

UNITED STATES BANKRUPTCY COURT

MIDDLE DISTRICT OF NORTH CAROLINA

In re: Banowsky Brothers Furniture, Inc.)	Case No. 18-CH11-XXXX
)	
Debtor)	Chapter 11
)	

DEBTOR'S PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE

Debtor-in-possession, Banowsky Brothers Furniture, Inc., which filed its Chapter 11 petition on June 6, 2018, hereby proposes this Plan of Reorganization (the "Plan") which is intended to propose terms to reorganize the Debtor in such a way to maximize the return to all creditors.

ARTICLE I. DEFINITIONS

A. Defined Terms

1. "Administrative Expense Claim" means any cost or expense of administration of the Chapter 11 cases allowed under Sections 364 and 503(b) of the Bankruptcy Code that is entitled to priority under Section 507(a) of the Bankruptcy Code including, without limitation, any actual and necessary expenses to the extent allowed by the Bankruptcy Court under Section 330 of the Bankruptcy Code.

2. "Allowed Claim" or "Allowed Interest" means a claim against, or Equity Security interest in, the Debtor to the extent that

a. If the claim or interest arose or is deemed to have arisen on or before the Filing Date, (1) proof of the claim or interest either is timely filed or is deemed filed under Code Section 1111(a) and (2) the claim or interest either is not the subject of a timely filed objection or is allowed by a Final Order; or

b. If the claim arose after the Filing Date and is not deemed to have arisen on or before such date, (1) the claim is of a kind that can be voluntarily paid from the Debtor's estate without specific Bankruptcy Court approval and is so paid or (2) the claim has been allowed by a Final Order; and

c. Such claim is not subject to disallowance pursuant to Section 502(d) of the Code.

3. "Allowed Secured Claim" means the Allowed Claim determined to be secured under provisions of Section 506 of the Bankruptcy Code.

4. "Ballot" means the form distributed to holders of claims and interests on which is to be stated an acceptance or rejection of Debtor's Plan.

5. "Bankruptcy Code" or "the Code," means Title 11 of the United States Code and any amendments applicable to this case.

6. "Bankruptcy Court" means the United States Bankruptcy Court for the Middle District of North Carolina or, in the event such court ceases to exercise jurisdiction over this Chapter 11 case, such court or adjunct thereof which thereafter exercises jurisdiction over this Chapter 11 case.

7. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended, as applicable to cases pending before the Bankruptcy Court.

8. "Cash" means cash and cash equivalents including, but not limited to, checks and other similar forms of payment or exchange.

9. "Claimant" means a holder of an Allowed Claim.

10. "Confirmation" means entry of the Confirmation Order.

11. "Confirmation Order" means the entered order of the Bankruptcy Court confirming the Debtor's Plan.

12. "Creditors' Committee" means the committee of unsecured creditors formed at a general meeting of creditors held on June 13, 2018 and any committee appointed under Section 1102 of the Code.

13. "Debtor" means Banowsky Brothers, Furniture, Inc. Debtor and Debtor-in-Possession shall be used interchangeably when referring to Banowsky Brothers Furniture, Inc.

14. "Disputed Claim" or "Disputed Interest" means a claim against, or equity security interest in, a Debtor (a) which has been included in the Debtor's schedules as disputed, contingent, or unliquidated, unless proof of such claim has been filed which has not been objected to, or (b) as to which the Debtor or any other party in interest has interposed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection has not been withdrawn or determined by a Final Order.

15. "Distribution" means the Cash or Equity Security to be distributed under the Plan to holders of Allowed Claims, Allowed Interests or other parties in interest under the terms of the Plan.

16. "Effective Date" means the date on which this Plan is confirmed by the Bankruptcy court.

17. "Equity Security" or "Equity Interest" means any equity interest in Debtor or including, but not limited to, preferred and common stock, options and warrants.

18. "Final Order" means an order of the Bankruptcy Court as to which (a) any appeal that has been taken, with respect to which there has been a stay pending appeal, has been finally determined or dismissed, or (b) the time for appeal has expired and a notice of appeal has not been filed timely, or (c) a notice of appeal has been timely filed for which there is no stay issued pending appeal.

19. "Insider" shall mean a person or entity as defined under Section 101(31) of the Code.

20. "Plan" means this Plan of Reorganization together with any amendments or modifications thereto which may be filed by Debtor.

21. "Preference Recoveries" means proceeds, if any, from pending or future preference actions commenced by Debtor.

22. "Priority Claim" means any claim, other than an Administrative Expense Claim or a Tax Claim, to the extent entitled to priority in payment under Section 507(a) of the Bankruptcy Code.

23. "Priority Creditor" means any creditor that holds a Priority Claim.

24. "Pro Rata" means proportionately so that the ratio of the consideration distributed on account of an Allowed Claim or Allowed Interest in a class to the consideration distributed on account of all Allowed Claims or Allowed Interests in the class is the same as the ratio of such Allowed Claim or Allowed Interest to all Allowed Claims or Allowed Interests in the class, subject to the provisions set forth in the Plan regarding fractional distributions.

25. "Reorganized Debtor" means Banowsky Brothers Furniture, Inc. operating under the terms of this Plan following confirmation by the Bankruptcy Court.

26. "Tax Claim" means any claim that is entitled to priority in payment under Section 507(a)(8) of the Bankruptcy Code.

27. "Trade Debt" means debt incurred by Debtor in the ordinary course of its business.

28. "Unclaimed Property" means any distributions which remain unclaimed ninety (90) days following each distribution under the Plan.

29. "Under-Secured Claim" shall mean a Secured Claim in connection with which the value of the collateral is less than the balance of the debt owed.

30. "Unimpaired Claims" means any claims which are not impaired under Debtor's Plan in accordance with Section 1124 of the Bankruptcy Code.

31. "Unsecured Claims" means all Allowed Claims other than Allowed Secured Claims, Administrative Expense Claims, Priority Claims, Tax Claims, including, but not limited to any claims for damages due to the rejection of executory and/or unexpired leases, except as such may be otherwise classified in this Plan.

32. "Unsecured Claimants" means any Claimant that is the holder of an Unsecured Claim.

B. Undefined Terms: A term used, but not defined in Debtor's Plan, but defined in the Bankruptcy Code has the meaning given to that term in the Bankruptcy Code.

ARTICLE II. CLASSIFICATION OF CLAIMS AND INTERESTS

A. Classified Claims: All Allowed Claims Allowed Interests are placed in the following Classes:

Class 1: Administrative Expense and other Section 507(a) Priority Claims

Class 2: Capital City Bank Secured Claim;

Class 3: New Century Automation Secured Claim;

Class 4: Columbiana Federal Savings & Loan Secured Claim;

Class 5: Billings Roofing, LLC statutory lien Claim;

Class 6: Unsecured Trade Debt: Non-priority Unsecured Claims other than those arising from Under-Secured Claimants in Classes 3-4 and other than small Trade Debt Claims in Class 8 and Critical Trade Debt Claims in Class 9;

Class 7: Non-priority Unsecured Claims arising from Under-Secured Claims in Classes 3-4;

Class 8: Non-priority Unsecured Small Trade Debt Claims each under \$500;
Class 9: Non-priority Unsecured Critical Trade Debt Claims; and
Class 10: Equity Security interests in Debtor.

B. Specification and Treatment of Claims and Interests: The treatment of the claims and interests described below applies only to Allowed Claims and Allowed Interests. Distributions to holders of claims or interests that are not Allowed Claims or Allowed Interests as of the Effective Date will be made in accordance with the Plan provisions for such classes of claims and interests, after each such claim or interest becomes an Allowed Claim or Allowed Interest. Debtor may file an objection to the allowance of any claim or interest no later than 60 days after the Effective Date (the "First Claim Objection Date"). Within the 30 days following receipt of a report from Debtor identifying all claims and indicating claims which Debtor have objected to, the Creditors' Committee may identify to Reorganized Debtor additional objections to claims which the Creditors' Committee believes should be filed ("Creditor Objection Notice") and Debtor shall file such objections within 60 days following receipt of the Creditor Objection Notice if timely received.

ARTICLE III. SPECIFICATION AND TREATMENT OF CLASSIFIED CLAIMS

Holders of Allowed Claims shall receive the distributions set forth in this Article on account of, and in complete satisfaction of, all such Allowed Claims.

All stock issued pursuant to this Plan shall be issued on the Effective Date or as soon thereafter as is practicable. No fractional shares will be issued, but will instead be rounded to the next nearest whole number.

1. Class 1 is unimpaired and consists of administrative expenses and other claims having priority under Section 507(a) of the Code. Except as provided in subparagraphs (a), (b) and (c), below, the holders of Allowed Claims entitled to priority under Section 507(a) of the Bankruptcy Code, including the \$750 Allowed Claim of Columbiana Leasing Company for contractual obligations accruing post-petition, shall be paid on the Effective Date or as soon thereafter as such a claim becomes an Allowed Claim, except to the extent a holder of such claim has agreed to other treatment. Professional fees shall be paid upon court approval of a duly noticed fee application. All such Administrative Expense Claims and Priority Claims shall retain their priority status until paid in full. Such priority status shall continue in the event such claims are not paid under this Plan, including, but not limited to, conversion of this case to Chapter 7. Post Confirmation fees to professionals shall be paid in full, monthly, unless otherwise agreed with such professionals. The Court shall retain jurisdiction to address Debtor's objections to any fees.

(a) The holders of Allowed Claims entitled to priority pursuant to 11 U.S.C. Section 507(a)(8), including the State of North Carolina holding a Claim for \$27,000 for corporate state income tax, may be paid monthly by Debtor over a period of up to six years or sooner at the discretion of Debtor, with interest at the rate allowed by Jaw.

(b) Post-petition Administrative Expense Claims for goods and services incurred in the ordinary course of Debtor's business will be paid in accordance with Debtor's agreement with the holders thereof.

(c) Professional fees requiring court approval under Section 330 of the Bankruptcy Code shall be paid in full upon court approval.

2. Class 2 is impaired and consists of the Allowed Secured Claim of Capital City Bank ("CCB"). CCB is secured in the real property owned by Debtor as well as in Debtor's pre-petition accounts receivables, cash, inventory and inventory-in-process. Pursuant to the Order of the Bankruptcy Court

entered December 3, YR-1, CCB is also secured in the post-petition inventory and accounts receivable of Debtor. There is a pre-petition arrearage owed to CCB by Debtor in the amount of \$28,270 which shall be paid in equal installments over six months beginning six months after the Effective Date together with interest at 7% per annum on said amount. CCB shall retain its secured position and its Allowed Secured Claim will be paid in full as follows: Debtor will pay interest only on the balance of the indebtedness owed to CCB totaling \$1.5 million at the rate of 7% per annum for 9 months following the Effective Date. Thereafter, payments to CCB will resume under the payment schedule set forth in the original contract between CCB and Debtor and at the contract rate of interest and said schedule of payments shall be extended until the indebtedness is paid in full.

3. Class 3 is impaired and consists of the Allowed Secured Claim of New Century Automation (NCA). NCA is secured in the CAD/CAM systems and production equipment of Debtor having a total value of \$350,000. There is a pre-petition arrearage owed by the Debtor to NCA in the amount of \$10,282 which will be paid in equal installments over six months beginning six months after the Effective Date together with interest at 7% per annum on said amount. The secured claim of NCA is allowed only to the extent of the value of the property securing the claim (\$350,000) and the balance of \$75,000 is treated as an Unsecured Claim within Class 7. NCA shall retain its secured position and the Allowed Secured Claim of NCA as defined in this paragraph will be paid in full as follows: Debtor will pay interest only on the balance of the secured indebtedness owed to NCA totaling \$350,000 at the rate of 7% per annum for 9 months following the Effective Date. Thereafter, payments to NCA will resume under the payment schedule set forth in the original contract between NCA and Debtor and at the contract rate of interest and said schedule of payments shall be extended until the indebtedness is paid in full.

4. Class 4 is impaired and consists of the Allowed Secured Claim of Columbiana Federal Savings & Loan (CFSL). NCA is secured in the six vehicles owned by Debtor and in the office furniture, supplies, fixtures and non-production equipment owned by Debtor having a total value of \$150,000. Two vehicles owned by Debtor in which CFSL has a security interest (specifically the YR-4 GMC commercial delivery vehicle and the YR-5 GMC commercial delivery vehicle) having a combined current value of \$40,000 will be surrendered to CFSL on or before the Effective Date reducing the total value of Debtor's property in which CFSL is secured to \$110,000. The secured claim of CFSL is allowed only to the extent of the value of the remaining property of Debtor securing the claim (\$110,000) and the balance of \$25,000 is treated as an Unsecured Claim within Class 7. CFSL shall retain its secured position and the Allowed Secured Claim of CFSL as defined in this paragraph will be paid in full as follows: Debtor will pay interest only on the balance of the secured indebtedness owed to CFSL totaling \$110,000 at the rate of 7% per annum for 9 months following the Effective Date. Thereafter, payments to NCA will resume under the payment schedule set forth in the original contract between NCA and Debtor and at the contract rate of interest and said schedule of payments shall be extended until the indebtedness is paid in full.

5. Class 5 is impaired and consists of the Allowed Claim of Billings Roofing, LLC (BR) in the amount of \$15,000 which is secured by a pre-petition statutory mechanic's lien on the real property owned by Debtor. The value of the real property subject to the lien securing the Claim of BR is \$1.2 million and the lien of BR is junior to the first mortgage on the real property held by Capitol City Bank (CCB) securing indebtedness owed to CCB totaling \$1.5 million. Consequently there is no equity in the real property to which the lien of BR may attach. The Claim of BR will be reduced to the equity value of the real property (\$0) and the balance of \$15,000 is treated as an Unsecured Claim under Class 6.

6. Class 6 is impaired and consists of all non-priority unsecured Trade Debt: Allowed Unsecured Claims other than the Unsecured Claims of Claimants in Classes 3-4 and 8. Each Claimant in this Class 6 may elect to receive 10% of their Allowed Claim in Cash on the Effective Date in full settlement of their Claim. Claimants in this Class 6 not exercising that option shall receive 25% of their Allowed Claim

payable in Pro Rata annual installments over 10 years beginning on the third anniversary of the Effective Date.

7. Class 7 is impaired and consists of all non-priority Allowed Unsecured Claims arising out of the undersecured Claims of Claimants in Classes 3-4. Claims in this Class 7 shall receive 50% of their Allowed Claim payable in Pro Rata annual installments over 10 years beginning on the third anniversary of the Effective Date.

8. Class 8 is impaired and consists of 6 non-priority Allowed Unsecured Claims totaling \$2,500 whose claims are each less than \$500 in amount. The Claims are collected in one class for administrative convenience and will be paid in full in cash six months after the Effective Date.

9. Class 9 is impaired and consists of the non-priority Allowed Unsecured Claims of Western Chemical Supply and Specialty Gum & Sap totaling \$15,000 to arise from the recovery of preferential pre-petition payments made to those companies. The Claims are collected in one class because these two creditors represent critical Trade Creditors of Reorganized Debtor without whose continued business Reorganized Debtor cannot finish manufacture of its furniture-in-process. Claims in this class will be paid in full in cash six months after the Effective Date.

10. Class 10 is impaired and consists of Equity Security Interests in Debtor. On the date the Petition was filed Debtor was authorized to issue 10,000 shares of common stock and all 10,000 shares were then issued and outstanding to five holders as follows:

Charles Banowsky (2,500 shares)
Timothy Banowsky (2,500 shares)
Richard Banowsky (2,000 shares)
Virginia Banowsky (2,000 shares)
Beverly Banowsky Davis (1,000 shares)

The \$10,000 shares have a stated value of \$1 per share. All 5 holders of the common stock of Debtor shall retain their respective Equity Security Interest in the Reorganized Debtor after the Effective Date. However, the Reorganized Debtor shall authorize and issue 10,000 shares of preferred stock in the Reorganized Debtor which shall be issued to New Era Capital Alliance (NECA) pursuant to the terms of Article IV of this Plan. No dividend shall be declared or paid in the common stock of the Reorganized Debtor prior to the 4th anniversary of the Effective Date and then only if the payments called for in Classes 1-7 of this Plan have been or are being made. No additional common stock shall be authorized or issued in the Reorganized Debtor until all the Claims in Classes 1-7 shall be paid in full. No shares of common stock issued to Class 8 Equity Security Holders may be sold, transferred or otherwise disposed of prior to the 4th anniversary of the Effective Date and then only if the payments called for in Classes 1-7 of this Plan have been or are being made. There shall be no distribution to the current holders of Equity Security Interests in Debtor despite the diminution in their ownership interest of Reorganized Debtor.

ARTICLE IV. MEANS FOR IMPLEMENTATION OF THE PLAN: SOURCE OF FUNDS

A. Beginning on the Effective Date, New Era Capital Alliance (NECA) shall make available to the Reorganized Debtor a first line of credit in the amount of \$500,000 for use in the transition of the Reorganized Debtor's furniture making business as described in the Disclosure Statement accompanying this Plan (Disclosure Statement). Six months following the Effective Date NECA shall make available to the Reorganized Debtor a second line of credit in the amount of \$500,000 if the income projections set forth in the Disclosure Statement for the first 6 months following the Effective Date are met. The terms of both the first and second line of credit will be payment on the outstanding balance of interest only 7% per annum for seven years followed by repayment of the principal balance owed in annual installments together with interest at 7% per annum over 5 years.

B. In exchange for the extension of credit described in sub-paragraph A of this Article IV, the Reorganized Debtor will, immediately following the Effective Date, cause its charter to be amended and restated to authorize the issuance of 10,000 shares of preferred stock in Reorganized Debtor having a stated value of \$1 per share. The Reorganized Debtor shall then issue the first 5,000 shares of the preferred stock to NECA as of the Effective Date. Upon issuance of the second line of credit, Debtor shall issue the second 5,000 shares of preferred stock to NECA. In addition, the Reorganized Debtor will grant to NECA a secured position in all of the Reorganized Debtor's real and personal property to secure repayment of the amounts owed under the first and second line of credit. Additionally, Insiders Charles Banowsky and Timothy Banowsky shall grant NECA a mortgage in the real property used by said Insiders as their primary residences as of the Effective Date to secure repayment of the amounts advanced by NECA to the Reorganized Debtor in the first and second line of credit.

C. The preferred stock to be authorized and issued as contemplated by this Article IV shall have the rights, privileges and preferences as follows:

a. Dividend Preferences. Beginning on the fifth anniversary of the Effective Date, the holders of the Preferred Stock shall, upon the vote of the majority of the Board of Directors, be entitled to receive, out of any funds legally available therefore, cumulative dividends at a rate of \$5 per share, per year, prior and in preference to any payment of any dividend on the common stock. Such dividends shall be paid when, as and if declared by the Board of Directors. The dividend rights and preferences of the Preferred Stock shall be senior to those of the common stock. After the dividend preferences of the Preferred Stock due in a given year have been paid in full, all remaining dividends in such year, if any, shall be paid equally on the common stock and the Preferred Stock.

b. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Reorganized Debtor, or the sale, merger or combination of the Reorganized Debtor, a public offering of the Reorganized Debtor, a merger or consolidation of the Reorganized Debtor in which its shareholders do not retain a majority of the voting power in the surviving corporation, or a sale of all or substantially all of the Reorganized Debtor's assets (singularly or collectively referred to as a "Liquidation Preference Event"), the holders of the Preferred Stock will be entitled to receive an amount equal to \$100 per share for the Preferred Stock, plus an amount equal to all declared but unpaid dividends thereon (the "Preference Amount"). After the Preference Amount on all outstanding shares of Preferred Stock has been paid, any remaining funds and assets of the Reorganized Debtor legally available for distribution to shareholders shall be distributed pro rata solely among the holders of the common stock. If the Reorganized Debtor has insufficient assets to permit payment of the Preference Amount in full to all holders of the Preferred Stock, then the assets of the Reorganized Debtor shall be distributed ratably to the holders of the Preferred Stock in proportion to the Preference Amount each such holder would otherwise be entitled to receive.

c. Voting Rights. The holders of the Preferred Stock shall have the right to vote as a class on (i) the merger, sale, liquidation or dissolution of the Reorganized Debtor, (ii) a sale of all or substantially all of the Reorganized Debtor's assets, (iii) any increase in the number of authorized shares of any class or series of the Reorganized Debtor's Equity Securities, (iv) creation of any new class or series of Equity Securities in the Reorganized Debtor, (v) any increase in the number of members of the Board of Directors of the Reorganized Debtor, and (vi) election of one member of the Board of Directors of the Reorganized Debtor.

h. Information Rights. The Reorganized Debtor will furnish holders of the Preferred Stock with annual unaudited consolidated financial statements together with such notes and commentary by management as is usual and customary, as well as copies of all formal and informal financial statements and state or federal tax returns of the Reorganized Debtor.

ARTICLE V. RECOVERY OF AVOIDABLE TRANSFERS

The Reorganized Debtor may commence any adversary proceeding to recover transfers avoidable under the Bankruptcy Code within the time specified in the Bankruptcy Code. As reflected in the Debtor's Statement of Financial Affairs, there have been at least four pre-petition transfers that appear to be preferential and subject to recovery under Section 547 of the Code. The pre-petition transfers to Cradden's Paint Place and American Hardwood will, when recovered, be treated in Class 7. The pre-petition transfers to Western Chemical Supply and Specialty Gum & Sap, critical trade creditors of the Reorganized Debtor, will, when recovered, be treated in Class 9.

ARTICLE VI. RETENTION, ENFORCEMENT AND WAIVER OF CLAIMS

The Reorganized Debtor shall retain and may enforce claims held by it or its estate except such claims which have been waived, relinquished, or released in accordance with this Plan.

ARTICLE VII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

All executory contracts and unexpired leases to which Debtor was a party at the time the case commenced will be rejected unless expressly assumed by the Debtor. Unless already rejected by pre-Plan motion, this includes the lease agreement between Debtor and Columbiana Leasing Company, and the executory contracts between Debtor and Sherman Department Store and between Debtor and Billings Home Furnishings. The last date to file claims for rejected contracts and/or unexpired leases shall be 30 days after the Effective Date. Any entity with a claim that arises from the rejection of an executory contract or unexpired lease shall have the rights of a Class 6 unsecured claimant to the extent such claim becomes an Allowed Claim in that Class.

ARTICLE VIII. TAXES

No representations are made to any party concerning the tax attributes and effects of this Plan. You are advised to consult your own tax adviser.

ARTICLE IX. REVESTING

Except as provided in the Plan or in the Confirmation Order, on the Effective Date, the Reorganized Debtor shall be vested with all the property of Debtor's estates free and clear of all claims, liens, security interests, charges and other interests of the creditors arising prior to Confirmation.

ARTICLE X. BAR DATE AND NOTICE

1. Pre-Petition Claims: In accordance with Federal Rules of Bankruptcy Procedure, Rule 3003(c)(3), the Court will establish a bar date as the last day by which creditors would be permitted to file Proofs of Claim in this case (the "Bar Date"). Pursuant to Bankruptcy Code Section 502 and Federal Rules of Bankruptcy Procedure, Rule 3003(c)(2), any creditor whose claim is not scheduled by Debtor or was scheduled as disputed, contingent or unliquidated, and who fails to file a Proof of Claim on or before the Bar Date, will not be treated as a creditor with respect to such claim for purposes of voting on, and

receiving a distribution under, the Plan. Debtor intends to file objections to all late filed claims and to all duplicate, excessive or otherwise defective claims.

2. Administrative Claims: Any creditor who has an Administrative Expense Claim (other than for ordinary business expenses payable in the ordinary course and other than professionals) shall file a proof of claim or application for payment with the Court for such administrative expenses on or before 45 days after the Effective Date and serve a copy thereof on Debtor. Administrative Expense Claims filed after the deadline set forth herein shall be barred and Debtor have no obligation to pay such late filed claims. This provision specifically excludes administrative claims of professionals employed in this Bankruptcy Case.

ARTICLE XI. POST-CONFIRMATION BUSINESS TRANSACTIONS

The Reorganized Debtor shall have the flexibility to conduct its advertising and interactive businesses as it deems necessary as long as the Reorganized Debtor does not violate provisions of the Plan. Such business conduct may include, but is not limited to, selling assets, selling equipment, entering into new lease agreements, purchasing materials and equipment and entering into new contracts.

ARTICLE XII. RETENTION OF JURISDICTION

Notwithstanding Confirmation, the Bankruptcy Court shall retain full jurisdiction as provided in 28 U.S.C. Section 1334 to enforce the provisions, purposes, and intent of this Plan including, without limitation:

1. Determination of the allowability and priority of claims and interests;
2. Determination of requests for payment of claims entitled to priority under Section 507(a)(1) of the Bankruptcy Code, including compensation of parties entitled thereto;
3. Resolution of controversies and disputes regarding interpretation of this Plan;
4. Implementation of the provisions of this Plan and entry of orders in aid of Confirmation of this Plan, including, without limitation, appropriate orders to protect the Debtor from creditor action;
5. Modification of this Plan pursuant to Section 1127 of the Bankruptcy Code and amendments to this Plan after substantial consummation;
6. Adjudication of any causes of action brought by the Debtor;
7. Any determination or estimation necessary or appropriate under Section 505 of the Bankruptcy Code or other determination or estimation relating to tax returns filed or to be filed by the Debtor for periods through the end of the fiscal year in which the Effective Date occurs, including the determination of the amount of taxes, net operating losses, tax attributes, tax benefits, tax refunds, and related matters of the Debtor; and
8. Entry of a final decree closing this case.

ARTICLE XIII. POST-CONFIRMATION NOTICES

In the event it is necessary to provide notice to creditors after the Plan is confirmed, notice will be mailed only to the following: (1) parties affected by the noticed action, (2) committees appointed in the case, (3) the Reorganized Debtor, (4) United States Trustee, and (5) parties requesting special notice of post-confirmation matters.

Date: July 16, 2018

Banowsky Brothers Furniture, Inc.,
a North Carolina Corporation

By: /s/ Charles A. Banowsky
Charles A. Banowsky, President

/s/ Lisa M. Forsyth

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