

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE: §
DFW WINGS, INC. § CASE NO. 19-43264-11
DEBTOR § CHAPTER 11

COMBINED DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION

ARTICLE I
SUMMARY

This Combined Disclosure Statement and Plan of Reorganization (the “Plan”) under Chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of DFW WINGS, INC. d/b/a Buffalo Wings & Rings (the “Debtor”) from cash flow and future income upon approval of this Plan.

This plan provides for 4 classes of claims, consisting of class of secured claims, class of unsecured claims and class of equity security holders. Unsecured creditors with allowed unsecured claims are expected to receive a distribution of approximately 10% of their allowed claims. This Plan also provides for the payment of administrative and priority claims as well as secured claims as outlined in the Plan.

All creditors and equity security holders should carefully review this Plan for information regarding the precise treatment of their claim. The disclosures contained in the Plan have provisionally been approved by the Bankruptcy Court as adequate. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II
BACKGROUND

A. Background

On March 18, 2015, BW&R DFW, LLC, was formed in the state of Texas by William Melton for the purpose of entering as a franchisee into a franchise agreement with Buffalo Wings & Rings, LLC, an Ohio limited liability company, which is in the business of franchising its concept dining services for dining in, take out and catering.

On March 26, 2015, BW&R DFW, LLC, entered into Franchise Agreement with Buffalo Wings & Rings, LLC, an Ohio limited liability company.

Based on advice from certain professionals, on July 28, 2015, William Melton formed

DFW Wings, Inc., for the purpose of taking over the Franchise Agreement from BW&R DFW, LLC. William Melton owns 51% of the shares of DFW Wings, Inc. (“Debtor”), and Christine A. Melton owns the remaining 49% of the shares.

On August 4, 2015, with the consent of Buffalo Wings & Rings, LLC, an Ohio limited liability company, transferred its rights as a franchisee under the Franchise Agreement to DFW Wings, Inc.

The Meltons put in approximately \$300,000.00 of their own money and obtained a loan from The Bancorp Bank in the amount of \$1,483,000.00 which was guaranteed by the Small Business Administration (the “SBA Loan”). The Bancorp Bank became the first lienholder on all assets as well as accounts receivable and perfected its interest.

Events Leading to Chapter 11 Filing

The finish out of the space at 2150 E. Lamar Blvd, Ste 110, Arlington, Texas 76082 (the “Premises”), took several months longer than expected. Instead of opening its doors before the start of the 2016 season for the Dallas Cowboys, Debtor was unable to complete the finish out until almost at the end of the season for the Dallas Cowboys. This caused cash flow issues for Debtor and to alleviate the cash crunch the unfortunate decision was made to obtain a short-term loan from a hard money lender. The injection of the new funds from the hard money lender alleviated the cash flow problem for a very short time period but the requirement of Debtor making daily repayments on the loan created its own problem. To solve this unanticipated problem, more loans were obtained from hard money lenders with the expectation that as time went by the sales would improve and the expenses would become more manageable. Unfortunately, the anticipated scenario did not materialize, and Debtor ended up defaulting on its SBA loan as well as the loans from the hard money lenders.

On March 19, 2019, The Bancorp Bank commenced a lawsuit against Debtor in the 141st District Court, Tarrant County, Texas, cause No. 141-306852-19. Eventually, it obtained a judgment against Debtor.

The above referenced factors were instrumental in forcing Debtor into Chapter 11 bankruptcy in order to reorganize its financial affairs. On August 7, 2019, Debtor filed bankruptcy.

Significant Events During the Bankruptcy Case

Since having filed Chapter 11 the Debtor has remained in possession of its assets and has been operating as a going concern.

Post-petition Debtor reached agreement on the use of cash collateral with The Bancorp Bank and is paying the sum of \$3,600.00 as adequate protection payment. The Bancorp Bank still retains its secured status with respect to all of Debtors’ assets and account receivable. However, based on the amount of debt owed to The Bancorp and the value of its collateral, The Bancorp is an undersecured creditor.

Debtor has further streamlined its operations and is carefully monitoring its labor costs. Also, Debtor has ramped up its marketing efforts and is attempting to expand its catering side of the business operations in the area.

Debtor has taken steps towards assuming the lease on its premises as well as assuming the Franchise Agreement.

Starting in March 2020, due to COVID-19 pandemic and the shelter in place public orders, Debtor's dine in operation and catering operation came to a complete halt. These income streams stopped for part of March 2020 and all of April 2020. During this time period, take-out orders were the only source of income for Debtor. As a result, Debtor experienced substantial reduction in gross income. Even though labor/employee expenses were reduced the fixed costs of operation stayed the same.

Since May 1, 2020, Debtor's dine in operation has been operating at 25% capacity even though fixed costs of the operation have not changed. Debtor would not have been able to propose a plan of reorganization without the aid of US Bancorp which has agreed to accepting reduced monthly repayments towards its Allowed Secured Claim through December 2020.

B. Compensation of Officers

Debtor's members William Melton and Christine Melton will remain in control of Debtor and will continue to run its day to day operations. The expected annual salary for William Melton is \$50,000.00 and Christine Melton will have an expected annual salary of \$50,000.00 too.

C. Alternatives to This Plan

If this Plan is not approved by the Bankruptcy Court, then the most likely alternative is the liquidation of the Debtor under Chapter 7 of the Bankruptcy Code. If Debtor is liquidated under Chapter 7 then it is most likely that only The Bancorp Bank receive limited recovery on its collateral and Debtor's unsecured creditors will not receive any distribution whatsoever.

D. Potential Recovery of Avoidable Transfers

Within 90 days of the filing of its bankruptcy petition, Debtor made payments exceeding \$6,425.00 to the following unsecured creditors:

- a. Buffalo Wings & Rings, LLC,
- b. Ben E. Keith,
- c. Chase,
- d. American Express,
- e. TXU Energy, and
- f. Liberty Mutual Insurance.

Debtor does not intend to pursue any avoidance action in this bankruptcy proceeding due to uncertainty of potential recoveries, the potential amounts of the recoveries, the costs associated with pursuing such recovery.

ARTICLE III **DEADLINES**

A. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Combined Disclosure Statement and Plan of Reorganization. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Time and Place of the Hearing to Confirm the Plan*

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, at _____ in Courtroom 204, at the United States Bankruptcy Court, 501 W. 10th Street, Fort Worth, Texas 76102.

2. *Deadline for Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to Behrooz P. Vida, The Vida Law Firm, PLLC, 3000 Central Drive, Bedford, Texas 76021.

Your ballot must be received by _____ or it will not be counted.

3. *Deadline for Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

Objections to this Combined Plan and Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon Behrooz P. Vida, The Vida Law Firm, PLLC, 3000 Central Drive, Bedford, Texas 76021 by _____.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact Behrooz P. Vida, The Vida Law Firm, PLLC, 3000 Central Drive, Bedford, Texas 76021.

B. Disclaimer

The Court has conditionally approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure

Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

ARTICLE IV **DEFINITIONS**

4.01 Administrative Claim: Shall mean a Claim entitled to priority under sections 503(b) and 507(a)(1) of the Bankruptcy Code in the Chapter 11 Case of the Debtor.

4.02 Allowed: With respect to Claims, (a) any Claim against the Debtor, proof of which is timely filed or by order of the Bankruptcy Court or pursuant to the Plan is not or will not be required to be filed, (b) any Claim that has been or is hereafter listed in the Schedules as neither disputed, contingent nor unliquidated, and for which no timely Proof of Claim has been filed, or (c) any Claim allowed pursuant to this Plan or the Confirmation Order; provided, however, that with respect to any Claim described in clauses (a) or (b) above, such Claim will be allowed only if (i) no objection to the allowance thereof has been interposed within the applicable period of time fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court or (ii) such an objection is so interposed and the Claim shall have been allowed by a Final Order (but only if such allowance was not solely for the purpose of voting to accept or reject this plan). Except as otherwise specified in this Plan or a Final Order, the amount of an Allowed Claim shall not include interest on such Claim after the Petition Date.

4.03 Ballot: Shall mean the Ballot to be used by creditors to cast their votes to accept or reject the Plan.

4.04 Balloting Agent: Shall mean Debtor's counsel, as agent.

4.05 Bankruptcy Code: Shall mean Title 11 of the United States Code, as amended from time to time, as applicable during the Chapter 11 Cases.

4.06 Bankruptcy Court: Shall mean the United States Bankruptcy Court for the Northern District of Texas, or any other court having jurisdiction over the Chapter 11 Cases.

4.07 Bankruptcy Rules: Shall mean the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code.

4.08 Bar Date: Shall mean the date designated in the "Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines" as the last day for filing a Proof of Claim against the Debtor. The applicable Bar Date in this proceeding was **1/2/2020** as to all creditors except for governmental units which were subject to the Bar Date of **2/3/2020**.

4.09 Business Day: Shall mean any day on which commercial banks are open for business in Dallas, Texas.

4.10 Claim: Shall mean any right to (a) payment from the Debtor, whether or not such right is reduced to judgment, liquidated, un-liquidated, fixed, contingent, matured, un-matured, disputed, undisputed, legal, equitable, secured or unsecured or (b) an equitable remedy for breach of performance of the Debtor if such breach gives rise to a right to payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, un-matured, disputed, undisputed, secured or unsecured.

4.11 Claimant: Shall mean the holder of a Claim.

4.12 Collateral: Shall mean any property of the Debtor subject to a valid, enforceable and non-avoidable Lien to secure the payment of a Claim (as defined in section 101(5) of the Bankruptcy Code).

4.13 Confirmation Date: Shall mean the date on which the Confirmation Order is entered on the docket maintained by the clerk of the Bankruptcy Court with respect to the Chapter 11 Case.

4.14 Confirmation Hearing: Shall mean the hearing held by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code regarding the confirmation of this Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

4.15 Confirmation Order: Shall mean the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

4.16 Contested: when used with respect to a Claim, shall mean a Claim against the Debtor [1] that is listed in the Debtor's Schedules as disputed, contingent or unliquidated; [2] that is listed in the Debtor's Schedules as undisputed, liquidated and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; [3] that is not listed in the Debtor's Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court and to which an objection has been filed or [4] that is the subject of a defense provided under section 502 of the Bankruptcy Code. Notwithstanding the foregoing, after the Objection Deadline, only Claims to which an Objection has been filed shall be deemed Contested Claims.

4.17 Creditor: Shall mean the Holder of a Claim against the Debtor that arose on or before the Petition Date or a Claim against the Debtor's estate of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code.

4.18 Effective Date of the Plan. Shall mean the effective date of this Plan is the 15th business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

4.19 Fee Application: Shall mean an application of a Professional Person under section 330 or 503 of the Bankruptcy Code for allowance of compensation and reimbursement of expenses in

the Chapter 11 Case.

4.20 Final Order. Shall mean [1] an order which has been entered and as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending or [2] in the event that an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure may be filed with respect to such order.

4.21 General Unsecured Claim: Shall mean any Claim against the Debtor that is not a Secured Claim, an Administrative Claim, or a Priority Claim.

4.22 Lien: As defined in section 101(37) of the Bankruptcy Code; except that a Lien that has been avoided in accordance with a provision of the Bankruptcy Code, including sections 544, 545, 546, 547, 548 or 549, shall not constitute a Lien.

4.23 Petition Date: May 8, 2018.

4.24 Plan: The Debtor's Combined Disclosure Statement and Plan together with all exhibits, as it may be amended or modified.

4.25 Priority Claim: Shall mean a Claim of the kind specified in section 507(a)(2)- (a)(10) of the Bankruptcy Code.

4.26 Pro Rata Share: Shall mean the proportion that (a) the Allowed amount of a Claim in a particular Class (or several Classes taken as a whole) bears to (b) the aggregate Allowed amount of all Claims in such Class (or several Classes taken as a whole), unless this Plan expressly provides otherwise.

4.27 Professional Person: Shall mean a person retained or to be compensated pursuant to section 327, 328, 330, 503[b] or 1103 of the Bankruptcy Code.

4.28. Reorganized Debtor: Shall mean the Debtor, as reorganized, on and after the Effective Date.

4.29 Schedules: Shall mean the Schedules of assets and liabilities and the statements of financial affairs filed by the Debtor as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such Schedules and statements have been or may be supplemented or amended.

4.30 Secured Claim: Shall mean a Claim secured by a Lien on property of the Debtor, which Lien is valid, perfected and enforceable under applicable law, is not subject to avoidance

under the Bankruptcy Code or other applicable non-bankruptcy law and which is duly established in the Chapter 11 Case, but only to the extent of the value of the Collateral that secures payment of such Claim.

4.31 Unsecured Claim: Shall mean a Claim other than a Secured Claim.

4.32 Voting Deadline: Shall mean the date set by the Bankruptcy Court by which Ballots for accepting or rejecting the Plan must be received by the Balloting Agent.

ARTICLE V
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

5.01 Unclassified Claims. Under section § 1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

5.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VIII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtors.

5.03 Priority Tax Claims. Each holder of a priority tax claim will be paid consistent with § 1129(a)(9)(C) of the Code.

- (a) Allowed claims of the *United States of America, Department of Treasury - Internal Revenue Service (the "IRS")* – See Claims Register #6 - entitled to priority under § 507(a)(8) of the Code. The claimant will receive 5% interest.

Description (name and type of tax)	Tax Period	Amount of Tax Liability Claimed by the IRS including Tax Due and Interest	Interest Rate	Treatment of the Claim Under the Plan
WT-FICA	03/31/2018	\$27,377.98 Includes interest referenced in proof of claim	5%	This amount will be repaid at 5% interest in 84 equal monthly payments of \$386.96 starting on Effective Date of the Plan. The IRS indicated in its proof of claim (Claims Register #4) that this claim was a secured claim. However, due to the fact that all of Debtor's assets are subject to a prior in time secured and perfected claim by Bancorp Bank which predates the IRS notice filed with Secretary of State of Texas on 8/7/2019 and the notice of Federal Tax Lien filed by IRS in Tarrant County on 8/6/2019. Therefore, this claim is an

				unsecured priority claim and is being treated as such under this Plan.
WT-FICA	06/30/2018	\$11,358.93 Includes interest referenced in proof of claim	5%	This amount will be repaid at 5% interest in 84 equal monthly payments of \$160.55 starting on Effective Date of the Plan. The IRS indicated in its proof of claim (Claims Register #4) that this claim was a secured claim. However, due to the fact that all of Debtor's assets are subject to a prior in time secured and perfected claim by Bancorp Bank which predates the IRS notice filed with Secretary of State of Texas on 8/7/2019 and the notice of Federal Tax Lien filed by IRS in Tarrant County on 8/6/2019. Therefore, this claim is an unsecured priority claim and is being treated as such under this Plan.
WT-FICA	09/30/2018	\$28,578.15 Includes interest referenced in proof of claim	5%	This amount will be repaid at 5% interest in 84 equal monthly payments of \$403.92 starting on Effective Date of the Plan. The IRS indicated in its proof of claim (Claims Register #4) that this claim was a secured claim. However, due to the fact that all of Debtor's assets are subject to a prior in time secured and perfected claim by Bancorp Bank which predates the IRS notice filed with Secretary of State of Texas on 8/7/2019 and the notice of Federal Tax Lien filed by IRS in Tarrant County on 8/6/2019. Therefore, this claim is an unsecured priority claim and is being treated as such under this Plan.
WT-FICA	12/31/2018	\$8,284.71 Includes interest referenced in proof of claim	5%	This amount will be repaid at 5% interest in 84 equal monthly payments of \$117.10 starting on Effective Date of the Plan. The IRS indicated in its proof of claim (Claims Register #4) that this claim was a secured claim. However, due to the fact that all of Debtor's assets are subject to a prior in time secured and perfected claim by Bancorp Bank which predates the IRS notice filed with Secretary of State of Texas on 8/7/2019 and the notice of Federal Tax

				Lien filed by IRS in Tarrant County on 8/6/2019. Therefore, this claim is an unsecured priority claim and is being treated as such under this Plan.
FUTA	12/31/2017	\$100.00 Estimated by the IRS	N/A	Debtor has filed the required return in the ordinary course of its operations and does not have any liability for this tax and period. No distribution will be made to the IRS for this tax and period.
FUTA	12/31/2018	\$793.63 Estimated by the IRS	N/A	Debtor has filed the required return in the ordinary course of its operations and does not have any liability for this tax and period. No distribution will be made to the IRS for this tax and period.
WT-FICA	03/31/2019	\$34,019.88	5%	This amount will be repaid at 5% interest in 84 equal monthly payments of \$480.83 starting on Effective Date of the Plan.
WT-FICA	06/30/2019	\$33,405.62 estimated by the IRS, but the actual amount is \$21,454.67	5%	Debtor has filed the applicable tax return for this period and the amount owed is \$21,454.67 as opposed to \$33,405.62. Debtor will pay \$21,454.67 at 5% interest in 84 equal monthly payments of \$303.24 starting on Effective Date of the Plan.
WT-FICA	09/30/2019	\$13,623.16 Estimated by the IRS	N/A	Debtor has filed the required return in the ordinary course of its operations and does not have any liability for this tax and period. No further distribution will be made to the IRS for this tax and period.
CORP-INC	12/31/2019	\$100.00 Estimated by the IRS	N/A	Debtor in the ordinary course of its operations will file this tax return and will pay any associated liability.
FUTA	12/31/2019	\$460.12 Estimated by the IRS	N/A	Debtor in the ordinary course of its operations will file this tax return and will pay any associated liability.
WT-FICA	9/30/2015	\$100.00 Estimated by the IRS	N/A	Debtor was not in business during this time period and therefore was not required to file a return or pay the IRS.

WT-FICA	12/31/2015	\$100.00 Estimated by the IRS	N/A	Debtor was not in business during this time period and therefore was not required to file a return or pay the IRS.
FUTA	12/31/2015	\$100.00 Estimated by the IRS	N/A	Debtor was not in business during this time period and therefore was not required to file a return or pay the IRS.
WT-FICA	03/31/2016	\$100.00 Estimated by the IRS	N/A	Debtor was not in business during this time period and therefore was not required to file a return or pay the IRS.
WT-FICA	06/30/2016	\$100.00 Estimated by the IRS	N/A	Debtor was not in business during this time period and therefore was not required to file a return or pay the IRS.
MISC PEN	12/31/2016	\$0.00	N/A	Since the assessed liability is \$0.00, Debtor is not required to pay the IRS for this tax.

Even though in the table above, Debtor's federal liabilities have been separated by applicable tax period and applicable tax type, Debtor will pay the IRS on the above tax liabilities in 84 monthly payments of \$1,858.96.

The occurrence of any of the following shall constitute an event of default under the Plan: Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS's claim, 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 Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:

1. If Debtor fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the IRS within 14 days of the due date of such deposit or payment, or if Debtor failed to file any required federal or state tax return by the due date of such return, then the United States may declare that 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 Debtor is in default.
2. If the United States declares Debtor to be in default of Debtor's obligations under the Plan, then the automatic stay provided under 11 U.S.C. § 362 shall lift without further notice by the Court and the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to Debtor.
3. If full payment is not made within 14 days of such demand, then the IRS 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 amounts owed without recourse to the Bankruptcy Court and without further notice to Debtor. All

payments will be sent to: IRS, 1100 Commerce Street, Mail Code 5026 DAL, Dallas, Texas 75242.

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

(b) Allowed priority claim of the *Texas Comptroller of Public Accounts ("Texas Comptroller")* - See Claims Register #7 - entitled to priority under § 507(a)(8) of the Code. The claimant will receive 5% interest.

Description (name and type of tax)	Tax Period	Amount of Tax Liability Claimed by Texas Comptroller including Tax Due and Interest	Interest Rate	Treatment of the Claim Under the Plan
Mixed Beverage Sales Tax CH. 183,151	1604-1908	\$39,784.15 (includes \$2,413.57 in interest)	5%	This amount will be repaid at 5% interest in 60 equal monthly payments of \$750.78 starting on Effective Date of the Plan. The penalties of \$22,134.92 associated with this claim are treated as Class 4 claim.

The occurrence of any of the following shall constitute an event of default under the Plan: Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the Texas Comptroller's claim, upon a default under the plan, the administrative collection powers and the rights of the Texas Comptroller 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 tax lien and the powers of levy, seizure, and as provided under the Texas law. As to the Texas Comptroller:

1. If Debtor fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Texas Comptroller within 14 days of the due date of such deposit or payment, or if Debtor failed to file any required state tax return by the due date of such return, then Texas Comptroller may declare that Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by Texas Comptroller of the right to declare that the Debtor is in default.
2. If Texas Comptroller declares Debtor to be in default of Debtor's obligations under the Plan, then the automatic stay provided under 11 U.S.C. § 362 shall lift without further notice by the Court and the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to Debtor.
3. If full payment is not made within 14 days of such demand, then Texas Comptroller

may collect any unpaid liabilities through the administrative collection provisions of Texas Tax Code. Texas Comptroller shall only be required to send two notices of default, and upon the third event of default Texas Comptroller may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to Debtor. All payments will be sent to: Revenue Accounting Division - Attention: Bankruptcy, P.O. Box 13528, Austin, TX 78711.

4. Texas Comptroller shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons. Texas Comptroller may take such actions as it deems necessary to assess any liability that may be due and owing by Debtor to Texas Comptroller; but Texas Comptroller shall not take action to actually collect from Debtor unless and until there is a default under the Plan and as set forth above.

5.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. § 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date. The Debtor shall file post confirmation quarterly operating reports and shall pay post confirmation quarterly United States Trustee fees until the case is closed, dismissed, or converted to another chapter of the Code.

5.05 Debtor's counsel's fees. Any amount owed to The Vida Law Firm, PLLC, in excess of the retainer on deposit at the firm's Trust Account, shall be paid by Debtor within 30 days of the Effective Date of the Plan. The Vida Law Firm, PLLC shall file a fee application on or before 60 days after the entry of the Confirmation Order and no payment of any such fees or drawdown from the retainer shall be made until after the entry of an order allowing the attorneys fees and expenses of The Vida Law Firm, PLLC.

ARTICLE VI

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

6.01 Claims and interests shall be treated as follows under this Plan:

<u>Class No.</u>	<u>Party & Party's Claim Description</u>	<u>Insider? (Yes or No)</u>	<u>Impairment</u>	<u>Treatment</u>
1	The Bancorp Bank Collateral: All Accounts, All Inventory, All Equipment, Furniture, Fixtures and Other Tangible Property, General Intangibles, Chattel Paper and Instruments. Security Interest was	No	Impaired	<i>Claims Register #8</i> Claim amount: \$1,386,944.72 In its proof of claim, Claimant has bifurcated its claim into a secured Claim in the amount of \$1,062,046.00 and an unsecured claim in the amount of \$324,898.72.

	perfected on 12/31/2015.			<p>For the purpose of confirmation of this Plan, Debtor has bifurcated Claimant’s Claim into an Allowed Secured Claim in the amount of \$742,276.00 and an Allowed Unsecured Claim in the amount of \$644,668.72.</p> <p>The treatment of the secured portion of the Claim is spelled out here and the unsecured portion of the Claim will receive treatment as a Class 4 Claim.</p> <p>Monthly payments of \$3,600.00 made by Debtor to Claimant from September 2019 through December 2020, shall get deducted from the Allowed Secured Claim amount and the resulting balance shall be paid at 6% interest in equal monthly payments of \$8,237.22, starting in January 2021 until paid in full.</p> <p>Until such date that the Allowed Secured Claim is paid in full as outlined here, the Claimant’s lien shall remain attached to the Collateral that secures the Claim.</p>
2	<p>Tarrant County</p> <p>Account Number: 14596429</p> <p>Secured claim for: Tangible commercial personal property 2019</p>	No	Impaired	<p><i>Claims Register #2</i></p> <p>Claim amount: \$1,435.79</p> <p>This Allowed Secured Claim will accrue interest at 12%</p> <p>This Allowed Secured Claim will be paid in full 30 days after Effective Date.</p>
3	<p>Arlington Independent School District</p> <p>Account Number: 167503</p> <p>Secured claim for: Tangible commercial personal property 2019</p>	No	Impaired	<p><i>Claims Register #5</i></p> <p>Claim amount: \$1,598.56</p> <p>This Allowed Secured Claim will accrue interest at 12%</p> <p>This Allowed Secured Claim will be paid in full 30 days after Effective Date.</p>

Class No.	Party & Party's Claim Description	Impairment	Treatment
4	General Unsecured Class Claim Amounts as of Petition Date		
	<ol style="list-style-type: none"> 1. Quarterspot, Inc., <i>Claims Register #1</i>, claim amount: \$141,639.52. 2. Swift Financial, LLC, servicing agent for WebBank Successor to Celtic Bank Corp., <i>Claims Register #3</i>, claim amount: \$33,288.43 3. American Express National Bank, c/o Becket and Lee LLP, <i>Claims Register #6</i>, claim amount: \$15,267.48 4. Texas Comptroller of Public Accounts, <i>Claims Register #7</i>, for penalties associated with the claim in the amount of \$61,919.07 5. Auto Chlor; <i>No claim filed</i>; \$unknown 6. Celtic Bank Corporation; <i>No claim filed</i>; \$33,288.00; <u>this claim is disputed</u> 7. Celtic Bank Corporation; <i>No claim filed</i>; \$73,604.00; <u>this claim is disputed</u> 8. Chase; <i>No claim filed</i>; \$16,232.00 9. Everest Business Funding; <i>No claim filed</i>; \$48,931.00; <u>this claim is disputed</u> 10. Donald Turbyfill.; <i>No claim</i> 	Impaired	<p>The parties with allowed general unsecured Claims will start receiving payments at the end of the first quarter after the Effective Date of the Plan.</p> <p>Debtor believes based on the dollar figures included in the Plan each allowed general unsecured Claim will be paid approximately 10% of its Claim over a period of 5 years in equal quarterly payments. Therefore, Debtor expects to distribute amongst Class 4 creditors, the approximate sum of \$98,613.28.</p> <p>Debtor expects the quarterly distributions to Class creditors will be approximately \$4,930.66 to be shared on a pro rata basis.</p> <p>Any holder of a general unsecured Claim, whose Claim on Debtor's Schedules were reflected as disputed, contingent or unliquidated and who did not file a claim before the Bar Date will not receive any distribution under the Plan.</p> <p>Class 4 Claimants will not receive interest on their Claims under the Plan.</p> <p>No checks will be issued until the amount payable is at least \$25.00.</p> <p>Any creditor who fails to cash a check issued to it within 90 days of issuance, will have its check canceled and that specific creditor will no longer receive any payment under the plan.</p>

	<p><i>filed; attorneys fees; unknown; <u>this claim is contingent, unliquidated and disputed</u></i></p> <p>11. Chris J. Keegan; <i>No claim filed; attorneys fees; unknown; <u>this claim is contingent, unliquidated and disputed</u></i></p> <p>12. The Bancorp Bank, <i>Claims Register 8</i>, the unsecured deficiency portion of the claim in the amount of \$644,668.72</p> <p>13. Texas Comptroller of Public Accounts; <i>Claims Register #7</i>; claim for penalties in the amount of \$22,134.92.</p> <p>14. Internal Revenue Service; <i>Claims Register #4</i>; the unsecured portion of the claim including penalties in the amount of \$50,982.62.</p> <p>Debtor estimates the total Allowed Unsecured Claims under the Plan is approximately \$986,132.76.</p>		
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ARTICLE VII
ALLOWANCE AND DISALLOWANCE OF CLAIMS

7.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

7.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed. Objection to disputed claims shall be

filed the later of 60 days after entry of the confirmation order or 30 days after the filing of such disputed claim.

7.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VIII
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts and/or unexpired leases upon the effective date of this Plan.

Party	Description of Contract	Election
Ballpark Development, LLC c/o Mojoy Haddad, 2500 N.E. Green Oaks, Suite 200 Arlington, TX 76006	Commercial Sublease Agreement for the space commonly known as 2150 E. Lamar Blvd, Ste 110, Arlington, Texas 76082	Assumed
Buffalo Wings & Rings, LLC Attention President & CEO 564 Old State Route 74 Cincinnati, OH 45244	Franchise Agreement	Assumed

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, upon the effective date of this Plan. A proof of claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than (14) days after the date of the order confirming this Plan.

Party	Description of Contract	Election
N/A	N/A	N/A

ARTICLE IX
MEANS FOR IMPLEMENTATION OF THE PLAN

Payments and distributions under the Plan will be funded by future income. The sources of this income consist of income derived from running the business.

ARTICLE X
TAX CONSEQUENCES OF PLAN

Creditors concerned with how the Plan may affect their tax liability should consult with their own accountants, attorneys, and/or advisors.

ARTICLE XI
CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and at least as much as the creditor would receive in a chapter 7 liquidation case, unless the creditor votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor has a right to vote for or against the Plan only if that creditor has a claim that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 1 through 16 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

1. What Is an Allowed Claim?

Only a creditor with an allowed Claim has the right to vote on the Plan. For a full definition of the term Claim see the definition section of this Plan. Generally, a claim is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent or un-liquidated, or (2) the creditor has filed a proof of claim, unless an objection has been filed to such proof of claim. When a claim is not allowed, the creditor holding the claim cannot vote unless the Court, after notice and hearing, either overrules

the objection or allows the claim for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was 11/6/14.

2. What Is an Impaired Claim?

As noted above, the holder of an allowed claim has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. Who is Not Entitled to Vote

The holders of the following five types of claims are *not* entitled to vote:

- holders of claims that have been disallowed by an order of the Court;
- holders of other claims that are not "allowed claims" (as discussed above), unless they have been "allowed" for voting purposes.
- holders of claims in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
- administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. Who Can Vote in More Than One Class

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes, as discussed later in Section [B.2].

1. Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than

one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

2. Treatment of Non-accepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind non-accepting classes of claims if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a "cramdown" confirmation will affect your claim, as the variations on this general rule are numerous and complex.

C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors who do not accept the Plan will receive at least as much under the Plan as such claim would receive in Chapter 7 liquidation. See **Exhibit A** for details.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. Ability to Initially Fund Plan

The Plan Proponent believes that Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date.

2. Ability to Make Future Plan Payments and Operate Without Further Reorganization

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments. To show ability to fund the Plan, Debtor relies on its operating reports on file with the Bankruptcy Court [ECF Nos. 24, 34, 35, 38, 39, 40, 41 and 43]. These reports can all be supported by bank statements and other forms of financial reports that have already been provided to the Office of the United States Trustee. In addition, Debtor relies on the proformas attached as **Exhibit B, Exhibit C and Exhibit D**.

The final Plan payment is expected to be paid seven years from the month after the effective date of the plan.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

ARTICLE XII
MODIFICATION OF THE PLAN

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan.

Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

ARTICLE XIII
RETENTION OF JURISDICTION

The business and assets of the Debtor shall remain subject to the jurisdiction of the Bankruptcy Court until the Effective Date. From and after the Effective Date, the Bankruptcy Court shall retain and have exclusive jurisdiction of all matters arising out of, and related to the Chapter 11 Case or this Plan pursuant to, and for purposes of, subsection 105(a) and section 1142 of the Bankruptcy Code and for, among other things, to determine any and all disputes relating to Administrative Expenses, Claims and Equity Interests, including the allowance and amount thereof, and any right to setoff;

13.01 Determine any and all disputes among creditors with respect to their Claims;

13.02 Determine any and all objections to cure amounts required under this Plan;

13.03 Consider and allow any and all applications for compensation for professional services rendered and disbursements incurred up to and including the Confirmation Date;

13.04 Determine any and all applications, motions, adversary proceedings and contested or litigated matters pending on the Effective Date and arising in or related to the Chapter 11 Case or this Plan;

13.05 Remedy any defect or omission or reconcile any inconsistency in this Plan or the Confirmation Order;

13.06 Enforce the provisions of this Plan relating to the distributions to be made under the Plan;

13.07 Issue such orders, consistent with section 1142 of the Bankruptcy Code, as may be necessary to effectuate the consummation and full and complete implementation of this Plan;

13.08 Enforce and interpret any provisions of this Plan;

13.09 Determine such other matters as may be set forth in the Confirmation Order or that may arise in connection with the implementation of this Plan;

13.10 Determine the amounts allowable as Administrative Expenses pursuant to section 503(b) of the Bankruptcy Code;

13.11 Hear and determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted after the Effective Date;

13.12 Hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without express or implied limitation, any objections to the classification of any Claim and to allow, disallow or estimate any Contested Claim in whole or in part;

13.13 Hear and determine hear all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Plan, the Plan Documents or their interpretation, implementation, enforcement, or consummation;

13.14 Hear and determine any issue for which this Plan or any document related to it which requires a Final Order of the Bankruptcy Court;

13.15 Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

13.16 Hear any other matter not inconsistent with the Bankruptcy Code; and

13.17 Enter a final decree closing the Chapter 11 Case.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter set forth in Article XII, then, Article XII shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any Court having competent jurisdiction with respect to such matter.

ARTICLE XIV **GENERAL PROVISIONS**

14.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

14.02 Severability. If any provision of this Plan is determined to be unenforceable, the

determination will in no way limit or affect the enforceability and operative effect on any other provision of this Plan.

14.03 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon and will inure to the benefit of the successors or assigns of such entity.

14.04 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

14.05 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided for in this Plan.

ARTICLE XV **DISCHARGE**

15.01 Discharge. On the confirmation date of this Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the Effective Date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in § 1141(d)(6)(B).

[Intentionally Left Blank]

Approved:

DFW WINGS, INC.

By: /s/ William Melton
President