

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

In Re:

Royal Flush, Inc.,

Debtor.

Bankruptcy No. 16-23458 JAD

Chapter 11

Document No.

**AMENDED DISCLOSURE STATEMENT
TO ACCOMPANY AMENDED PLAN DATED July 31, 2017**

 Chapter 11 Small Business (Check box only if debtor has elected to be considered a small business under 11 U.S.C. §1121(e))

Debtor furnishes this disclosure statement to creditors in the above-captioned matter pursuant to Bankruptcy Code §1125 to assist them in evaluating Debtor's proposed Chapter 11 plan, a copy of which is attached hereto. Creditors may vote for or against the plan of reorganization. Creditors who wish to vote must complete their ballots and return them to the following address before the deadline noted in the order approving the disclosure statement and fixing time. The Court will schedule a hearing on the plan pursuant to 11 U.S.C. §1129.)

Address for return of ballots:

Donald R. Calaiaro, Esquire
CALAIARO VALENCIK
428 Forbes Avenue, Suite 900
Pittsburgh, PA 15219-2230

I. Background

1. Name of Debtor

Royal Flush, Inc.

2. Type of Debtor (individual, partnership, corporation)

Pennsylvania Closed Corporation

3. Debtor's Business or Employment

The Debtor is involved in the Oil & Gas industry; it transports "fracked" water from gas drilling sites. This accounts for 85% of the Debtor's business; the Debtor also rents and services portable toilets. It serves the construction industry, the entertainment industry and consumers.

4. Date of Chapter 11 Petition

September 15, 2016

5. Events that Caused the Filing:

The Oil & Gas industry weakened in 2014- 2016. Fewer gas wells were being operated because of the failing price of natural gas. As there were fewer oil & gas wells,

competition increased and the market price for their services fell by more than 25%. The Debtor lost a major portion of their business as the economy weakened the construction business sector. Their income decreased and they were unable to meet their obligations. The debtor was not able to contract more than 80 % of their equipment up through August of 2016 because of reduced demand. They were not able to service their fixed equipment costs as their income was reduced. Their lenders would not restructure their debt outside of a bankruptcy. The Debtor filed this chapter 11 to reorganize.

6. Anticipated Future of the Company & Source of this Information and Opinion

The Debtor has been able to restructure the secured debt to an affordable level; and it will be able to meet the future payments to creditors under this Plan. . The Debtor has made adequate protection payments to secured creditors as they have negotiated adequate protection agreements. In September through December of 2016, the Debtor has been able to contract 95% of its equipment.

7. Summarize all Significant Features of the Plan Including When and How Each Class of Creditor Will Be Paid and What, If Any, Liens Will Be Retained By Secured Creditors or Granted to Any Creditor Under the Plan

Class 1, Administrative Claims Class 1 will be paid in full on the Plan Effective Date unless the parties agree on a different payment arrangement.

(B) Class 2, First National Bank of Pennsylvania: is the holder of perfected first priority secured interest liens in the personal property assets of the Debtor, including inventory, chattel paper, accounts, receivables, equipment, documents and general intangibles as well as certain titled motor vehicles as more fully set forth in certain notes, security agreements, guarantees and other loan security documents ("Loan Documents") executed by the Debtor. The total secured claim of this creditor as of the Petition Date is \$ 2,734,179.77 plus interest, late charges and fees and costs, including without limitation attorneys' fees and costs which FNB is entitled to under Section 506 of the Bankruptcy Code. Upon confirmation, the Modified Secured Claim, less credit for adequate protection payments and additional payments, shall be restructured to reflect the reduced balance. The balances on the FNB Loans shall be administratively consolidated by the Debtor into one Secured Claim amount¹.

- a. The first payment will be made on the Plan Effective Date and until that date, the Debtor shall continue to pay FNB each month the adequate protection payments agreed to by the parties and approved by the Court. FNB's allowed secured claim will be paid in full with a fixed interest rate of five percent (5%) per annum with monthly minimum payments of \$14,371.06 paid on the 15th day of each month after the initial payment on the Plan Effective Date. All payments shall in be applied and allocated by FNB in its sole discretion to the indebtedness under the Loans. Notwithstanding any other provision in this Disclosure Statement and the Chapter 11 Plan, all of FNB's liens and judgments are retained. The obligations, terms, and conditions set forth in FNB's Loan Documents including the notes, loan agreements,

¹ Substantively the FNB Loans shall remain as separate loans with FNB.

security agreements and guaranties judgments and any other documents with the Debtors are reinstated and reaffirmed unless otherwise amended herein and shall remain in full force and effect. FNB shall be paid its reasonable attorneys' fees and costs pursuant to 11 U.S.C. §506(d) as it is fully secured. The treatment of FNB's secured claim herein shall not in any manner discharge, or affect the rights and claims of FNB against any other persons or entities or the obligations of any person or entity to FNB with respect to the indebtedness, including C Swank Enterprises, LLC and Carol Swank. Upon confirmation of the Plan, all pre-confirmation defaults will be waived.

- b. The Principal of the Debtor will also contribute additional payments to FNB on terms mutually agreed upon by the Parties in a forbearance agreement.

Royal Flush, Inc. will not declare any dividends to its shareholders during the period of the repayment to Class 2. Prior to the beginning of each quarter, the Debtor shall prepare a budget to set forth the necessary reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, income taxes and payment of administrative claims of Professionals which it intends to retain for each quarter. This budget shall be provided to FNB prior to the beginning of each quarter. In the event there are excess funds available at the end of the subject quarter in excess of the budgeted amounts for the reserves, the Reorganized Debtor will use all such cash reserves to pre-pay the class 2 claims of First National Bank of Pennsylvania.

The individual guarantor, Carol Swank is contributing money to FNB to reduce the Debts of Royal Flush and C. Swank Enterprises, LLC.

(C) Class 3, Ally Financial, is the holder of liens on a 2014 Ram 2500, a 2014 Ram 5500, a 2014 Jeep Wrangler, and a 2014 Dodge Grand Caravan. The Creditor has filed claims at POC # 8 in the amount of \$24,113.32, at POC # 9 in the amount of \$32,091.29, at POC #10 in the amount of \$21,599.63, and at POC # 11 in the amount of \$13,427.10. The total secured claim of the Creditor is \$91,231.34. The Creditor will be paid in full over five (5) years with a fixed interest rate of five percent (5%).

(D) Class 4, Chrysler Capital, is the holder of liens on two 2014 Ram 2500, a 2014 Ram 1500, and a 2015 Ram 1500. The Creditor has filed claims at POC #5 in the amount of \$18,067.69, at POC #6 in the amount of \$18,070.99, and at POC # 7 in the amount of POC #24,571.19. The Creditor did not file a claim for the 2015 Ram 1500 VIN: 4922. The Debtor believes that the Creditor is owed \$26,487.30. The total secured claim of this Creditor is \$87,197.17. Chrysler Capital will be paid in full over five (5) years with a fixed interest rate of five percent (5%).

(E) Class 5, J.P. Morgan Chase Bank N.A., is the holder of a lien on a 2014 Subaru and has filed a claim at POC # 22 in the amount of \$16,012.11. The Creditor will be paid in full over five (5) years with a fixed interest rate of 5 percent (5%).

(F) Class 6, Equipment Leases with C. Swank Enterprises, Inc. The Debtor will assume leases for the rental of the following equipment:

1. 2011 Ford F-250; 60 payments (RF-1)

2. 2011 Ford F250 Pick-Up; 60 payments (RF-2)
3. Isuzu NPR; 36 payments (RF-5)
4. 2012 Dodge Ram 4500; 48 payments (RF-8)
5. 2012 Hino 238; 48 payments (RF-11)
6. 2013 Dodge Ram 550; 60 payments with \$950.00 monthly (RF-16)
7. 2013 Peterbilt, (RF 20)
8. 2012 Dodge Ram 2500; 48 payments RF-21)
9. 2012 Peterbilt 388; 60 payments with \$3000.00 monthly (RF-23)
10. 2013 International 5900i; 60 payments with \$3750.00 monthly (RF-24)
11. 2012 Peterbilt; 60 payments with \$3500.00 monthly (RF-25)
12. 2013 Dodge Ram (RF 26)
13. 2012 Peterbilt 388; 60 payments with 26 months remaining (RF- 28)
14. 2012 Peterbilt 388; 60 payments with \$3500.00 monthly (RF- 29)
15. 2013 Dodge Ram 5500; 60 payments with \$950.00 monthly (RF-31)
16. 2012 Peterbilt 388; 60 payments with \$3500.00 monthly (RF-32)
17. 2013 International 5900i; 60 payments with \$3500.00 monthly (RF-33)
18. 2013 Peterbilt 388; 60 payments with \$4000.00 monthly (RF- 35)
19. 2013 Peterbilt 388; 60 payments with \$4000.00 monthly (RF-36)
20. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-37)
21. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-38)
22. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-39)
23. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-40)
24. 2015 Peterbilt 388; 60 payments with \$4000.00 monthly (RF-41)
25. 2014 Ram 5500; 60 payments with \$1500.00 monthly (RF-43)
26. 2014 Ram 5500; 60 payments with \$1,500.00 monthly (RF-44)
27. 2014 Peterbilt 337; 60 payments with \$3500 monthly (RF-45)
28. 2015 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-50)
29. 2012 Peterbilt 388; 60 months with \$3500.00 monthly (RF-51)
30. 2012 Peterbilt 388; 60 payments with \$ 4250.00 monthly (RF-52)
31. 2012 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-53)
32. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-54)
33. 2012 Peterbilt 388; 48 payments with \$4250.00 monthly (RF-55)
34. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-56)
35. 2013 Peterbilt 388; 60 payments with \$4,250.00 monthly (RF-57)
36. 2013 Peterbilt 388; 60 payments with \$4250.00 monthly (RF-61)
37. 2013 Peterbilt 388; 60 Payments with \$4250.00 monthly (RF-62)
38. 2015 Peterbilt 367; 60 payments with \$4250.00 monthly (RF-64)
39. 2014 International 5900i's; 60 payments with \$5000.00 mthly (RF-65)
40. 2014 International 5900i's; 60 payments with \$5000.00 mthly (RF- 66)
41. 2014 Peterbilt 367; 36 payments with \$5000.00 monthly (RF-69)
42. 2013 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-70)
43. 2015 International 5900i; 36 payments \$5000.00 monthly (RF-71)
44. 2014 Peterbilt 567; 36 payments with \$5000.00 monthly (RF-72)
45. 2016 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-73)
46. 2016 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-74)
47. 2016 Peterbilt 389; 48 payments with \$5000.00 monthly (RF-75)
48. 2016 Peterbilt 367; 60 payments with \$5000.00 monthly (RF-76)
49. 2016 Peterbilt 367; 60 payments with \$5000.00 monthly (RF-77)
50. 2016 Peterbilt 367; 48 payments with \$5000.00 monthly (RF-78)
51. 2015 Peterbilt 389; 48 payments with \$5000.00 monthly (RF-80)
52. 2016 Peterbilt 389 (RF-81)

- 53. 2016 Peterbilt 389; 48 payments with \$5000.00 monthly (RF-82)
- 54. 2016 Peterbilt 367; 36 payments with \$5000.00 monthly (RF-83)
- 55. 2016 Peterbilt 389S; 36 payments with \$5000.00 monthly (RF-84)
- 56. 2016 Peterbilt 389S; 36 payments with \$5000.00 monthly (RF-85)
- 57. 2013 Aspen Trail; 12 payments
- 58. 2015 Alpine 5th Wheel; 36 payments with \$1500.00 monthly

These leases are being assumed as a term of this Plan. This class is comprised of a related entity, C. Swank Enterprises, LLC and it is not entitled to Vote upon this plan. See 11 USC § 1129 (a) (10)

(G) Class 7, Executory contracts/ unexpired leases with the Debtor, will be treated as follows:

- a. 10 Industrial Park Drive, Carmichael, PA 15320- Bravo Charlie-Modified and Assumed
The Debtor and a related entity, Bravo Charlie, LLC, are parties to a Net Lease dated June 1, 2016, pursuant to which the Debtor is renting space from Bravo-Charlie, LLC. Confirmation of the plan shall constitute an assumption of this lease, without modification, except that Bravo-Charlie, LLC, shall be deemed to have waived any claims for unpaid rent arising prior to the date of the confirmation order. Bravo-Charlie, LLC, shall retain any claims for unpaid rent arising after the date of the confirmation order. Bravo-Charlie, LLC, has consented to this treatment and has agreed not to assert any claim for rejection damages or otherwise.
- b. 1693 Route 56, Spring Church, PA 15686- Kathryn Corcetti-Assumed
The Debtor will assume this lease and cure the prepetition arrears of \$22,165.29 on the Plan Effective Date.
- c. 61530 Bailey Road, Barnesville, OH 43712- Deborah Kaiser- Assumed
The Debtor will assume this lease and cure the prepetition arrears of \$12,300.00 on the Plan Effective Date. (\$10,500.00 [POC # 42- pre-petition] and \$ 1,800.00 post-petition)
- d. 198 East Main Street, Salem, WV 26426-Thomas Mason-lease rejected.
Thomas Mason, the holder of a rejected lease claim in class 7. He must file a rejection claim as an unsecured creditor prior to the deadline to date set by this court to object to the confirmation of the Plan of Reorganization. Thomas Mason is permitted to vote his rejection claim as an unsecured creditor in class 10,
- e. 955 Canyon Road, Morgantown, WV- Twins LLC- Assumed
There are not prepetition arrears on this lease.
- f. Comdoc copier lease- Assumed
There are prepetition arrears on this lease of 1,115.12.

Members of class 7 have a right to object to the confirmation or vote in favor of the Plan of Reorganization,

(H) Class 8, Priority Claims, The allowed priority claims of approximately \$ 475,591.89 will be paid in full over 5 years with 4% or statutory rate² of post- confirmation interest from the Plan effective date.

(I) Class 9, Essential Vendors, This class consists of the Unsecured Creditors who have continued to provide goods and services to the Debtor and who will continue to provide goods and services to the Reorganized Debtor AND who give the Debtor post-confirmation credit terms and preferred pricing. The following list sets forth the members in Class 9:

Creditor	Class	Total Amount Owed	Percent of Dividend
Guttman Oil- POC #18	9	\$76,378.51	100%
Jacobs Petroleum Products, Inc. POC # 41	9	\$63,617.18	100%
Hunter's Truck Sales & Service Inc.- POC # 43	9	\$64,061.85	100%
TOTAL		\$ 204,057.54	

The Debtor is assuming any executory contracts with Class 9. It will cure all pre-bankruptcy obligations to each class 9 member over a 24 month period. As part of the agreement to assume the contracts, the members in Class 9 agree to extend the Debtor their premium wholesale pricing and credit terms available to premium customers. This arrangement shall continue for the life of the plan provided the Debtor adheres to the payment terms for post-petition purchases and the Debtor pays the "Cure" payments as required by the Plan. Upon the occurrence of any default, any Class 9 member shall provide notice to the Debtor. After notice the Debtor shall have 5 days to cure any default. If no cure is timely made, then that Class 9 member shall be permitted to terminate the preferred pricing and preferred credit terms. The Class 9 member who has declared a default shall nonetheless be entitled to receive the balance of the "Cure" payments and it shall be entitled to assert any claims or damages for any failure to pay the Class 9 member for any unpaid post-petition charges. These parties have contracts with the Debtor and the plan assumes these contacts under this plan. The Assumption will be effective on the Date of the Confirmation of the Plan.

Guttman Oil is a party to an executory contract with the Debtor. The Bankruptcy Court previously assumed the assumption of that contract and this plan treatment is in accordance with the prior Order approving that assumption.

Any Class 9 member may opt out of Class 9 Treatment; provided that if they opt out of Class 9 treatment, they shall be paid in accordance with Class 10.

This class may vote upon on the plan because they are impaired under the plan and they have a right of adequate assurance of the future performance of their contracts.

(J) Class 10, General Unsecured Creditors, unsecured creditors will be paid in

² The Pennsylvania Department of Revenue has a 4% statutory interest rate.

full over seven (7) years without interest. The Plan breaks this class into two subclasses. Small claims less than \$ 2,500.00 and other class 10 claims in excess of \$ 886,545.44.

The Small Claims will be paid over 12 months following the plan effective date.

The Claims in excess of \$ 2,500.00 shall receive distributions over 7 years

Timing of Payments These creditors will be paid over 84 months: in 28 quarterly installments of \$30,580.02 or monthly payments of 10,193.42 The First payment to class 10 claims will be November 15, 2017.

Accelerated Payment of Small Claims. The Disbursing agents may, at his discretion, pay small claims of less than \$2,500.00, as set forth in Paragraph 1.1 of this plan, prior to paying other claims. The disbursing agents shall disburse all funds to large claim creditors in Class 10 on a pro-rata basis. The following members are members of the Class 10 "Small Claims". These creditors will be paid over 12 months: in 4 quarterly installments of \$7,301.67 or monthly payments of \$2,433.89. The first payment to Small Claims will be November 15, 2017.

CLASS 10 –Small Claims

Creditor	Class	Total Amount Owed	Percent of Dividend
Advanced Auto Parts	10	\$596.18	100%
BUY DMI Inc.	10	\$37.17	100%
City of Salem	10	\$64.45	100%
Cleaning Systems	10	\$100.00	100%
Curry Supply	10	\$2,405.20	100%
Diamond Oil Services	10	\$2,450.00	100%
Ernie's Waste Oil	10	\$120.00	100%
Frontier	10	\$127.13	100%
Galloway	10	\$60.96	100%
Guardian Life Insurance - POC # 34	10	\$2,384.86	100%
Hartman Drug and Health	10	\$145.00	100%
IPFS Corporation-Disputed	10	\$1,481.69	100%
J&J Chemical-Disputed	10	\$1,215.00	100%
KLX Energy Services	10	\$347.68	100%
Kleese Development Associates	10	\$352.00	100%
MAG Trucking Inc.	10	\$521.85	100%
Mason's Depot & Filling Station	10	\$47.00	100%
Moundsville Sanitary Authority	10	\$2,069.82	100%
Ohio Valley Hospital	10	\$1,425.00	100%
Peoples Natural Gas Co.- POC # 24	10	\$479.59	100%
Pop-A-Lock of Pittsburgh	10	\$241.15	100%
Robinson Vacuum Tanks, Inc.	10	\$1,080.00	100%
Safety Kleen	10	\$974.66	100%
Schwab MFG & Environmental Supply	10	\$1,942.80	100%
Southwest Regional Medical Center	10	\$20.00	100%

Square One Marketing	10	\$334.88	100%
Straight-N-Clear	10	\$1,160.00	100%
Uniontown Auto Spring Co.	10	\$945.52	100%
Verizon Wireless	10	\$2,454.00	100%
Vision Benefits of America	10	\$394.40	100%
Washington Health Systems-Greene	10	\$97.00	100%
Wayne Lumber Company	10	\$258.62	100%
West Penn Power POC #19	10	\$2,012.78	100%
Windstream	10	\$860.23	100%
TOTAL		29,206.62	

The Disbursing agents shall escrow any funds due to a disputed claimant in Class 10 until their claim has been finally adjudicated or approved by the Debtor.

Prepayment Option and Discount The Debtor may prepay class 10 at any time after confirmation provided that: (i) FNB's Class 2 Secured Claim is paid in full and (ii) provided the payment is to the entire class 10. The Debtor shall be entitled to a discount when creditors in class 10 are paid sooner than is required by this Plan. The Debtor shall be entitled to deduct 0.5% from the remaining dividend for each month that creditors are paid ahead of schedule. (i.e. if the Debtor pays creditors 22 months ahead of schedule, the Debtor gets an 11% discount of the then remaining amount due under the Plan).

Excess Funds after the Payment of FNB If the Debtor or C Swank Enterprises, LLC pays off the obligations to FNB prior to the full payment of Class 10, then prior to the beginning of each quarter, the Debtor shall prepare a budget to set forth the necessary reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, income taxes and payment of administrative claims of Professionals which it intends to retain for each quarter. This budget shall be provided to a single member of the Official Committee of Unsecured Creditors prior to the beginning of each quarter. In the event there are excess funds available at the end of the subject quarter in excess of the budgeted amounts for the reserves, the Reorganized Debtor will use all such cash reserves to pre-pay the class 10 claims of the General Unsecured Creditors. The Debtor shall reimburse the single member of the Official Committee of Unsecured Creditors who disseminates this information to other unsecured creditors for their actual costs of mailing any of these reports upon submission of their quarterly bill for those actual costs.

Royal Flush, Inc. will not declare any dividends to its shareholders during the period of the repayment to Class 10.

K. Class 11, Creditors who have claims arising from Debtor's Guaranty(s) of the debt(s) of related entities. The members of Class 11 loaned money to one or more third parties who are related to or affiliated with the Debtor, and Debtor guaranteed the third party's obligations to the creditor in connection with those loans. Class 11 creditors will retain their claims against the Debtor and any third parties who are liable for such debts and such debts shall not be deemed discharged as to the Debtor or any third party who may be obligated to the Bank in connection with the same upon confirmation of the plan.

However, this Plan does not contemplate any distribution to such creditors by the Debtor. Rather, as further explained below, these creditors will receive payments from the third party borrower pursuant to the terms set forth below. Provided the third party fully performs as detailed herein, the Class 11 claims shall be deemed paid, and no further sums shall be owed by Debtor. Additionally, so long as the third party makes payments and otherwise fulfills its obligations as detailed below, the Class 11 creditors shall be enjoined from taking any action against the Debtor so long as the entity from which payment is to be made in fact makes such payments and otherwise fulfills its obligations to the creditors. Upon confirmation of the plan, the obligations of Debtor, any third party obligors, and the Class 11 creditors shall be governed by the applicable loan documents, except as expressly modified by the Plan.

In the event the third party fails to perform as required below, the injunction shall be dissolved automatically, and the Class 11 Creditors may exercise any and all available rights and remedies they may have under the applicable loan documents or other applicable law against the Debtor or any other obligor to recover the balances owed in connection with their claims.

L. Class 12, Equity Shareholder Claims and Rights, The equity ownership of the Debtor will be retained but modified.

In order to improve plan feasibility, Carol Swank has agreed that her post- confirmation salary for 2017 and 2018 will be \$ 0.00. Her salary will not exceed \$ 60,000.00 per year in 2019; this salary shall not be increased until after Jan. 1, 2020. After January 1, 2020, Carol Swank's salary may be increased only if the Debtor is current on payments to Classes 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11. Brian Swank has also agreed to limit his post confirmation salary to improve plan feasibility. Brian Swank has agreed that his post- confirmation salary for 2017 and 2018 will be \$ 0.00. His salary will not exceed \$60,000.00 per year in 2019; this salary shall not be increased until after Jan. 1, 2020. After January 1, 2020, Brian Swank's salary may be increased only if the Debtor is current on payments to Classes 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11.

The Reorganized Debtor shall not issue any dividends nor make any loans to shareholders until Classes 1 through 10 have been paid in full. The Debtor may retain necessary cash reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions. In the event there are excess funds available not required for necessary cash reserves to protect against any instability in its cash flow, a capital reserve for future repairs and maintenance of its equipment and an appropriate reserve for future capital acquisitions, then the Reorganized Debtor will use any excess funds to pre-pay the class 2 claims of First National Bank of Pennsylvania. In the event that FNB is paid in full prior to the payment of Class 10, then excess funds will be paid to class 10 to pre-pay their claims.

Royal Flush, Inc. and its shareholder, Carol Swank and C Swank Enterprises, LLC, and its member, Carol Swank, stipulate that any claim that Royal Flush, Inc has against C. Swank Enterprises, LLC shall not be discharged. This includes any claims of contribution that Royal Flush may acquire if it pays off the debts of C. Swank Enterprises, LLC. They also agree that they waive any passage of time from the commencement of the case and after confirmation until the Plan is completed or until there has been a declared default under the plan as to any statute of limitations or

Statue of Repose for those excluded periods.

Royal Flush, Inc. and its shareholder, Carol Swank and C Swank Enterprises, LLC, and its member, Carol Swank, stipulate that any claim that Royal Flush, Inc. has under chapter 5 of the bankruptcy code shall not be discharged. They also agree that they waive any passage of time from the commencement of the case and after confirmation until the Plan is completed or until there has been a declared default under the plan as to any statute of limitations or Statue of Repose for those excluded periods.

8. **Are All Monthly Operating Statements Current and on File with the Clerk of Court? Yes X No _____ If Not, Explain:**

9. **Does the plan provided for releases of nondebtor parties? Specify which parties and terms of release.**

Creditors who are to be paid by C. Swank Enterprises, LLC, under its plan shall receive only what the C Swank plan proposes, and upon C Swank's timely payment and performance of its obligations under the C Swank plan, such claims shall be discharged as to C Swank, the Debtor, and any other obligor.

The Plan also contemplates an injunction under 11 U.S.C. § 105 against any entity who holds a guaranty against the Debtor, the sole Member, Carol Swank or officer of the Debtor, Brian Swank from collection of any amount which are not paid by the Debtor or C. Swank Enterprises, LLC under its plan when contract interest rates are modified. This injunction applies to members of Class 11, as more fully detailed in the Plan and herein. Said injunction dissolves automatically as detailed in the Plan and herein.

This injunction request does not apply to FNB and FNB Commercial Leasing which will enter into forbearance agreements with Carol Swank, from the enforcement of any claims against C. Swank Enterprises, LLC, and Carol Swank for guaranties of Royal Flush, Inc, debts.

10. **Identify all executory contracts that are to be assumed or assumed and assigned.**

a. 10 Industrial Park Drive, Carmichael, PA 15320- Bravo Charlie-Assumed upon entry of the confirmation order.

b. 1693 Route 56, Spring Church, PA 15686- Katheryn Corcetti- Assumed upon entry of the confirmation order.

- lease arrears of \$ 22,165.29

c. 61530 Bailey Road, Barnesville, OH 43712- Deborah Kaiser- Assumed upon entry of the confirmation order. - \$12,300.00 to cure arrears – POC # 42

d. 198 East Main Street, Salem, WV 26426-Thomas Mason-lease rejected.

e. 955 Canyon Road, Morgantown, WV- Twins LLC- Assumed upon entry of the

confirmation order.

f. Lease for a Comdoc Copier- Assumed

11. Has a bar date been set? Yes X no
(If not, a motion to set the bar date has been filed simultaneously with the filing of this disclosure statement.)
12. Has an election under 11 U.S.C. §1121(e) has been filed with the Court to be treated as a small business? Yes _____ No X
13. Specify property that will be transferred subject to 11 U.S.C. §1146(c).
NONE

II. Creditors

A. Secured Claims

SECURED CLAIMS

Creditor	Total Amount Owed	Arrearage s	Type of Collateral Priority of Lien (1, 2, 3)	Disputed(D) Liquidated(L) Unliquidated (U)	Will Liens be Retained Under the Plan (Y)or(N)
First National Bank \$64,800.00 note \$100,000.00 note \$80,640.00 note \$200,000.00 note \$750,000.00 note \$2,200,000.00 note \$492,000.00 note \$2,734,179.77	\$ 2,734,179.77	Not Applicable	1 st line on Accounts receivable, liens on equipment and blanket security interest.	Balance as of the commencement of the case. The balance will be reduced by post- petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank POC # 8	\$24,113.32	Not Applicable	2014 Ram 2500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank POC # 9	\$32,091.29	Not Applicable	2014 Ram 5500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank POC # 10	\$21,599.63	Not Applicable	2014 Jeep Wrangler	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Ally Bank	\$13,427.10	Not	2014 Dodge	The balance will	Yes, As

POC # 11		Applicable	Caravan	be reduced by post-petition payments; final balance subject to verification.	Modified by the Plan
Chrysler Capital POC # 5	\$18,067.69	Not Applicable	2014 Ram 2500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Chrysler Capital POC # 6	\$18,070.99	Not Applicable	2014 Ram 2500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Chrysler Capital POC # 7	\$24,571.19	Not Applicable	2014 Ram 1500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
Chrysler Capital	\$26,487.30		2015 Ram 1500	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
JP Morgan Chase Bank N.A. POC # 22	\$16,012.11	Not Applicable	2014 Subaru	The balance will be reduced by post-petition payments; final balance subject to verification.	Yes, As Modified by the Plan
TOTAL	\$2,928,629.39				

B. Priority Claims

PRIORITY CLAIMS

Creditor	Total Amount Owed	Type of Collateral	(D)(L)(U) *
Berkheimer	\$8,377.77	Local Withholding	Disputed
Berkheimer	\$1,077.00	LST Tax	Disputed
Internal Revenue Service POC # 17- Disputed- includes unassessed liabilities	\$308,962.20	Taxes	Disputed
Office of UC Tax Services	\$43,306.87	PA UC Fund-Employer	Disputed

		Portion	
Office of UC Tax Services	\$1,354.69	Employee Withholding	Disputed
OH Department of Job and Family Services	\$13,009.30	OH Unemployment	Disputed
OH Dept. of Taxation	\$15,244.78	OH Withholding	Disputed
PA Department of Labor POC	\$39,549.37	PA Withholding	
PA Department of Revenue POC # 13-	\$78,052.90	PA Withholding	
Unemployment Compensation Division	\$217.38	WV Unemployment	Disputed
WV State Tax Department-Disputed	\$7,989.00	WV Withholding	Disputed
TOTAL	\$517,141.26		

* Disputed (D), Liquidated (L), or Unliquidated (U)

C. Unsecured Claims

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 897,281.69³
2.	Amount of Unscheduled Unsecured Claims⁴	\$ 7,629.97.
3.	Total Claims Scheduled or Filed	\$ 904,011.66.
4.	Amount Debtor Disputes	\$ 573,243.50
5.	Estimated Allowable Unsecured Claims	\$ 600,000.00⁵.

D. Other Classes of Creditors-Contingent Claims- Class 9- Essential Creditors

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$ 211,678.98
2.	Amount of Unscheduled Claims¹	\$ N/A
3.	Total Claims Scheduled or Filed	\$ 211,678.98
4.	Amount Debtor Disputes	\$ N/A
5.	Estimated Allowable Claims	\$ 211,678.98

Other Classes of Creditors-Contingent Claims- Class 11

1.	Amount Debtor Scheduled (Disputed and Undisputed)	\$1,693,949.30
2.	Amount of Unscheduled Claims¹	\$ N/A
3.	Total Claims Scheduled or Filed	\$1,693,949.30
4.	Amount Debtor Disputes	\$ N/A

³ This includes the unsecured tax claims.

⁴Includes a.) Unsecured claims filed by unscheduled creditors; b.) That portion of any unsecured claim filed by a scheduled creditor that exceeds the amount debtor scheduled; and c.) Any unsecured portion of any secured debt not previously scheduled.

⁵ The estimated allowable claims are based upon the Debtor's position that some disputed claims will be allowed part of their claimed amount.

5. Estimated Claims in class 11

\$ 1,693,949.30

E. Other Classes of Interest Holders

- | | | |
|-----------|--|-----------|
| 1. | Amount Debtor Scheduled (Disputed and Undisputed) | \$ |
| 2. | Amount of Unscheduled Claims¹ | \$ |
| 3. | Total Claims Scheduled or Filed | \$ |
| 4. | Amount Debtor Disputes | \$ |
| 5. | Estimated Allowable Claims | \$ |

III. Assets

ASSETS

Assets	Value	Basis for Value Priority of Lien	Name of Lien Holder (if any) (Fair Market Value/Book Value)	Amount of Debtor's Equity (Value Minus Liens)
Citizens Bank	\$113,255.27	Actual Value	First National Bank of PA	0.00
FNB-Operating A/C-0722	\$2,977.93	Actual Value	First National Bank of PA	0.00
FNB- Payroll A/C-6312	\$0	Actual Value	First National Bank of Pa	0.00
FNB Waynesburg A/C- 0739	\$0.86	Actual Value	First National Bank of PA	0.00
Accounts Receivable	\$2,303,743.42	Debtor's Opinion in the Bankruptcy Schedules	First National Bank Of PA	0.00
Inventory	\$5,318.00	Debtor's Opinion in the Bankruptcy Schedules	First National Bank of PA	0.00
Office Equipment	\$5,000	Debtor's Opinion in the Bankruptcy Schedules	First National Bank of PA	0.00
2014 Ram 2500 Vin: 6360	\$12,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Dodge Caravan Vin: 5509	\$5,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Jeep Wrangler Vin: 5827	\$10,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Ram 5500 Vin: 7679	\$18,000	Debtor's Opinion in the Bankruptcy Schedules	Ally Financial	0.00
2014 Ram 2500	\$8,000	Debtor's Opinion	Chrysler Capital	0.00

Vin:6558		in the Bankruptcy Schedules		
2014 Ram 2500 Vin: 5901	\$8,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
2014 Ram 1500 Vin: 5595	\$10,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
2014 Subaru Vin: 8021	\$7,000	Debtor's Opinion in the Bankruptcy Schedules	Subaru Financial	0.00
2014 Ram 2500 Vin: 6360	\$12,000	Debtor's Opinion in the Bankruptcy Schedules		0.00
2015 Ram 1500 Vin: 4922	\$12,000	Debtor's Opinion in the Bankruptcy Schedules	Chrysler Capital	0.00
Dumpsters and Portable Johns, porta John Trailers and porta John equipment	\$30,000	Debtor's Opinion in the Bankruptcy Schedules	First National Bank of PA	0.00
2004 Ford F-250	\$1,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$1,500.00
2005 Isuzu Workmate 800	\$ 2,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 2,500.00
2005 Isuzu Workmate 1250	\$ 3,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	3,000.00
2005 Ford F-250	\$ 1,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	1,500.00
2007 Ford F-450 w/ tank	\$ 2,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	2,500.00
2007 Ford Focus	\$ 1,200.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 1,200.00
International Vacuum Truck	\$ 5,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	5,000.00
2008 Ford F-550	\$ 2,900.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 2,900.00
2008 Chrysler Aspen	\$ 3,600.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 3,600.00
2010 Ford F-550	\$ 3,500.00	Debtor's Opinions	NONE	3,500.00

		in the Bankruptcy Schedules		
2010 Isuzu Truck	\$ 5,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 5,000.00
J&E Trucks – 2004 Chevy 2500 HD w/450 gallon tank	\$ 1,200.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 1,200.00
J&E Trucks –2004 GMC 5500 w/850 gallon progress tank	\$ 4,000.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$ 4,000.00
J- Town Trucks 1998 International Truck	\$5,500.00	Debtor's Opinions in the Bankruptcy Schedules	NONE	\$5,500.00
	\$2,605,195.48 TOTAL			\$42,900.00 TOTAL

- Are any assets which appear on Schedule A or B of the bankruptcy petition not listed above? NO
If so, identify asset and explain why asset is not in estate:
- Are any assets listed above claimed as exempt? If so attach a copy of Schedule C and any amendments. NO

IV. SUMMARY OF PLAN

- Effective Date of Plan: February 2017
- Will cramdown be sought? X Yes No
If Yes, state bar date: The Hearing on the Confirmation of the Plan,
- Treatment of Secured Non-Tax Claims

SECURED NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
First National Bank of PA	2	\$ 2,734,179.77	The first payment will be made on the Plan Effective Date and until that date, the Debtor shall continue to pay FNB each month the adequate protection payments agreed to by the parties and approved by

			<p>the Court. FNB's allowed secured claim will be paid in full with a fixed interest rate of five percent (5%) per annum with monthly minimum payments of \$14,371.06 paid on the 15th day of each month after the initial payment on the Plan Effective Date. All payments shall in be applied and allocated by FNB in its sole discretion to the indebtedness under the Loans. The balances on the FNB Loans shall be administratively consolidated by the Debtor into one Secured Claim amount⁶Notwithstanding any other provision in this Disclosure Statement and the Chapter 11 Plan, all of FNB's liens and judgments are retained. The obligations, terms, and conditions set forth in FNB's Loan Documents including the notes, loan agreements, security agreements and guaranties judgments and any other documents with the Debtors are reinstated and reaffirmed unless otherwise amended herein and shall remain in full force and effect. FNB shall be paid its reasonable attorneys' fees and costs pursuant to 11 U.S.C. §506(d) as it is fully secured. The treatment of FNB's secured claim herein shall not in any manner discharge, or affect the rights and claims of FNB against any other persons or entities or the obligations of any person or entity to FNB with respect to the indebtedness, including C Swank Enterprises, LLC and Carol Swank. Upon confirmation of the Plan, all pre-confirmation defaults will be waived.</p>
Ally Financial POC # 11	3	\$13,427.10	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Ally Financial POC # 10	3	\$21,599.63	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Ally Financial POC # 9	3	\$32,091.29	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be

⁶ Substantively the FNB Loans shall remain as separate loans with FNB.

			retained after confirmation until the debt, as modified, is paid in full.
Ally Financial POC # 8	3	\$24,113.32	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital POC # 6	3	\$18,070.99	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital POC # 5	3	\$18,067.69	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital POC # 7	3	\$24,571.19	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
Chrysler Capital	4	\$26,487.30	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
JP Morgan Chase Bank POC # 22	5	\$16,012.11	The Debt will be restructured and reamortized over a new 5 year term with a fixed interest rate of 5%. The lien will be retained after confirmation until the debt, as modified, is paid in full.
TOTAL		\$2,928,629.39	

4. Treatment of Secured Tax Claims

SECURED TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
NONE			

5. Treatment of Administrative Non-Tax Claims²

ADMINISTRATIVE NON-TAX CLAIMS

Name of Creditor *	Amount Owed	Type of Debt **	Summary of Proposed Treatment and Date of First Payment
Calaiaro Valencik	\$ 125,000.00-	Attorney for	To be paid in full on the Plan Effective

²Include all §503(b) administrative claims.

	estimate	Debtor Fees	Date or as parties agree.
John Steiner, Esq. atty for the Official Committee of unsecured creditors	\$ 80,000.00-estimate	Attorney for the Official Committee of Unsecured Creditors	To be paid in full on the Plan Effective Date or as parties agree.
United States Trustee	\$ 6,250.00-estimate	Court Costs	To be paid in full on the Plan Effective Date.
Matt Tymoczko, CPA/ C & H Accounting.	\$ 30,000.00-estimate	Accountant for the Debtor	To be paid in full on the Plan Effective Date.
TOTAL	\$ 221,250.00		

* Identify and Use Separate Line for Each Professional and Estimated Amount of Payment

** Type of Debt (P=Professional, TD=Trade, TX=TaxeS)

6. Treatment of Administrative Tax Claims

ADMINISTRATIVE TAX CLAIMS

Name of Creditor	Amount Owed	Type of Debt**	Summary of Proposed Treatment and Date of First Payment
NONE			

7. Treatment of real estate and personal property lease claims- Class 7

ADMINISTRATIVE NON-TAX CLAIMS

Name of Lessor	Amount of Arrears	Assumed or Rejected	Summary of Proposed Treatment and Date of First Payment
Bravo Charlie, LLC-10 Industrial Park Drive, Carmichael, PA 15320	Arrears waived under the Plan	Assumed	The Debtor and a related entity, Bravo Charlie, LLC, are parties to a Net Lease dated June 1, 2016, pursuant to which the Debtor is renting space from Bravo-Charlie, LLC. Confirmation of the plan shall constitute an assumption of this lease, without modification, except that Bravo-Charlie, LLC, shall be deemed to have waived any claims for unpaid rent arising prior to the date of the confirmation order. Bravo-Charlie, LLC, shall retain any claims for unpaid rent arising after the date of the confirmation order. Bravo-Charlie, LLC, has consented to this treatment and has agreed not to assert any claim for rejection damages or otherwise. The Debtor will pay all future lease payments as required by the lease.
Kathryn Corcetti-1693	\$ 22,165.29	Assumed	The Debtor will assume this lease

Route 56, Spring Church, PA 15686			and cure the prepetition arrears of \$22,165.29 on the Plan Effective Date. The Debtor will pay all future lease payments as required by the lease.
Deborah Kaiser	\$ 12,300.00	Assumed	The Debtor will assume this lease and cure the prepetition arrears of \$12,300.00 on the Plan Effective Date. (\$10,500.00 [POC # 42- pre-petition] and \$ 1,800.00 post-petition). The Debtor will pay all future lease payments as required by the lease.
Thomas Mason	\$37,100.00	Rejected	Thomas Mason, the holder of a rejected lease claim in class 7 has filed a rejection claim, POC # 12, as an unsecured creditor prior to the deadline to date set by this court to object to the confirmation of the Plan of Reorganization. Thomas Mason is permitted to vote his rejection claim as an unsecured creditor in class 10,
Twins LLC	Current	Assumed	The Debtor will assume this lease and pay all future lease payments as required by the lease.
Comdoc	1,115.12	Assumed	The Debtor will assume this lease and cure the prepetition arrears of \$1,115.12 on the Plan Effective Date. The Debtor will pay all future lease payments as required by the lease.
	\$35,580.41		

8. Treatment of Priority Non-Tax:

PRIORITY NON-TAX CLAIMS

Name of Creditor	Class	Amount Owed	Summary of Proposed Treatment
NONE			

8. Treatment of Priority Tax Claims³:

³Include dates when any §507(a) (7) taxes were assessed.

PRIORITY TAX CLAIMS

Name of Creditor	Class	Amount Owed	Date of Assessment	Summary of Proposed Treatment
Berkheimer	8	\$8,377.77		Will be paid in full over 5 years with 3% post -confirmation interest
Berkheimer	8	\$1,077.00		Will be paid in full over 5 years with 3% post -confirmation interest
Internal Revenue Service POC # 17- amended (Includes unassessed liabilities)- Disputed	8	\$308,962.20		Will be paid in full over 5 years with 3% post -confirmation interest
Office of UC Tax Services	8	\$43,306.87		Will be paid in full over 5 years with 3% post -confirmation interest
Office of UC Tax Services	8	\$1,354.69		Will be paid in full over 5 years with 3% post -confirmation interest
OH Dept. of Job & Family Services	8	\$13,009.30		Will be paid in full over 5 years with 3% post -confirmation interest
OH Dept. of Job of Taxation	8	\$15,244.78		Will be paid in full over 5 years with 3% post -confirmation interest
PA Department of Labor –	8	\$39,549.37		Will be paid in full over 5 years with 4% post -confirmation interest
PA Department of Revenue – Amended POC # 13-	8	\$78,052.90		Will be paid in full over 5 years with 4% post -confirmation interest
WV Unemployment Compensation	8	\$217.38		Will be paid in full over 5 years with 3% post -confirmation interest
WV State Tax Department- Disputed	8	\$7,989.00		Will be paid in full over 5 years with 3% post -confirmation interest
TOTAL		\$517,141.26		

9. Treatment of General Unsecured Non-Tax Claims: Class 9- Essential Creditors

Creditor	Class	Total Amount Owed	Percent of Dividend
Guttmann Oil- POC # 18	9	\$76,378.51	100%
Jacobs Petroleum Products, Inc.-POC # 41	9	\$63,617.18	100%
Hunter's Truck Sales & Service Inc.-POC 43	9	\$64,061.85	100%
TOTAL		\$204,057.54	

The Debtor is assuming the executory contracts with Class 9. It will cure all pre-bankruptcy obligations to each class 9 member over a 24 month period. As part of the agreement to assume the contracts, the members in Class 9 agree to extend the Debtor their premium wholesale pricing and

credit terms available to premium customers. This arrangement shall continue for the life of the plan provided the Debtor adheres to the payment terms for post-petition purchases and the Debtor pays the "Cure" payments as required by the Plan. Upon the occurrence of any default, any Class 9 member shall provide notice to the Debtor. After notice the Debtor shall have 5 days to cure any default. If no cure is timely made, then that Class 9 member shall be permitted to terminate the preferred pricing and preferred credit terms. The Class 9 member who has declared a default shall nonetheless be entitled to receive the balance of the "Cure" payments and it shall be entitled to assert any claims or damages for any failure to pay the Class 9 member for any unpaid post-petition charges.

Any Class 9 member may opt out of Class 9 Treatment; provided that if they opt out of Class 9 treatment, they shall be paid in accordance with Class 10.

Treatment of General Unsecured Non-Tax Claims: Class 10-

GENERAL UNSECURED NON-TAX CLAIMS

CLASS 10

Creditor	Class	Total Amount Owed	Percent of Dividend
Advanced Auto Parts	10	\$ 596.18	100%
Apex Energy Services, LLC	10	\$8,120.00	100%
Appalachian Water Services, LLC- POC # 36- Disputed	10	\$6,254.00	100%
BDI	10	\$2,697.38	100%
Burns Drilling & Excavating	10	\$2,760.00	100%
BUY DMI Inc.	10	\$37.17	100%
City of Salem	10	\$64.45	100%
Cleaning Systems	10	\$100.00	100%
Cambrian Well Services- POC # 23- <i>Not Listed*</i>	10	\$4,748.09	100%
Cumberland Truck Parts	10	\$13,607.16	100%
Curry Supply	10	\$2,405.20	100%
D.D.T.A. Services Inc.	10	\$3,071.50	100%
Diamond Oil Services	10	\$2,450.00	100%
Dr. Robert Corcetti	10	\$62,891.77	100%
E&R Energy Services	10	\$23,167.00	100%
Erie Indemnity Company POC # 4 (disputed audit liability)	10	\$243,570.72	100%
Ernie's Waste Oil	10	\$120.00	100%
First National Bank of PA POC # 1	10	\$7,516.91	100%
Fleet Pride Truck & Trailer Parts	10	\$5,274.02	100%
Fleetmatics USA LLC	10	\$2,645.76	100%
Franklin Township Sewer Authority- Disputed	10	\$4,077.60	100%
Frontier	10	\$127.13	100%
Galloway	10	\$60.96	100%

Guardian Life Ins. POC# 34	10	\$2,384.86	100%
Good Tire Service, Inc.	10	3,103.00	100%
Greene County Water Treatment, LLC	10	\$2,892.50	100%
Hartman Drug and Health	10	\$145.00	100%
Highmark Blue Shield POC # 14- Disputed	10	\$105,438.63	100%
Hinerman Automotive Inc.	10	\$2,607.90	100%
IPFS Corporation- Disputed	10	\$1,481.69	100%
Iron City Industrial Cleaning Corp. –POC # 39- Disputed – Not Listed*	10	\$57,772.32	100%
J & E Sanitation- Disputed-POC # 40	10	\$111,082.30	100%
J&J Chemical-Disputed	10	\$1,215.00	100%
KLX Energy Services	10	\$347.68	100%
JM Teagarden	10	\$4,165.28	100%
Keystone Spring Services Inc.	10	\$2,964.21	100%
Kimble Landfill-POC # 25	10	\$12,260.66	100%
Kleese Development Associates	10	\$352.00	100%
L.A.D./Hapchuck Inc.	10	\$19,038.75	100%
Liquid Waste Solidification- POC # 33	10	\$17,425.56	100%
MB & Companies, Inc. POC # 16	10	\$9,742.87	100%
M&M Pump & Supply	10	\$5,318.68	100%
MAG Trucking Inc.	10	\$521.85	100%
Thomas Mason & Anthony Mason- POC # 12	10	\$37,100.00	100%
Mason's Depot & Filling Station	10	\$47.00	100%
Med Express	10	\$8,514.50	100%
Model Uniforms- Disputed	10	\$18,795.03	100%
Moundsville Sanitary Authority	10	\$ 2069.82	100%
Ohio Valley Hospital	10	\$1,425.00	100%
Peoples Natural Gas Co. LLC –POC # 24	10	\$479.59	100%
Pop-A-Lock of Pittsburgh	10	\$241.15	100%
Robinson Vacuum Tanks, Inc.	10	\$1,080.00	100%
Safety Kleen	10	\$974.66	100%
Schwab MFG & Environmental Supply	10	\$1,942.80	100%
Sherrard German, & Kelly, P.C.- POC # 37	10	2,967.39	100%
Sommer Law Group, PC POC # 20	10	\$2,984.56	100%
Southwest Regional Medical Center	10	\$20.00	100%
Square One Marketing	10	\$334.88	100%
Straight-N-Clear	10	\$1,160.00	100%
Tri-County Joint Municipal Authority- Disputed	10	\$9,937.67	100%
Uniontown Auto Spring Co.	10	\$945.52	100%
UPMC Health Network-Disputed	10	\$14,833.54	100%
US Tank and Supply	10	\$2,720.77	100%
Verizon Wireless	10	\$2,454.00	100%

Vision Benefits of America	10	\$394.40	100%
Washington Health Systems-Greene	10	\$97.00	100%
Washington Water Service, LLC- POC # 35	10	\$14,178.94	100%
Wayne Lumber Company	10	\$258.62	100%
West Penn Power POC # 19	10	\$2,012.78	100%
Windstream	10	\$860.23	100%
TOTAL		\$885,805.59	

10. Treatment of General Unsecured Tax Claims:

GENERAL UNSECURED TAX CLAIMS

Creditor	Class	Total Amount Owed	Percent of Dividend
IRS POC # 17- penalty claim without pecuniary loss	10	\$14,442.92	No Dividend
PA DOR #13	10	\$4,663.15	100%
TOTAL		\$19,106.07	

Treatment of Creditors who have claims arising from Guaranties of related entities.-Class 11 Claims

Creditor	Class	Total Amount Owed	Percent of Dividend
First Commonwealth Bank-POC # 15	11	\$750,963.36	No Dividend
Paccar Financial Corp –POC # 2	11	\$ 138,330.87	No Dividend
Paccar Financial Corp –POC # 3	11	\$ 379,273.52	No Dividend
TCF Equipment Finance- POC # 21	11	\$ 325,682.99	No Dividend
GE Navistar Capital	11	\$ 99,698.56	No Dividend
TOTAL		\$1,693,949.30	

11. Will periodic payments be made to unsecured creditors- Class 10

Yes X No _____ First payment to begin: November 2017

If so:

Amount of each payment (aggregate to Class 10 unsecured claimants) \$ 12,631.50⁷
Estimated date of first payment: November 2017

⁷ This is a combination of the monthly payment required to pay the Small Claims of \$ 2,433.89 which pays 100% of their principal claims over 1 year and payment to the other class 10 creditors of \$10,197.61 which will pay this class 100% of their principal claims over 7 years. This is the approximate payment. If some of the disputed claims are not allowed in their entire amount, the monthly payment could be reduced

Time period between payments:

Quarterly

Estimated date of last payment:

October

2024

Contingencies, if any:

State source of funds for planned payments, including funds necessary for capital replacement, repairs, or improvements:

Other significant features of the plan:

Include any other information necessary to explain this plan:

V. Comparison of Plan with Chapter 7 Liquidation

If debtor's proposed plan is not confirmed, the potential alternatives would include proposal of a different plan, dismissal of the case or conversion of the case to Chapter 7. If this case is converted to Chapter 7, a trustee will be appointed to liquidate the debtor's non-exempt assets. In this event, all secured claims and priority claims, including all expenses of administration, must be paid in full before any distribution is made to unsecured claimants.

Total value of Chapter 7 estate	\$2,605,195.48
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(See Section III)

1. Less secured claims (See IV-2)	\$2,928,629.39
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2. Less administrative expenses (See IV-3 and include approximate Chapter 7 expenses)	\$ 221,250.00
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3. Less other priority claims (See IV-4)	\$ 517,141.26
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Total Amount Available for Distribution to Unsecured Creditors	\$ 0.00
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Divided by total allowable unsecured claims of	\$885,453.59
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Percentage of Dividend to Unsecured Creditors:	0%
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Will the creditors fare better under the plan than they would in a Chapter 7 liquidation?

Yes X No Explain:

Under this chapter 11 Plan, the unsecured creditors will receive up to \$885,453.59. In a chapter 7, they would have received no distribution. Unsecured creditors will receive a projected dividend of 100% under the Plan of Reorganization.

VI. Feasibility

A. Attach Income Statement for Prior 12 Months.

- B. Attach Cash Flow Statement for Prior 12 Months.**
C. Attach Cash Flow Projections for Next 12 Months.

Estimated amount to be paid on effective date of plan, including administrative expenses. \$ 490,000.00⁸

Show how this amount was calculated.

\$ 211,250.00 Administrative Class
 \$ 0.00 Taxes
 \$ \$35,580.41 Lease cure amounts
 \$ 0.00 Unsecured Creditors
 \$ 6,250.00 UST Fees
 \$253,080.41
 TOTAL

What assumptions are made to justify the increase in cash available for the funding of the plan?

Will funds be available in the full amount for administrative expenses on the effective date of the plan? From what source? If not available, why not and when will payments be made?

Cash on hand \$ 327,923.98 in the DIP Account as of July 31 20, 2017.

Cash on hand \$ 410,000.00 is projected to be the balance as of the date of confirmation.

If this amount is less than the amount necessary at confirmation, how will debtor make up the shortfall?

The Debtor and counsel for the Debtor will enter into an agreement to pay the fees as money is available.

VII. Management Salaries

MANAGEMENT SALARIES

Position/Name of Person Holding Position	Salary at Time of Filing	Proposed Salary (Post-Confirmation)
Carol Swank – President and Sole shareholder	\$ 90,000	Carol Swank has agreed that her post- confirmation salary for 2017 and 2018 will be \$ 0.00. Her salary will not exceed \$ 60,000.00 per year in 2019; this salary shall not be increased until after Jan. 1,

⁸ This amount includes payments to secured creditors due on the plan effective date.

		2020. After January 1, 2020, Carol Swank's salary may be increased <u>only</u> if the Debtor is current on payments to Classes 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11
Brian Swank – Vice President	\$ 90,000	Brian Swank has also agreed to limit his post confirmation salary to improve plan feasibility. Brian Swank has agreed that his post-confirmation salary for 2017 and 2018 will be \$ 0.00. His salary will not exceed \$60,000.00 per year in 2019; this salary shall not be increased until after Jan. 1, 2020. After January 1, 2020, Brian Swank's salary may be increased <u>only</u> if the Debtor is current on payments to Classes 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11.

VIII. Identify the Effect on Plan Payments and Specify Each of the Following:

1. What, if any, Litigation is pending? Iron City Industrial Cleaning Corp. v. Royal Flush
2. What, if any, Litigation is Proposed or Contemplated?
 - A. Objections to Claims
 - B. Chapter 5 actions – will not be pursued by the Reorganized Debtor under this Plan
 - C. Adversary Actions to Impose an injunction under 11 USC § 105 to enjoin collections against officer and shareholders.
 - D. Actions to enforce the Plan

The Debtor does not intend to bring any avoidance actions against non-insiders

The plan preserves any claims against the insiders, The Insiders have agreed to toll any claims of the estate.

Risks Associated with the Plan

This plan is dependent of the future vitality of the gas industry in the Marcellus Shale filed in Western Pennsylvania, Ohio and West Virginia. The Debtor and the industry have experienced increased demand in this industry since the filing of the bankruptcy. This debtor's success is dependent on the successful confirmation of the Plan of Reorganization of C. Swank Enterprises, LLC. This Debtor cannot operate and fund the plan payments contemplated by this plan unless it has the right to lease and employ those vehicles and machinery that C. Swank Enterprises, LLC leases to Royal Flush. These entities are related

and their success is dependent on each other.

Prior to the bankruptcy, this Debtor owed C Swank \$1,646,041.52 for lease rentals of equipment which were not paid. On August 31, 2016, that debt was written off as uncollectible.

The Debtor has negotiated a resolution of the treatment of First National Bank which is incorporated into the plan. First National Bank has agreed to support the plan which incorporates their agreements. The Debtor has entered into an adequate protection payment stipulation with First national Bank; the Debtor has made all payments required by that stipulation.

IX. Certification

The undersigned hereby certifies that the information herein is true and correct to the best of my knowledge and belief formed after reasonable inquiry.

Date: July 31, 2017

BY: /s/ Donald R. Calaiaro

Donald R. Calaiaro, Esquire, PA I.D. #27538

dcalaiaro@c-vlaw.com

BY: /s/ David Z. Valencik

David Z. Valencik, Esquire PA ID #30836

dvalencik@c-vlaw.com

CALAIARO VALENCIK

428 Forbes Avenue, Suite 900

Pittsburgh, PA 15219-1621

(412) 232-0930

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:

Royal Flush, Inc.,
Debtor.

Bankruptcy No. 16-23458 JAD
Chapter 11
Document No.

**CERTIFICATE OF SERVICE OF
Amended Disclosure Statement to Accompany Amended Plan Dated July 31, 2017**

I certify under penalty of perjury that I served the above captioned pleading on the parties at addresses specified below or on the attached list on July 31, 2017.

Service by Email:

Royal Flush, Inc., R.R. 1693, Route 56 East, Spring Church PA 15686

Service by NEF:

John M. Steiner on behalf of Creditor Committee Official Committee of Unsecured Creditors
jsteiner@leechtishman.com, mproden@leechtishman.com; bankruptcy@leechtishman.com; cthorton-illar@leechtishman.com

Heather A. Sprague on Behalf of the United States Trustee by on behalf of U.S. Trustee Office of the United States Trustee; Heather.Sprague@usdoj.gov,
Lisa.Geyer@usdoj.gov; David.A.Milko@usdoj.gov; Jennifer.M.Smith@usdoj.gov; David.A.Berry@usdoj.gov; Steven.W.Albright@usdoj.gov; Andrew.F.Cetnarowski@usdoj.gov

The type(s) of service made on the parties (first-class mail, electronic notification, hand delivery, or another type of service) was: First Class Mail or Electronic Notification.

If more than one method of service was employed, this certificate of service groups the parties by the type of service. For example, the names and addresses of parties served by electronic notice will be listed under the heading "Service by Electronic Notification," and those served by mail will be listed under the heading "Service by First-Class Mail."

DATE: July 31, 2017

BY: /s/ Donald R. Calaiaro

Donald R. Calaiaro, Esquire, PA I.D. #27538

dcalaiaro@c-vlaw.com

BY: /s/ David Z. Valencik

David Z. Valencik, Esquire PA ID #30836

dvalencik@c-vlaw.com

CALAIARO VALENCIK

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Pittsburgh, PA 15219-1621

(412) 232-0930

12 Month Cash Flow Nov 2017 to Oct 2018

	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>
Cash Beginning of Month	\$398,486	\$167,133	\$369,298	\$571,463	\$831,647
Receipts					
AR Collected	\$1,195,600	\$1,195,600	\$1,195,600	\$1,195,600	\$1,195,600
<u>Total Receipts</u>	<u>\$1,195,600</u>	<u>\$1,195,600</u>	<u>\$1,195,600</u>	<u>\$1,195,600</u>	<u>\$1,195,600</u>
Disbursements					
Bank Fees	\$495	\$495	\$495	\$495	\$495
Chemicals	\$600	\$600	\$600	\$600	\$600
Cost of Disposal	\$24,400	\$20,400	\$20,400	\$18,400	\$24,400
Debt Service	\$18,040	\$18,040	\$18,040	\$18,040	\$18,040
Dues & Subscriptions	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220
Guttman	\$5,301	\$5,301	\$5,301	\$5,301	\$5,301
Hauling Expenses	\$24,400	\$20,400	\$20,400	\$18,400	\$24,400
Hunters/Jacobs A/P	\$5,320	\$5,320	\$5,320	\$5,320	\$5,320
Insurances	\$132,586	\$132,586	\$132,586	\$132,586	\$132,586
Internet	\$400	\$400	\$400	\$400	\$400
Legal & Accounting	\$215,000	\$1,500	\$1,500	\$1,500	\$11,500
Licenses & Permits	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700
Maintenance	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
C Swank Fees	\$167,758	\$105,610	\$105,610	\$105,610	\$107,610
Office	\$500	\$500	\$500	\$500	\$500
Payroll					
Truck Drivers	\$352,000	\$288,000	\$288,000	\$256,000	\$352,000
PJ Service	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000
Yard	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Operations Mgmt	\$15,833	\$15,833	\$15,833	\$15,833	\$15,833
Office	<u>\$15,192</u>	<u>\$15,192</u>	<u>\$15,192</u>	<u>\$15,192</u>	<u>\$15,192</u>
Total Payroll - Wages	\$442,025	\$378,025	\$378,025	\$346,025	\$442,025
Payroll Taxes	\$48,623	\$41,583	\$41,583	\$38,063	\$48,623
Past Due Payroll Taxes	\$8,581	\$8,581	\$8,581	\$8,581	\$8,581
Past Due Payroll Taxes Int	\$227	\$227	\$227	\$227	\$227
Postage	\$420	\$420	\$420	\$420	\$420
Rents	\$21,150	\$21,150	\$21,150	\$21,150	\$21,150
Rents - Prepetition Arrears	\$35,580	\$0	\$0	\$0	\$0
Safety	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
Shop Tools	\$400	\$400	\$400	\$400	\$400
Supplies	\$6,100	\$5,100	\$5,100	\$4,600	\$6,100
Travel	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Truck Tools	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Unsecured Creditors - Large	\$10,193	\$10,193	\$10,193	\$10,193	\$10,193
Unsecured Creditors - Small	\$2,434	\$2,434	\$2,434	\$2,434	\$2,434
US Trustee Fees	\$6,250	\$0	\$0	\$0	\$0
Utilities	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Vehicle/Truck	\$219,600	\$183,600	\$183,600	\$165,600	\$219,600
<u>Total Disbursements</u>	<u>\$1,426,953</u>	<u>\$993,435</u>	<u>\$993,435</u>	<u>\$935,415</u>	<u>\$1,121,475</u>

Royal Flush Inc

12 Month Cash Flow Nov 2017 to Oct 2018

<u>Net Cash Flow</u>	<u>(\$231,353)</u>	<u>\$202,165</u>	<u>\$202,165</u>	<u>\$260,185</u>	<u>\$74,125</u>
Cash End of Month	\$167,133	\$369,298	\$571,463	\$831,647	\$905,772

[illegible]

Royal Flush Inc

12 Month Cash Flow Nov 2017 to Oct 2018

<u>(\$109,875)</u>	<u>(\$109,875)</u>	<u>(\$207,875)</u>	<u>\$86,125</u>	<u>\$86,125</u>	<u>\$86,125</u>	<u>\$86,125</u>
\$795,897	\$686,022	\$478,147	\$564,272	\$650,397	\$736,521	\$822,646

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:
Royal Flush, Inc.,
Debtor.

Bankruptcy No. 16-23458 JAD
Chapter 11
Document No.

**ORDER APPROVING AMENDED DISCLOSURE STATEMENT,
FIXING TIME FOR FILING ACCEPTANCES OR REJECTIONS OF PLAN,
FIXING TIME FOR HEARING ON PLAN CONFIRMATION, AND
SETTING LAST DAY FOR FILING A COMPLAINT
OBJECTING TO DISCHARGE COMBINED WITH NOTICE THEREOF**

AND NOW, at Pittsburgh this ____ day of _____, 2017, an amended disclosure statement and amended plan of reorganization having been filed under Chapter 11 of the Bankruptcy Code by Debtor-In-Possession, on **July 31, 2017**, and it having been determined after notice and hearing that the disclosure statement contains adequate information.

IT IS ORDERED, ADJUDGED and DECREED, and notice is hereby given, that:

(1) The amended disclosure statement filed by Debtor-In-Possession dated **July 31, 2017**, is **APPROVED**.

(2) The ____ day of _____, 2017, is fixed as the last day for filing and serving written objections to confirmation of the plan, pursuant to Rule 3020(b)(1).

(3) The ____ day of _____, 2017, is fixed as the last day for filing written acceptances or rejections to the plan referred to above and the last day to file claims not already barred by operation of law or rule or Order of this Court.

(4) Within **10** days after the entry of this Order, the disclosure statement, plan, a copy of this Order, and a ballot conforming to Official form No. 14 shall be mailed to all creditors, equity security holders, and other parties in interest, and shall be transmitted to the United States Trustee, as provided in Fed.R.Bankr.P. 3017(d).

(5) Counsel for the debtor shall file a report of the balloting **two days** before the hearing on confirmation.

(6) The ____ day of _____, 2017, at _____ in **Courtroom D, 54TH FLOOR U.S. STEEL TOWER, 600 GRANT STREET, PITTSBURGH, PENNSYLVANIA**, is the time and place fixed for hearing on confirmation of the plan.

(7) Pursuant to Bankruptcy Rule 4004(a), the last day for filing a complaint objecting to discharge, if applicable, shall not be later than _____.

Honorable Jeffery A. Deller
U.S. BANKRUPTCY JUDGE

cm: Donald R. Calaiaro, Esquire