

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:

**Scotty's Brewhouse Butler,
LLC**

Debtors

Case No: 18-09257-JJG-11

Debtors' Plan of Reorganization

Counsel for the Debtors¹:

Jeffrey M. Hester
John J. Allman
HESTER BAKER KREBS LLC
One Indiana Square, Suite 1600
Indianapolis, IN 46204
jhester@hbkfirm.com
jallman@hbkfirm.com
317.833-3030
317.833.3031 fax

¹ The Debtors include Scotty's Holdings, LLC, Case No. 18-09243-JJG-11 (the "Lead Case"); A Pots & Pans Production, LLC, Case No. 18-09244-JJG-11; Scotty's Thr3e Wise Men Brewing Company, LLC, Case No. 18-09245-JJG-11; Scotty's Brewhouse, LLC, Case No. 18-09246-JJG-11; Scotty's Brewhouse Bloomington, LLC, Case No. 18-09248-JJG-11; Scotty's Brewhouse West Lafayette, LLC, Case No. 18-09250-JJG-11; Scotty's Indianapolis, LLC, Case No. 18-09251-JJG-11; Scotty's Brewhouse Downtown Indianapolis, LLC, Case No. 18-09252-JJG-11; Scotty's Brewhouse Mishawaka, LLC, Case No. 18-09253-JJG-11; Scotty's Brewhouse Fort Wayne, LLC, Case No. 18-09255-JJG-11; Scotty's Brewhouse Carmel, LLC, Case No. 18-09256-JJG-11; Scotty's Brewhouse Butler, LLC, Case No. 18-09257-JJG-11; and Scotty's Brewhouse Waco, LLC, Case No. 18-09258-JJG-11; *however—see definition 1.16 below for a definition of the Debtors for purposes of this Plan.*

Table of Contents

- 1. Definitions 3
- 2. introduction 9
- 3. treatment of administrative expense claims and priority tax claims
and other priority claims 10
- 4. classification of classes of claims and interests..... 12
- 5. treatment of claims..... 14
- 6. provisions governing distributions 17
- 7. means of effectuating the plan 17
- 8. executory contracts..... 18
- 9. property to be dealt with by the plan 19
- 10. reservation of rights..... 19
- 11. jurisdiction of the court..... 20
- 12. effect of confirmation of the plan 21
- 13. Exculpation 22
- 14. miscellaneous provisions 22

Pursuant to 11 U.S.C. §101 et seq. of the United States Bankruptcy Code, the Debtors-in-Possession in the above-referenced Cases hereby proposes to the Debtors' creditors, the Debtors' following Plan of Reorganization in satisfaction and discharge of all existing Claims against and Existing Equity Interests in the Debtors.

1. Definitions

1.1. All terms used in this Plan, unless otherwise defined in this section or given different meaning as required in the text herein, are as defined in the Bankruptcy Code. The following terms shall have the meaning set forth in this section:

1.2. **Administrative expense claim** means any right to payment constituting a cost or expense of administration of the Chapter 11 Case under §§ 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Debtors' estates, any costs and expenses of the Debtors in connection with the administration and implementation of the Plan, all compensation and reimbursement of expenses to the extent allowed by the Bankruptcy Court under §§ 330 and 503 of the Bankruptcy Code and any fees or charges assessed against the Debtors' estates under 28 U.S.C. § 1930. Administrative Expense Claim does not include the DIP Loan.

1.3. **Allowed** means:

1.3.1. with reference to a Claim: (a) any Claim as to which a proof of Claim is filed in this proceeding against the Debtors in a timely manner and as to which no objection has been or is hereafter filed; (b) any Claim allowed hereunder; (c) any Claim that is compromised, settled or otherwise resolved pursuant to a Final Order of the Bankruptcy Court or under the Plan; or (d) any Claim which, if disputed, has been allowed by Final Order. Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered Allowed Claims hereunder; and

1.3.2. with reference to an Administrative Expense: an Administrative Expense as to which no objection to the allowance thereof has been interposed within any period of time theretofore that may be fixed by an order of the Bankruptcy Court, or as to which any objection thereto has been determined by a Final Order or to the extent such objection is determined in favor of the holder thereof.

1.3.3. Unless otherwise specified herein or by order of the Bankruptcy Court, Allowed Administrative Expense Claims and Allowed Claims shall not, for any purpose under the Plan include interest, punitive damages or any fine or penalty on such Allowed Administrative Expense Claim or Allowed Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim which the Debtors may hold against the holder thereof, to the extent such Claim may be setoff pursuant to § 553 of the Bankruptcy Code. Notwithstanding the above, nothing shall affect the administrative expense claims provided in the Cash Collateral Orders (defined below).

1.4. **Bankruptcy Code** means the version of the United States Bankruptcy Code, 11 U.S.C. §101 et seq., in effect on the Petition Date.

1.5. **Bankruptcy Court** means the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division.

1.6. **Bankruptcy Rules** means the version of the Federal Rules of Bankruptcy Procedure in effect on the Petition Date.

1.7. **Business** means numerous “Scotty’s Brewhouse” bar and restaurant locations, which is a 22 year old craft beer, sports bar concept owned, operated, and managed by the Debtors, and the operation of a brewery, Thr3e Wise Men Brewing Company.

1.8. **Cases** means the Debtors’ above-captioned bankruptcy proceedings.

1.9. **Cash Collateral Orders** means *Interim Order Authorizing Use of Cash Collateral, Granting Adequate Protection, Other Related Relief, And Scheduling Further Hearing For Final Approval*, entered by the Bankruptcy Court in the Cases on December 17, 2018 [Doc. No. 57]; *Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection* entered by the Court in the Cases on January , 2019 [Doc. No. 157]; plus any order or orders related thereto subsequently entered by the Bankruptcy Court in the Cases prior to the Confirmation Date.

1.10. **Causes of Action** means all fraudulent conveyance, turnover, and other claim and causes of action arising under Chapter 5 of the Bankruptcy Code, and any and all other actions, causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims and demands whatsoever, that

have been or could have been brought by or on behalf of the Debtors arising before, on or after the Petition Date, whether known or unknown, in law, equity or otherwise. This does not include Preference Actions.

1.11. **Claim** means that definition of a claim under §101(5) of the Bankruptcy Code defining a claim as (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.12. **Claims Agent** means the claim agent employed in this these Cases.

1.13. **Class** means any class into which Claims or Equity Interests are classified pursuant to this Plan.

1.14. **Closed Locations** means Scotty's Indianapolis, LLC; Scotty's Brewhouse Downtown Indianapolis, LLC; Scotty's Thr3e Wise Men Brewing Company, LLC; Scotty's Brewhouse Carmel, LLC; Scotty's Brewhouse, LLC; and Scotty's Brewhouse Waco, LLC.

1.15. **Confirmation Date** means the date upon which the Order of Confirmation is entered by the Bankruptcy Court.

1.16. **Consummation** of the Plan means the accomplishment of payment in full to all Claims pursuant to section 3.2 and 3.3.

1.17. **Debtors** means the Debtors that are still operating, intend to reorganize, and are listed as follows: Scotty's Holdings, LLC; A Pots & Pans Production, LLC; Scotty's Brewhouse Bloomington, LLC; Scotty's Brewhouse West Lafayette, LLC; Scotty's Brewhouse Mishawaka, LLC; Scotty's Brewhouse Fort Wayne, LLC; and Scotty's Brewhouse Butler, LLC.

1.17.1. For purposes of this Plan, Debtors does not mean or include Scotty's Brewhouse, LLC; Scotty's Indianapolis, LLC; Scotty's Thr3e Wise Men Brewing Company, LLC; Scotty's Brewhouse Downtown Indianapolis, LLC; Scotty's Brewhouse Carmel, LLC; and Scotty's Brewhouse Waco, LLC.

1.18. **DIP Lender** means, collectively, Sase Kosan, K.K. and any additional lender that provided a commitment to participate in the DIP Loan, together with their successors and assigns.

1.19. **DIP Loan** means that certain debtor-in-possession loan in an aggregate principal amount of \$890,000 that was approved in the Cases by an order of the Bankruptcy Court dated January 23, 2019 and entitled *Order Granting Motion For An Order (I) Authorizing The Debtors To Obtain Secured Post-Petition Financing, And (II) Granting Related Relief* [Doc. No.156] and *Final Order (I) Authorizing The Debtors To Obtain Additional Secured Post-Petition Financing On A Final Basis Nunc Pro Tunc To April 26, 2019, And (II) Granting Related Relief* [Doc.No.370]. As of the date hereof, (i) an aggregate principal amount of \$890,000 has been advanced under the DIP Loan and (ii) interest, fees and expenses are outstanding in an aggregate amount of not less than \$[to be added].

1.20. **Disclosure Statement** means the Debtors' disclosure statement, filed contemporaneously with this Plan pursuant to § 1125 of the Bankruptcy Code.

1.21. **Disputed Claim** means any Claim which has been listed as "disputed", "contingent" or "unliquidated" in the Debtors' schedules or as to which an objection to the allowance of which is interposed, which objection has not been determined as of the Effective Date.

1.22. **Effective Date** means the date on which the Order of Confirmation of the Plan is no longer subject to appeal or certiorari proceedings, on which date no such appeal or certiorari proceedings are then pending and on which date all of the conditions of the effectiveness of the Plan expressly set forth in the Plan have been satisfied fully, or effectively waived.

1.23. **Equity Interests** means any equity security within the meaning of §101(16) of the Bankruptcy Code, including, without limitation, all issued, unissued, authorized or outstanding limited liability company membership interests (including common and preferred) or other equity interests, together with any warrants, options, convertible securities, liquidating preferred securities or contractual rights to purchase or acquire any such equity interests at any time and all rights arising with respect thereto.

1.24. **Existing Equity** Interests means all Equity Interests in the Debtors immediately prior to the commencement of the Cases.

1.25. **Exit Lender** means a party or parties to be identified that will provide the Exit Loan.

1.26. **Exit Loan** means that certain loan to be made by the Exit Lender to fund certain Administrative Expense Claims and fund other payments to creditors as detailed herein.

1.27. **Final Order** means an order of a court from which no appeal can be taken, or as to which all appeals have been withdrawn or dismissed with prejudice.

1.28. **Finally Determined** means for all purposes related to the Claim to which objections have been made, the date on which an order allowing, disallowing or in part allowing or disallowing that Claim becomes a Final Order.

1.29. **General Unsecured Claim** means a Claim or that portion thereof that (i) has not already been paid pursuant to first day orders entered in this case pursuant to S.D. Ind. B-9013-3, (ii) is not a Secured Claim, or (iii) is not entitled to priority under 11 U.S.C. § 503 or 507 or otherwise.

1.30. **Gift Cards** means gift cards sold by the Debtors prior to the Petition Date.

1.31. **Huntington** means The Huntington National Bank, a secured creditor herein.

1.32. **Net Monthly Income** means the sum determined by deducting from the Debtors' gross monthly income all on-going expenses of the Reorganized Debtors.

1.33. **Order of Confirmation** means the order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.34. **Other Priority Claim** means a priority Claim specified in §507 of the Bankruptcy Code other than an Administrative Expense Claim or a Priority Tax Claim.

1.35. **P&P** means A Pots and Pans Production, LLC, one of the Debtors herein that provides a consolidated management function for all of the Scotty's Brewhouse locations owned by the Debtors. P&P also manages other Scotty's Brewhouse locations

that are not affiliated with the Debtors but utilize the Scotty's Brewhouse name.

1.36. **Petition Date** means the date on which the Debtors filed their petitions for relief in these Cases with the Bankruptcy Court, which is December 11, 2018.

1.37. **Plan** means this plan of reorganization, as it may be modified or supplemented.

1.38. **Preference Actions** mean preference actions pursuant to § 547 of the Bankruptcy Code.

1.39. **Priority Tax Claim** means any unsecured Claim of a governmental unit of the kind specified in § 507(a)(8) of the Bankruptcy Code.

1.40. **Property** means any interest or claim of the Debtors in any kind of property or asset, whether real, personal, tangible, intangible or mixed.

1.41. **Pro-Rata** means the portion that an Allowed Claim in a particular class bears to the aggregate amount of Allowed Claims in such class.

1.42. **Remaining Debtors** means the Debtors other than Scotty's Holdings.

1.43. **Reorganized Debtors** means the Debtors' status after the confirmation of the Plan.

1.44. **Reorganized Scotty's Holdings** means Scotty's Holdings' status after the confirmation of the Plan.

1.45. **Rewards Network** mean Rewards Network Establishment Services Inc.

1.46. **Scotty's Holdings** means Scotty's Holdings, LLC, the 100% member of all the other Debtors.

1.47. **Secured Claim** means a Claim: (1) secured by liens, security interest, or other charges against or interest in any Property in which the Debtors have an interest; and (2) to the extent of the value (determined in accordance with §506(a) of the Bankruptcy Code) of the interest of the holder of such Claim in the Debtors' interest in such Property.

1.48. **Interpretation, Application of Definitions and Rules of Construction.** Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated

in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter. Unless otherwise specified, all references to section, schedule or exhibit in the Plan are to the respective section in, schedule to, or exhibit to, the Plan. The words “herein” “hereof” “hereto” “hereunder” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. The rules of construction contained in § 102 of the Bankruptcy Code shall apply to the construction of the Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in the Plan are for convenience or reference only and shall not limit or otherwise affect the provisions of the Plan.

2. introduction

2.1. The Debtors own, operate, and manage the Business. Scotty’s Holdings is the 100% member of all the other Debtors. P&P provides a consolidated management function for all of the Scotty’s Brewhouse locations owned by the Debtors. P&P also manages other Scotty’s Brewhouse locations that are not affiliated with the Debtors but utilize the Scotty’s Brewhouse name. The Debtors’ assets mainly consist of furnishing, electronics, liquor licenses, and kitchen/restaurant equipment. The Debtors do not own any real estate and operate from locations they rent from third parties. The Debtors’ largest alleged secured creditors are Huntington (which has asserted a secured claim of approximately \$1,100,000 as of the Petition Date) and Rewards Network (which has asserted a secured claim of approximately \$590,000 as of the Petition Date). At the risk of being locked out of their business locations by their landlords, the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. Since then, the Debtors have closed four of the locations that were not profitable (the Closed Locations). During the course of these Cases, the Debtors have operated through an approved budget and paid all ordinary expenses and paid full adequate protection payments to their secured creditors pursuant to the Cash Collateral Orders. Additionally, the Debtors have obtained final orders from the Bankruptcy Court rejecting the real property leases for the Closed Locations, and for approval of the DIP Loan. After closing the Closed Locations, and with the bankruptcy stay in place, the Debtors believe they will be able to reorganize and successfully emerge from these bankruptcy proceedings.

2.2. This Plan proposes to extinguish for no value the Existing Equity Interests in Scotty's Holdings (the Existing Equity Interests in the remaining Debtors will be preserved solely for administrative purposes including for ownership by Reorganized Scotty's Holdings). As a result, the holders of the Existing Equity Interests in Scotty's Holdings will receive no value on account of such interests under the Plan. The outstanding obligations under the DIP Loan on the Effective Date, including, without limitation, all accrued and unpaid interest and reimbursement of professional fees and expenses, will be converted to new equity interests in the Reorganized Scotty's Holdings. Pursuant to the Plan, an Exit Lender will provide an Exit Loan to the Reorganized Debtors, the funds of which will disburse and be utilized to pay creditors on their claims on the Effective Date in accordance with this Plan. The Debtors believe this Plan is in the best interest of their creditors as a whole. This Plan provides all creditors, including secured creditors, more than what they would receive in a chapter 7 liquidation.

3. treatment of administrative expense claims and priority tax claims and other priority claims

3.1. **Non-Classification.** As provided in § 1123(a) of the Bankruptcy Code, Administrative Expense Claims are not classified for the purposes of voting on or receiving distributions under the Plan. All such Claims are instead treated separately pursuant to the terms set forth in this section.

3.2. **Administrative Expense Claims.** Except to the extent that any entity entitled to payment of an Allowed Administrative Expense Claim agrees to a less favorable treatment, each holder of an Allowed Administrative Expense Claim shall receive cash in an amount equal to such Allowed Administrative Claim on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course shall be paid in full by the Reorganized Debtors in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

3.3. **Professional Compensation and Reimbursement Claims.** All entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses

incurred through and including the Effective Date under §§ 330 or 331 of the Bankruptcy Code or entitled to the priorities established pursuant to § 503 of the Bankruptcy Code shall (a) file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date by no later than the date which is thirty (30) days after the Effective Date, or such other date as may be fixed by the Bankruptcy Court, and (b) if granted such an award by the Bankruptcy Court, be paid in full in cash in such amounts as are allowed by the Bankruptcy Court, on the date which such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable.

3.4. DIP Loan. The DIP Lender shall be paid in full with respect to any and all amounts due and owing under the DIP Loan on the Effective Date by receiving all of the Equity Interests in Reorganized Scotty's Holdings.

3.5. Priority Tax Claims under §507(a)(8). At the start of these Cases, there existed certain Priority Tax Claims for sales and/or withholding taxes (§507(a)(8)). All of such claims have been paid pursuant to first day orders entered in these Cases pursuant to S.D. Ind. B-9013-3. To the extent there are any unpaid and Allowed Priority Tax Claims, then such claims shall be paid in full annually over five years.

3.6. Other Priority Claims. At the start of these Cases, there existed Other Priority Claims for wages (§507(a)(4)). All of such claims have been paid pursuant to first day orders entered in these Cases pursuant to S.D. Ind. B-9013-3.

3.7. Personal Property Taxes. At the start of these Cases, there existed personal property taxes that are entitled to priority treatment (§507(a)(8)). Such claims shall be paid annually over five years.

3.8. PACA Claims. At the start of these Cases, there existed certain pre-petition claims that could have been brought under the Perishable Agricultural Commodities Act, 7 U.S.C. 499(e)(c) ("PACA"). All of such pre-petition PACA claims have been paid in full pursuant to first day orders entered in these Cases pursuant to S.D. Ind. B-9013-3. Any post-petition PACA claims shall be paid by the Reorganized Debtors in the ordinary course.

4. classification of classes of claims and interests

4.1. All Claims and Existing Equity Interests arising from the past or present debt of, or an Equity Interest in the Debtors shall be bound by the provisions of this Plan. All Claims, except those described in Section 3, are placed in the following classes of Claims, pursuant to Bankruptcy Code § 1123(a)(1), which section specifies the treatment of such classes of Claims and of their impaired or unimpaired status, pursuant to Bankruptcy Code §§ 1123(a)(2) and 1123(a)(3). A Claim is classified in a particular class only to the extent that the claim qualifies within the description of the class and is classified in a different class to the extent that the Claim qualifies within the description of that different class. A Claim is in a particular class only to the extent that the Claim in an Allowed Claim in that class and has not been paid, released, withdrawn, waived, or otherwise satisfied under this Plan. Except to the extent the holder of an Allowed Claim or Allowed Existing Equity Interest against the Debtor(s) agrees to accept different but lesser treatment, the treatment of Allowed Claims and Existing Equity Interests are hereby classified as follows:

4.1.1. **Class 1: Secured Claim of Huntington.** Class one consists of the Secured Claim of Huntington, such debt being secured by senior liens on the Debtors' property to secure the payment of Huntington's Secured Claim.

4.1.2. **Class 2: Secured Claim of Rewards Network.** Class two consists of the Secured Claim of the Rewards Network, if any, such debt being secured by junior liens on the Debtors' (except Scotty's Holdings, LLC and A Pots & Pans Production, LLC, neither of which are obligors to Rewards) property to secure the payment of Rewards' Allowed Secured Claim, if any.

4.1.3. **Class 3: Priority and General Unsecured Claims of Gift Card Holders:** Class three consists of the Priority and General Unsecured Claims of individuals holding Gift Cards issued by the Debtors, which remain unredeemed on the Effective Date—such claims may have been partially paid or paid in full pursuant to first day orders entered in these Case pursuant to S.D. Ind. B-9013-3.

4.1.4. **Classes 4A-G: General Unsecured Claims.** Classes 4A-G consists of the General Unsecured Claims, including claims arising from the rejection of executory contracts, if any. Class four is divided into seven subclasses (A-G)—one for each of the

Debtors—to reflect the differing make-up of the General Unsecured creditors of each Debtor as follows:

1. **Class 4A: General Unsecured Claims of Scotty's Holdings.** Class 4A consists of the General Unsecured Claims against Scotty's Holdings, including claims arising from the rejection of executory contracts.
 2. **Class 4B: General Unsecured Claims of P&P.** Class 4B consists of the General Unsecured Claims against P&P, including claims arising from the rejection of executory contracts.
 3. **Class 4C: General Unsecured Claims of Scotty's Brewhouse Bloomington, LLC.** Class 4C consists of the General Unsecured Claims against Scotty's Brewhouse Bloomington, LLC, including claims arising from the rejection of executory contracts.
 4. **Class 4D: General Unsecured Claims of Scotty's Brewhouse Mishawaka, LLC.** Class 4D consists of the General Unsecured Claims against Scotty's Brewhouse Mishawaka, LLC, including claims arising from the rejection of executory contracts.
 5. **Class 4E: General Unsecured Claims of Scotty's Brewhouse Fort Wayne, LLC.** Class 4E consists of the General Unsecured Claims against Scotty's Brewhouse Fort Wayne, LLC, including claims arising from the rejection of executory contracts.
 6. **Class 4F: General Unsecured Claims of Scotty's Brewhouse Butler, LLC.** Class 4F consists of the General Unsecured Claims against Scotty's Brewhouse Butler, LLC, including claims arising from the rejection of executory contracts.
 7. **Class 4G: General Unsecured Claims of Scotty's Brewhouse West Lafayette, LLC.** Class 4G consists of the General Unsecured Claims against Scotty's Brewhouse West Lafayette, LLC, including claims arising from the rejection of executory contracts.
- 4.1.5. **Class 5: Equity Interests in Scotty's Holdings.** Class five consists of the holders of Existing Equity Interests in Scotty's Holdings.

4.1.6. Class 6: Equity Interests the Remaining Debtors.

Class six consists of the holders of Existing Equity Interests in the Remaining Debtors.

5. treatment of claims

5.1. Class 1 - Secured Claim of Huntington

5.1.1. Impairment and Voting. Class one is entitled to vote in each of the Debtors' Cases. Class one is impaired by the Plan in each of the Debtors' Cases. For the sake of clarity, Huntington shall have seven separate votes, one in each Case. The holder of the Secured Claim of Huntington is entitled to vote to accept or reject the Plan in each of the Debtors' Cases.

5.1.2. Distribution. Huntington shall receive one payment of \$706,000.00 (as reduced by sale proceeds from the Thr3e Wise Men's brewery and equipment sale) on the Effective Date from the proceeds of the Exit Loan in respect of all seven of its secured claims. Huntington shall also have continued to receive payments, on a monthly basis, in amounts equal to the amounts allowed under the *Final Order Authorizing Use of Cash Collateral And Granting Adequate Protection* [Doc No. 157]. Huntington shall not participate in any other class.

5.2. Class 2 – Secured Claim of Rewards Network

5.2.1. Impairment and Voting. Class two is impaired by the Plan. The holder of the Secured Claim of Rewards is entitled to vote to accept or reject the Debtors' Plans except the Plans filed by Scotty's Holdings, LLC and A Pots & Pans Production, LLC.

5.2.2. Distribution. The Debtors shall be objecting to the Secured Claim of the Rewards Network and rejecting the executory contract with Rewards Network. Accordingly, the Debtors anticipate Rewards Network will not have an Allowed Secured Claim in these Cases; however, should Rewards Network have an Allowed Secured Claim, it shall receive payment equal to 100% of its Allowed Secured Claim on the Effective Date.

5.3. Class 3 - Priority and General Unsecured Claims of Gift Card Holders:

5.3.1. Impairment and Voting. Class three is unimpaired by the Plan. The holders of Priority and General Unsecured Claims whose claims are the result of the purchase of Gift Cards are not entitled to vote to accept or reject the Plan.

5.3.2. **Distributions.** The holders of Priority and General Unsecured Claims whose claims are the result of the purchase of Gift Cards shall be paid in full in the ordinary course of the business of the Reorganized Debtors by honoring such Gift Cards.

5.4. **Classes 4A-G - General Unsecured Claims**

5.4.1. **Impairment and Voting.** Classes 4A-G are impaired by the Plan. The holders of the General Unsecured Claims are entitled to vote to accept or reject the Plan, but only in the Cases in which they have such claims.

5.4.2. **Distributions.** The Debtors shall pay the following amounts to the holders of Allowed General Unsecured Claims in such respective Case to be shared pro-rata within each estate:

1. **Class 4A: General Unsecured Claims of Scotty's Holdings.** The holders of Allowed General Unsecured Claims in Class 4A shall share, pro-rata, \$5,000.00, which shall be paid on the Effective Date. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

2. **Class 4B: General Unsecured Claims of P&P.** The holders of Allowed General Unsecured Claims in Class 4B shall share, pro-rata, sale proceeds remaining from the sale of the Plainfield liquor license and net of allowed administrative claims. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

3. **Class 4C: General Unsecured Claims of Scotty's Brewhouse Bloomington, LLC.** The holders of Allowed General Unsecured Claims in Class 4C shall share, pro-rata, \$57,000, or enough to pay such claims in full—whichever is less—which shall be paid on the Effective Date. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

4. **Class 4D: General Unsecured Claims of Scotty's Brewhouse Mishawaka, LLC.** The holders of Allowed General Unsecured Claims in Class 4D shall share, pro-rata, \$63,500, or enough to pay such claims

in full—whichever is less—which shall be paid on the Effective Date. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

5. Class 4E: General Unsecured Claims of Scotty’s Brewhouse Fort Wayne, LLC. The holders of Allowed General Unsecured Claims in Class 4E shall share, pro-rata, \$5,000.00, which shall be paid on the Effective Date. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

6. Class 4F: General Unsecured Claims of Scotty’s Brewhouse Butler, LLC. The holders of Allowed General Unsecured Claims in Class 4F shall share, pro-rata, \$5,000.00, which shall be paid on the Effective Date. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

7. Class 4G: General Unsecured Claims of Scotty’s Brewhouse West Lafayette, LLC. The holders of Allowed General Unsecured Claims in Class 4G shall share, pro-rata, \$5,000.00, which shall be paid on the Effective Date. In addition, such holders shall receive, on a pro-rata basis, the right to prosecute and collect the Preference Actions—if any—that belong to this Debtor.

5.5. Class 5 – Equity Interests in Scotty’s Holdings

5.5.1. Impairment and Voting. Class five is impaired by the Plan. The holders of the Existing Equity Interests in Scotty’s Holdings are deemed to reject the Plan.

5.5.2. Distributions. The Existing Equity Interests in Scotty’s Holdings shall be cancelled on the Effective Date.

5.6. Class 6 – Equity Interests in Remaining Debtors.

5.6.1. Impairment and Voting. Class six is unimpaired by the Plan and includes the Equity Interests held by Scotty’s Holdings in the Remaining Debtors (but for the avoidance of doubt, not the Equity Interests in the Closed Locations). The holder of the

Existing Equity Interests in the Remaining Debtors are deemed to accept the Plan.

5.6.2. **Distributions.** The holder of the Existing Equity Interests in the Remaining Debtors shall retain its ownership interests.

6. provisions governing distributions

6.1. **Distributions of Cash.** All distributions under the Plan shall be made by the Reorganized Debtors in accordance with the priorities established by the Plan. At the option of the Reorganized Debtors, and for any amounts less than \$100,000.00, any cash payments to be made pursuant to the Plan may be made by check or wire transfer. Wire transfers shall be utilized for any and all payments of \$100,000.00 or greater.

6.2. **Delivery of Distributions.** Distributions to the holders of Allowed Claims will be made at the address set forth in the proof of claim filed by holders of Claims, unless the Reorganized Debtors receive written notice of address change after the date of filing of any proof of claim.

6.3. **Undeliverable and Unclaimed Distributions.** If any holder's distribution is returned as undeliverable, the Reorganized Debtors will take reasonable steps to attempt to deliver the distribution to the holder of the Allowed Claim. Any holder of an Allowed Claim that does not advise the Reorganized Debtors that it has not received the distribution within six (6) months after the date of attempted distribution will have the claim for such undeliverable distribution discharged and will be forever barred from asserting any such claim against the Reorganized Debtors or their Property. Distributions must be negotiated within 120 days of the date of distribution. Any distributions which are undeliverable and unclaimed or have not been cashed within the time period set forth above shall be retained as Property of and available to the Reorganized Debtors.

7. means of effectuating the plan

7.1. **Source of Funds to Effectuate Plan.** The source of funds used in this Plan to fund payments on Allowed Administrative Expense Claims and Allowed Secured, Priority, and General Unsecured Claims shall be the Exit Loan, to be disbursed on the Effective Date. Additional funds for distribution to the General Unsecured Claims may result after prosecution of Causes of Action. The Net Monthly Income of the Reorganized Debtors resulting from

continued, normal business operations of the Debtors' Business shall be used to pay the Gift Card and personal property tax claims in the ordinary course.

7.2. Feasibility. § 1129(a)(11) of the Bankruptcy Code provides that a Chapter 11 plan may be confirmed only if the Bankruptcy Court finds that such plan is feasible. This Plan will provide a greater creditor distribution to creditors than if the Debtors' Business were sold in a Chapter 7 proceeding or in a foreclosure case. By continuing to operate, the Debtors anticipates no difficulties in generating revenue as it had been both prior to and after the Petition Date. Additionally, the Exit Loan shall fund all payments under the Plan on the Effective Date.

7.3. Effectuating Documents. The Debtors, prior to the Effective Date through its officers and managers, and/or designees, shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements and take such other action as may be necessary to effectuate and further evidence and implement the terms and conditions of this Plan.

7.4. Cancellation and Surrender of Existing Equity Interests in Scotty's Holdings. Upon the Effective Date, all Existing Equity Interests in Scotty's Holdings shall be cancelled and of no further force and effect.

8. executory contracts

8.1. Effective as of the Confirmation Date, with the exception of executory contracts and unexpired leases assumed by motion and order of this Bankruptcy Court in these Cases (or executory contract and unexpired lease, with respect to which a motion to assume has been filed, but not yet ruled upon as of the Confirmation Date), the Debtors hereby reject any and all executory contracts and unexpired leases which have not previously or hereby been assumed or rejected herein. Any person or entity injured by such rejection shall be deemed to hold a General Unsecured Claim against the Debtors and, within thirty (30) days following the Confirmation Date, shall file a proof of claim for any damages resulting there from, or be forever barred from asserting any Claim. The Debtors and all parties in interest reserve the right to object to any Claim asserted under this subparagraph.

8.2. The Debtors reserve the right to apply to the Bankruptcy Court at any time prior to the Confirmation Date to assume or reject any and all executory contracts or unexpired leases.

9. property to be dealt with by the plan

9.1. All of the Debtors' Property is dealt with by this Plan.

10. reservation of rights

10.1. Notwithstanding the confirmation of this Plan the Debtors shall retain the right to litigate the validity and extent of any Claim, whether or not addressed specifically in the Plan, and shall retain the right to litigate the validity and extent of any Disputed Claims.

10.2. Notwithstanding any other provision of this Plan, Disputed Claims shall be paid only if allowed after they are Finally Determined by the Bankruptcy Court.

10.3. Notwithstanding confirmation of the Plan, and pursuant to §1123(b)(3) of the Bankruptcy Code, the Debtors shall retain and have authority to enforce, waive or assign any and all claims and/or causes of action under the Bankruptcy Code or non-bankruptcy law in the Bankruptcy Court or a state court of competent jurisdiction, except claims expressly waived, relinquished or released under this Plan or otherwise released or relinquished under this Plan or otherwise released or relinquished pursuant to an order of the Bankruptcy Court. The Debtors shall be authorized to prosecute such actions as fully and completely as if the same were being prosecuted by a trustee in bankruptcy.

10.4. Upon confirmation, the Debtors shall be re-vested with their Property, subject only to any outstanding liens recognized by this Plan, and shall be entitled to manage their affairs in the normal course, without further order of the Bankruptcy Court.

10.5. Prior to the Confirmation Date, the Debtors may, with the approval of the Bankruptcy Court, amend or modify this Plan at any time upon notice to holders of Claims or Existing Equity Interests whose interests may be adversely affected by said amendment or modification. The Plan may be modified by the Debtors only, subsequent to the Confirmation Date, upon notice and a hearing, in order to effectuate the intent and purposes of the Plan.

10.6. The confirmation hearing may be continued from time to time. No notice of any such continuance will be provided other than notice at the hearing and any continued hearing to those in attendance.

10.7. The failure by the Debtors to object to, or to examine any Claim for the purpose of voting, shall not be deemed to be a waiver of the Debtors' right to object to, or re-examine a Claim in whole or in part.

11. jurisdiction of the court

11.1. The Bankruptcy Court will retain jurisdiction until Consummation of the Plan for—but not limited to—the following purposes:

11.1.1. To adjudicate all controversies concerning the classification of any Claim and the re-examination of Claims which have been allowed for purposes of voting, and objections as may be filed to creditor's Claims;

11.1.2. To hear and determine all Claims arising from the rejection of any executory contract or unexpired lease and to consummate the rejection thereof;

11.1.3. To determine all questions and disputes regarding title to the Property of the estates, and to determine all causes of action, controversies, disputes, or conflicts, whether or not subject to action pending as of the date of confirmation, between the Debtors and any other party, including, but not limited to, any right of the Debtors to pursue Claims and recover Property pursuant to the provisions of the Bankruptcy Code and non-bankruptcy law. In addition, the Bankruptcy Court's power shall include, but not be limited to, the power to hear, determine and approve settlements of such litigation; appoint, designate or approve a disbursing agent or agents to receive the proceeds of such claims subject to further order of the Bankruptcy Court; hear, determine and allow the payment of expenses incidental to such Claims; and to make such other orders and determinations as may be reasonable and proper in the premises;

11.1.4. To adjudicate all Claims to a security or ownership interest in any Property of the Debtors, or in any proceeds thereof;

11.1.5. To liquidate damages or estimate Claims in connection with any disputed, contingent or unliquidated Claim;

11.1.6. To correct any defect, cure any omission, or reconcile any inconsistency in this Plan or the Order of Confirmation as may be necessary to carry out the purposes and intent of this Plan;

11.1.7. To modify this Plan after confirmation pursuant to the Bankruptcy Rules and the Bankruptcy Code;

11.1.8. To enforce and interpret or construe the terms and conditions of this Plan or any order previously entered herein;

11.1.9. To ensure that the purpose and intent of this Plan are effectuated;

11.1.10. To enter any order, including injunctions, necessary to enforce the title, rights, and powers of the Debtors, and to impose such limitations, restrictions, terms and conditions of such title, rights and powers as the Bankruptcy Court may deem necessary;

11.1.11. To determine and allow all expenses of administration incurred prior to, on, or after the Confirmation Date, including all requests for compensation of fees and expenses by Debtors' counsel and accountant.

11.1.12. To determine whether a default has occurred under the Plan, and make such orders as the Bankruptcy Court deems necessary to enforce the provisions of the Plan including, but not limited to, ordering a modification of the Plan or conversion of the Case to a case under Chapter 7 of the Bankruptcy Code or such other relief as may be appropriate; and

11.1.13. To enter an order of Consummation Of The Plan and order closing this Case concluding and terminating this Case.

12. effect of confirmation of the plan

12.1. On Confirmation of the Plan, pursuant to §1141 of the Bankruptcy Code, and except as otherwise provided by the Plan or the Order of Confirmation:

12.1.1. The payments and distributions made pursuant to the Plan shall be in full and final satisfaction, settlement, release, and discharge as against the Debtors of any and all Claims against, and Existing Equity Interests in the Debtors, as defined in the Bankruptcy Code, including, without limitation, any Claim or Existing Equity Interests accrued on or before the Confirmation Date, whether or not: (i) a proof of claim or interest is filed or deemed filed under § 501 of the Bankruptcy Code, (ii) such Claim or Existing Equity Interests is allowed under § 502 of the Bankruptcy Code, or (iii) the holder of such Claim or Existing Equity Interests has accepted the Plan. Notwithstanding the above, nothing herein shall relieve any co-obligor of his, her, or its' obligations related to any Claims against, and Existing Equity Interests in the Debtors.

12.1.2. The Debtors' Property shall be free and clear of all liens, Claims and interest of creditors and the Debtors shall be discharged from any and all obligations and liabilities on account of such Claims, except for obligations under this Plan. All holders of Claims and their successors and assigns, shall be permanently enjoined after the Confirmation Date from asserting against the Debtors or the Reorganized Debtors—or any of their Property—any Claims or interests based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date.

13. Exculpation

13.1. Except for acts or omissions constituting gross negligence or willful misconduct, the Debtors and their respective officers, partners, employees, agents, and professionals (acting in such capacity on and after the Petition Date) shall neither have nor incur any liability to any Person or Entity for any act taken, or omitted to be taken, prior to or after the Petition Date in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or consummating the Plan, and Disclosure Statement, or any contract, instrument, release, or any other agreement or document created, or entered into, in connection with the Plan, or any other act taken, or omitted to be taken, prior to or after the Petition Date in connection with, or in contemplation of the Chapter 11 Case.

14. miscellaneous provisions

14.1. **Retain Causes of Action.** Notwithstanding the entry of a Confirmation Order, except those Claims expressly released or Allowed under the Plan, the Reorganized Debtors shall retain and remain in possession of all causes of action as the Debtors may have under the Bankruptcy Code or under otherwise applicable federal or state law, and shall be authorized to prosecute such actions if the Reorganized Debtors determine that such action should be taken.

14.2. **Effectuating Documents and Further Transactions.** The Reorganized Debtors are authorized to execute, deliver, file or record such contracts, instruments, releases, indentures, UCC filings, certificates of title, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

14.3. **Exemption from Transfer Taxes.** Pursuant to § 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of notes or issuance of debt under the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. All sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Petition Date through and including the Effective Date, including, without limitation, the sales, if any, by the Debtors of owned Property or assets pursuant to § 363(b) of the Bankruptcy Code, shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, therefore, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

14.4. **Post-Effective Date Fees and Expenses.** From and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity of any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter incurred by the Reorganized Debtors, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of the Plan.

14.5. **Payment of Statutory Fees.** All fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the confirmation hearing, shall be paid on the Effective Date.

14.6. **Request for Confirmation Under §1129(b).** If all the applicable requirements of §1129(a), other than §1129(a)(8) relating to an impaired class, are met with respect to the Plan, the Debtors request that the Bankruptcy Court find that the Plan does not discriminate unfairly and is fair and equitable with respect to each class of claims or interests that is impaired under and has not accepted the Plan. Upon such finding, the Bankruptcy Court is requested to confirm the Plan pursuant to §1129(b) notwithstanding the failure of such impaired class to accept the Plan.

14.7. **Amendment or Modification of the Plan.** Alterations, amendments or modifications of or to the Plan may be proposed in writing by the Debtors or Reorganized Debtors at any time prior to the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of §§1122

and 1123 of the Bankruptcy Code, and the Debtors shall have complied with §1125 of the Bankruptcy Code. The Plan may be altered, or modified by the Debtors only at any time after the Confirmation Date and before Consummation of the Plan, provided that the Plan, as altered, amended or modified, satisfies the requirements of §§1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under §1129 of the Bankruptcy Code and the circumstances warrant such alterations, amendments or modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

14.8. **Severability.** In the event that the Bankruptcy Court determines that any provision in the Plan is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the holder or holders of such Claims or Existing Equity Interests as to which the provision is determined to be invalid, void or unenforceable. The validity, voidness or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

14.9. **Revocation or Withdrawal of the Plan.** The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any such Claims by or against the Debtors or any other person or entity or to prejudice in any manner the rights of the Debtors or any person or entity in any further proceedings involving the Debtors.

14.10. **Binding Effect.** The Plan shall be binding upon and inure to the benefit of the Debtors and the Reorganized Debtors, the holders of Claims and their respective successors and assigns.

14.11. **Notices.** All notices, requests and demands to or upon the Debtors, on and after the Effective Date, or the Reorganized Debtors, to be effective shall be in writing and unless otherwise expressly provided herein shall be deemed to have been duly given or made when actually delivered or, in the case of notice by

facsimile transmission, when received and telephonically confirmed, addressed as follows:

[To be added.]

with a copy to:

Jeffrey M. Hester
John J. Allman
hester baker krebs llc
One Indiana Square, Suite 1600
Indianapolis, IN 46204
317.833.3031 fax

14.12. **Governing Law.** Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, the rights and objections arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Indiana, without giving effect to the principles of conflicts of law of such jurisdiction.

14.13. **Withholding and Reporting Requirements.** In connection with the Consummation Of The Plan, the Debtors or Reorganized Debtors—as the case may be—shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

14.14. **Subordination Rights.** The classification and manner of satisfying all Claims under the Plan takes into consideration all contractual, legal and equitable subordination rights, whether arising under general principles of equitable subordination, § 510 of the Bankruptcy Code or otherwise, that a holder of a Claim may have against other holders of Claims.

14.15. **Headings.** Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

14.16. **Filing of Additional Documents.** On or before Consummation of The Plan, the Debtors shall file with the Bankruptcy Court such agreements and other documents as may be

necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

Date: June 7, 2019

/s/Benito Yamazaki
Hotta Liesenberg Saito LLP
Chief Restructuring Officer

Respectfully submitted,

HESTER BAKER KREBS LLC

/s/ Jeffrey M. Hester
Jeffrey M. Hester
John J. Allman
Suite 1600
One Indiana Square
Indianapolis, IN 46204
jhester@hbkfirm.com
jallman@hbkfirm.com
317.833-3030
317.833.3031 fax