the Plan to be feasible.

VIII.
RETENTION OF JURISDICTION

The Bankruptcy Court's jurisdiction shall be retained under the Plan as set forth in Article XIV of the Plan.

IX.
ALTERNATIVES TO DEBTOR'S PLAN

If the Debtor's Plan is not confirmed, the Debtor's bankruptcy case may be converted to a case under Chapter 7 of the Code, in which case a trustee would be appointed to liquidate the assets of the Debtor for distribution to its Creditors in accordance with the priorities of the Code. Generally, a liquidation or forced sale yields a substantially lower amount. As set forth above, the Debtor owes approximately \$250,000 in secured claims to Herring Bank and approximately \$20,000 in tax claims. Claims to the secured creditors and the tax creditors must be paid prior to the unsecured creditors receiving any payment. The Debtor believes the value of the assets might not exceed the secured creditors and tax creditor debts, and therefore, a liquidation would result in no distribution to the unsecured creditors.

A liquidation analysis is attached hereto as Exhibit "C".

X
RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN

Claimants and Equity Interest Holders should be aware that there are a number of substantial

risks involved in consummation of the Plan. The Plan contemplates that there will be excess funds to pay Creditor Claims.

XI.
TAX CONSEQUENCES TO THE DEBTOR

Implementation of the Plan may result in federal income tax consequences to holders of Claims, Equity Interest Holders, and to the Debtor. In this case most of the creditors will not be paid in full the amount of their claims. Tax consequences to a particular Creditor or Equity Interest Holder may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interests of the Equity Interest Holder. **CLAIMANTS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS.**

XII.
PENDING OR ANTICIPATED LITIGATION

The Debtor has evaluated potential claims which may be brought. The Debtor is unaware of any litigation which could be brought for the benefit of the creditors of the estate.

Dated: February 8, 2019.

Respectfully submitted,

Shreedevi AA Corporation

_ /s/ Anil Parikh _____

By: Anil Parikh

Its: President

EXHIBIT 'C'

LIQUIDATION ANALYSIS

	CHAPTER 7	CHAPTER 11
ASSETS		
BUILDING/INVENT	215,000 ¹	400,000
CASH	5,000	5,000
INVENTORY	10,000 ²	30,000
total	230,000	435,000
LIABILITIES		
ADMINISTRATIVE	15,000	15,000
TAX CREDITORS	20,000	20,000
SECURED CREDITORS	250,000	250,000
UNSECURED CREDITORS	10,000	10,000
DISTRIBUTION TO UNSECURED	0%	100%

¹The Debtor bases its valuation on the value of the property set forth in the Proof of Claim by Herring Bank and believe a liquidation of the real property at foreclosure would bring 70% of the current value of the property.

²The Debtor believes a liquidation of the inventory would yield approximately 33% of the cost because many items are perishable.