

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF ALABAMA

In re: )  
 )  
CannaBama, LLC, ) Case No. 22-12479  
 )  
Debtor. )

ORDER CONFIRMING SECOND AMENDED PLAN

The second amended plan (“the plan”) under chapter 11 of the Bankruptcy Code filed by the debtor on October 26, 2023, having been transmitted to creditors and equity security holders, and it having been determined after hearing on notice that the requirements for confirmation set forth in the Bankruptcy Code have been satisfied, the court hereby confirms the plan (a copy of which is attached).

Only one creditor voted to accept the plan; no other votes were received. The court finds that the non-voting classes should not be counted for purposes of Code § 1129(a)(8) and thus confirms the plan as consensual under Code § 1191(a) pursuant to the reasoning set forth in *In re Franco’s Paving LLC*, 654 B.R. 107 (Bankr. S.D. Tex. 2023).

The debtor shall file with the court an initial post-confirmation report (BA-4) within 60 days from the date of this order, and quarterly thereafter until further order of the court. The initial report shall describe the progress made in consummating the plan during the period covered by the report. The reports shall include (1) a statement of distribution by class, name of creditor, date of distribution, and amount paid; (2) a statement of transfer of property; and (3) a statement of affirmation that the provisions of the confirmed plan are being substantially complied with.

Dated: December 14, 2023

  
HENRY A. CALLAWAY  
U.S. BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF ALABAMA

IN RE: )  
 )  
CANNABAMA, LLC ) Case No. 22-12479  
 )  
Debtor(s). )

**2<sup>ND</sup> AMENDED PLAN OF REORGANIZATION UNDER SUBCHAPTER V OF  
CHAPTER 11  
(SMALL BUSINESS REORGANIZATION ACT)**

**Background**

The Debtor is an LLC. Since August 2018, Debtor started with a partner, Pamela Davis, in her hair salon with \$5,000.00 each. In February 2019, the Debtor opened a location in Downtown Mobile which was selling approximately \$90,000.00 per month by May 2019 in this location until October. In July 2019, the Debtor split from its partner by buying her out. In October 2019, Debtor opened a new location on Schillinger Road. The Debtor took its my first MCA/loan and was scammed on the terms, so it depleted all reserves going into Covid. Then in February 2020, Debtor had an opportunity to sublet and open stores in Montgomery and Hoover for no upfront costs beyond stock and staff. In March 2020, the leases were signed on both locations and a week later, Governor Kay Ivey shut down schools and the state for Covid. Debtor was still expected to honor the leases and tried its best to open both stores, but there was no one out shopping for several months. Debtor received an EIDL loan of \$150,000.00 on May 29, 2020. By then, Debtor had lost a lot of money and then BB&T (Debtor's bank at the time) closed Debtor's accounts with no explanation had held \$108,000.00 (all of Debtor's funds at that time for two (2) weeks). The debtor had to obtain an emergency hearing to force them to turn over the funds. This set Debtor back even further on its bills and the opening of the Montgomery store. By November, Debtor had to shut down the Hoover, Montgomery, and West Mobile stores in order to save the business and to keep the downtown Mobile open. The Debtors sales went down fifty-two percent (52%) from Quarter 2 of 2020 to Quarter 2 of 2021. The Debtor stayed at the level for two (2) plus years and was borrowing money to survive. The Debtor went from eleven (11) employees to two (2) in eight (8) months. The owner of Cannabama, LLC was also going thru a delayed divorce with no financial support and living on their own for the first time in twenty (20) years and reliant on the business for income to live with my two (2) children, thus adding even more strain. The owner of Cannabama, LLC received nothing in the divorce nor any child support to this day.

Because of the industry that the Debtor is in, it does not qualify for traditional loans, lines of credit or even business credit cards, so the only source has been high interest merchant cash

advances and one Debtor got into this, it has difficult to maintain the high interest. The Debtor has always paid them fully and on time up until the day the business filed for bankruptcy, however the taxes and other bills got further behind in order to do it.

The Debtor in February 2022 finally received an additional \$350,000.00 in EIDL funds to pay back most of what was delinquent in taxes and other bills. The Debtor in May 2022 was able to start to breathe again with the EIDL funds and was close to fully paid when inflation kicked in. The Debtor sales dropped twenty percent (20%) from April to May and have stayed that low since then. It has made what little Debtor had not enough again and it has been difficult again to pay Debtor's obligations.

The Debtor in September 2022 had an opportunity to invest in a booth at a major music festival in Georgia with 30,000 attendees, guaranteed \$60,000.00 to \$80,000.00 in sales over four (4) days. The Debtor received advice from its colleagues, accountant, and lawyer about whether it was a good risk because the Debtor would need to borrow money to pay for the booth, travel and inventory for that many individuals. The owner of Cannabama, LLC knew it would be devastating, if it didn't go well, so the owner of Cannabama, LLC sought outside counsel and everyone encouraged the owner of Cannabama, LLC to do it, so the owner of Cannabama, LLC decided to give it a try. The Debtor needed the flush of income. It was a disaster, and the Debtor didn't even sell enough to pay its employees. None of the other vendors made much either, so it was not just the Debtor, but the owner of Cannabama, LLC had taken a risk too big to fail and it failed miserably. The Debtor then had to pay the MCA back and lost all of the money.

The Debtor in September 2022 while the owner of Cannabama, LLC was in Georgia, the downtown Mobile location was robbed twice in one (1) day. The total damage was approximately \$3,600.00.

The Debtor in October 2022 sought out advice from its bankruptcy attorney and discussed how to keep from going under. The taxes were getting way behind, and the loan payments were taking almost half of the sales. The Debtor was current on the loans and had an eighty (80) business credit score, but that was all about to fall apart. The Debtor filed it had no viable options.

Liquidation analysis. To confirm the Plan, the court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to the Plan as Exhibit "A".

Ability to make future plan payments and operate without further reorganization. The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments and operate the debtor's business. The Plan Proponent has provided projected financial information as Exhibit "B". The Plan Proponent's financial projections show that the Debtor will have projected disposable income (as defined by Bankruptcy Code § 1191(d)) for the period described in § 1191(c)(2) of \$5,829.88. The final Plan payment is expected to be paid by June 30, 2028.

You should consult with your accountant or other financial advisor if you have any questions pertaining to these projections.

### **Article 1: Summary**

With the monthly debt payment now being significantly reduced, the Debtor will finally be able to establish its place in the market. This Plan of Reorganization ("the Plan") under chapter 11 of the Bankruptcy Code ("the Code") proposes to pay its creditors from cash flow, sale of inventory and infusing of capital, if necessary.

This Plan provides for:   1   class of priority claims totaling six (6) claims.  
  1   class of secured claims.  
  1   class of unsecured claims; totaling five (5) claims and  
  1   class of equity security holders.

The Plan provides for the payment of:

1. Six priority claims totaling \$94,457.73.
2. One secured claim totaling \$27,039.56.
3. Five non-priority unsecured claims totaling \$20,614.64.
4. The only equity secured holder is the owner and member-manager, Jennifer Boozer.

Non-priority unsecured creditors holding allowed claims will be paid one hundred (100%) over the life of the sixty (60) month Plan, in monthly pro-rata payment based on the amount of the claim as to the total of all claims. The Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles 3 through 6 of this Plan for information regarding the precise treatment of their claim. Your rights may be affected. You should read these papers carefully and discuss them with your attorney if you have one. If you do not have an attorney, you may wish to consult one.

### **Article 2: Classification of Claims and Interests**

2.01 Class 1. Priority Tax Claims: The Debtor has the following Priority Tax Claims:

State of Alabama Claim #1 for \$1,533.25

State of Alabama Claim #2 for \$513.99

State of Alabama Claim #3 for \$6,771.24

Kim Hastings, Revenue Commissioner for Mobile County Claim #7 for \$100.64

Internal Revenue Service's Claim #6 for \$50,409.69

City of Mobile Revenue Department #8 for \$32,128.92

Total Priority Tax Claims: \$ \$91,457.73

2.02 Class 2. All Secured Claims:

EBF Partners, LLC d/b/a Everest Business Funding Claim #5 for \$27,039.56

2.03 Class 3. All non-priority unsecured claims:

State of Alabama Claim #2 for \$900.00

State of Alabama Claim #3 for \$960.60

American Indican, LLC #4 for \$1,331.00

Internal Revenue Service #6 for \$11,913.32

SBA #9 for \$8,308.00

Total non-priority unsecured claims: \$20,614.64

2.04 Class 4. Equity interests of the Debtor.

Jennifer Boozer 100%

2.05 Class 5 SBA/EDIL Loan

SBA/EDIL Loan Claim #10 for \$534,443.49

### Article 3: Treatment of Administrative Expense Claims, Priority Tax Claims, and Court Fees

3.01 Administrative expense claims. Each holder of an administrative expense claim allowed under Code § 503 will be paid in full on the effective date of this Plan, in cash, or upon such terms as may be agreed upon by the holder of the claim and the Debtor.

3.02 Priority tax claims. Each holder of a priority tax claim will be paid one hundred percent (100%) with treatment and payment as set out herein.

3.03 Statutory fees. All fees required to be paid under 28 U.S.C. § 1930 that are owed on or before the effective date of this Plan have been paid or will be paid on the effective date.

### Article 4: Treatment of Claims and Interests Under the Plan

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

<u>Class</u>	<u>Impairment</u>	<u>Treatment</u>
Class 1 – Priority claims	<u>  X  </u> Impaired —	<b>A. STATE OF ALABAMA</b>  Proof of Claim #1 filed by the State of Alabama, Department of Revenue, consists of a priority tax claim of \$1,533.25, which will be paid at 100% over twenty-four (24) months, beginning sixty (60) days from the effective date of Confirmation, or sooner at 3.5% interest per annum for a monthly payment of \$68.00.  Proof of Claim #2 filed by the State of Alabama, Department of Revenue, consist of a priority tax claim of \$513.99, will be paid at 100% over twenty-four (24) months beginning sixty (60) days from the effective date of Confirmation, or sooner at 3.5% interest per annum for a monthly payment of \$25.00.  Proof of Claim #3 filed by the State of Alabama, Department of Revenue, consist of a priority tax claim of

\$5,586.32, will be paid at 100% over thirty-six (36) months beginning sixty (60) days from the effective date of Confirmation, or sooner at 3.5% interest per annum for a monthly payment of \$165.

As to Alabama Department of Revenue (Proof of Claim Numbers: 2 & 3), in the event the Debtor fails to remit an monthly installment due on the Alabama Department of Revenue claim as set forth above, the automatic stay will be considered terminated after giving the Debtor a twenty-one (21) day right to cure notice and if not so cured, the Alabama Department of Revenue may proceed with its legal and/or administrative remedies to collect any and all sums due on its claim amount, at the time of the failure of the Debtor to cure the default.

#### **B. INTERNAL REVENUE SERVICE**

Proof of Claim #6 filed by the Internal Revenue Service consists of a priority tax claim of a priority tax claim currently in the amount of \$50,409.69, and it will pay in full at one hundred percent (100%) which the Debtor proposes to start making payments on December 1, 2023 and each succeeding month after that at until December 1, 2027, with the payments prorated to pay priority tax at 100% plus 8.0% interest.

- (1) Nothing in the Confirmation Order or Plan shall release or exculpate any non-debtor from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, environmental laws, or any criminal law, nor shall anything in this Confirmation Order of the Plan enjoin the United States from

bringing any claim, suit, action or other proceeding for any liability whatsoever; provided however, that the foregoing sentence shall not limit the scope of discharge granted to the Debtor under Sections 524 and 1141 of the Bankruptcy Code.

- (2) Nothing in the Plan or subsequent Confirmation Order shall affect the set-off rights of the Internal Revenue Service.
- (3) Nothing contained in the Plan or Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtor, nor shall the Plan or Confirmation Order be deemed to have determined the federal tax treatment of any item, distribution, or entity, including the federal tax consequence of this Plan, nor shall anything in this Plan or Confirmation Order be deemed to have conferred jurisdiction upon the Bankruptcy Court to make determinations as to federal tax liability and federal tax treatment except as provided under 11 U.S.C. §505.
- (4) The Internal Revenue Service does not consent to the Bankruptcy Court's jurisdiction over matters reserved to other Federal Courts, such as the Court of Federal Claims or Tax Court.
- (5) The Internal Revenue Service requires that the Debtor file a Motion for Entry of Final Decree and Certificate of Substantial Consummation pursuant to 11 U.S.C. § 1101(2), 350(a) and



Federal Rule of Bankruptcy  
Procedure 3022.

- (6) Internal Revenue Service requires that all Pre-Petition and Post - Petition tax returns shall be filed, prior to Confirmation.

**C. KIM HASTIE, REVENUE  
COMMISSIONER**

A balance owed of \$100.64 will be paid within thirty (30) days of the effective date of Confirmation.

**D. CITY OF MOBILE**

City of Mobile filed Amended Proof of Claim #8 in the amount of \$32,128.92 and it will be paid at 100% over sixty (60) months beginning the month following the effective date of Confirmation at 3.5% interest, which is a monthly payment of \$585.00.

Class 2- Secured Creditors       X   Impaired

Proof of Claim #5 filed by EBF Partners, LLC d/b/a Everest Business Funding, consist of a secured claim of \$27,039.56, will be paid at 100% over sixty (60) months beginning the month following the effective date of Confirmation, or sooner at 3.5% interest per annum for a monthly payment of \$492.00.

Class 3 – Non-priority  
unsecured creditors       X   Impaired

Proof of Claim #2 filed by the State of Alabama, Department of Revenue in the amount of \$900.00, will be paid at 100% over eighteen (18) months beginning sixty (60) days from the effective date of Confirmation, or sooner, with 0% interest, for a monthly payment of \$50.00.

Proof of Claim #3 filed by the State of Alabama, Department of Revenue in the amount of \$960.60, will be paid at 100% over eighteen (18) months beginning sixty (60) days from the effective date of Confirmation, or sooner, with 0% interest, for a monthly payment of \$54.00.

As to Alabama Department of Revenue, Proof of Claim Number: 2 & 3, in the event the Debtor fails to remit any monthly installment due on the Alabama Department of Revenue claims as set forth above, the automatic stay will be considered terminated after giving the Debtor a twenty-one(21) day right to cure notice and if not so cured, the Alabama Department of Revenue may proceed with its legal and/or administrative remedies to collect any and all sums due on its claim amount, at the time of the failure of the Debtor to cure the default.

As to Unsecured Proof of Claim Number 9 filed by the SBA in the amount of \$8,308.00, and it will be paid at one hundred percent (100%) over sixty (60) months starting sixty (60) days from the effective date of Confirmation with monthly payments of \$140.00.

As to Unsecured portion of Proof of Claim Number 6 filed by the Internal Revenue Service in the amount of \$11,913.32, will be paid in full at one hundred percent (100%) at \$199.00 per month over sixty (60) months starting thirty (30) days from the effective date of Confirmation and each successive month thereafter.

As to Unsecured Proof of Claim Number 4 filed by American Indian in

the amount of \$1,331.00, will be paid at one hundred percent (100%) in full over eighteen (18) months starting sixty (60) days from the effective date of Confirmation for with a monthly payment of \$74.00.

Class 4 – Equity security holders of the Debtor

  X   Unimpaired

The 100% owner and manager of Cannabama, LLC is Jennifer Boozer and she will retain her complete interest

Class 5 -SBA/EDIL:   X   Unimpaired

The SBA holds a claim for \$500,000.00. the payments on this loan in the amount of \$2,518.00 monthly plus interest at 3.75% which were to begin twenty-four (24) months from the date of the loan which was January 6, 2022. As such, the deferred payments are not yet due and owing until January 6, 2024. At which time the Debtor will repay this loan at one hundred percent (100%), with monthly payments of \$2,518.00, according to the terms and conditions of said loan documents which require the above monthly payments to be paid over thirty (30) years. Debtor acknowledges that, under USC §1192, the debt that is the basis for this claim is not dischargeable.

Class 6- Administrative Expenses:   X   Impaired

- A. The Debtor estimates that the attorney for the Estate will be filing an additional Fee Application for approximately \$8,000.00 over the retainer paid in full as agreed upon by the holder of the claim and the Debtor.
- B. The Trustee, Lynn Harwell Andrews, estimates her fees to be approximately \$3,500.00, which will be paid in full over eighteen (18) months with a monthly payment of \$195.00.

#### **Article 5: Allowance and Disallowance of Claims**

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

5.02 Delay of distribution on a disputed claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

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

#### **Article 6: Provisions for Executory Contracts and Unexpired Leases**

6.01 Assumed executory contracts and unexpired leases. The Debtor assumes the following executory contracts and unexpired leases as of the effective date: Temple Lodge LLC (Landlord).

6.02 Rejected executory contracts and unexpired leases. Except for executory contracts and unexpired leases that have been assumed (and if applicable assigned) before the effective date or under section 6.01 of this Plan, or that are the subject of a pending motion to assume (and if applicable assign), the Debtor will be conclusively deemed to have rejected all executory contracts and unexpired leases as of the effective date. Proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than 60 days after the date of the order confirming this Plan.

#### **Article 7: Means for Implementation of the Plan**

The Proponent of the Plan has attached hereto Exhibit "A" and "B".

Exhibit "A": Liquidation Analysis showing value of inventory can be retailed at approximately \$156,550.00 (two (2) times value) which net proceeds will be used to fund the Plan generating a net profit of approximately \$3,307.00 to approximately \$5,589.88 per month which will increase at set out in Exhibit "B".

Exhibit "B": In addition to the net profit as set forth in Exhibit "A", the Debtor has cut expenses such as advertising and employee costs. The Debtor's talk show, now with full sponsorship, will generate an additional \$1,500.00 to \$2,000.00 per month. Finally, the Debtor predicts a five percent (5%) increase in net profit from sales.

## Article 8: General Provisions

8.01 Definitions and rules of construction. The definitions and rules of construction set forth in Code §§ 101 and 102 shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions: [Insert additional definitions if necessary.]

8.02 Effective date. The effective date of this Plan is the first business day following the date that is 14 days after the entry of the confirmation order. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay expires or is otherwise terminated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

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

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

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

8.07 Corporate governance. If the Debtor is a corporation (including an LLC), then in accordance with Code § 1123(a)(6), the Debtor's articles of incorporation or articles of organization are deemed amended as of the effective date to prohibit the issuance of nonvoting equity securities or membership interests.

8.08 Retention of jurisdiction. The court retains jurisdiction with respect to matters involving the interpretation, consummation, execution, or administration of the confirmed plan.

## Article 9: Discharge

If the Debtor's Plan is confirmed consensually under § 1191(a), on the effective date of the Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan, to the extent specified in Code § 1141(d)(1)(A), except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; or (ii) to the extent provided in § 1141(d)(6).

If the Debtor's Plan is confirmed non-consensually under § 1191(b), confirmation of this Plan does not discharge any debt provided for in this Plan until the court grants a discharge on completion of all payments due within the first 3 years of this Plan, or as otherwise provided in Code § 1192. The Debtor will not be discharged from any debt: (i) on which the last payment is due after the first 3 years of the plan, or as otherwise provided in § 1192; or (ii) excepted from discharge under Code § 523(a), except as provided in Federal Rule of Bankruptcy Procedure 4007(c).

#### **Article 10: Other Provisions**

None

Respectfully submitted,

/S/ JENNIFER BOOZER  
[Signature of the Plan Proponent]

JENNIFER BOOZER  
[Printed Name]

  
/S/ BARRY A. FRIEDMAN  
[Signature of the Attorney for  
the Plan Proponent]

BARRY A. FRIEDMAN  
[Printed Name]

**EXHIBIT 'A'**  
**LIQUIDATION ANALYSIS AS OF JUNE 1, 2023**

<b>ASSET</b>	<b>LIQUIDATION VALUE</b>
Cash	\$200.00
Cash in Bank-Bryant Bank	\$2,300.00
Cash in Bank-Bryant Bank	\$61.00
Pillows, blankets, cleaning supplies	\$50.00
1 blue decorative seat	\$60.00
1 large coffee table	\$65.00
1 large red counter/table	\$70.00
3 semicircle tables	\$125.00
1 large roundtable	\$120.00
1 L-shape desk	\$75.00
1 rolling desk drawer	\$130.00
2 bar stools	\$50.00
1 memory foam mattress	\$70.00
1 wheel-barrel table	\$100.00
1 half wheel barrel table	\$75.00
1 pop-up camp tent	\$95.00
1 office chair	\$75.00
4 bar stools	\$85.00
1 L shape desk	\$135.00
blue couch	\$75.00
purple chair	\$35.00
purple foot rest	\$15.00
turquoise foot rest	\$15.00

grey couch	\$85.00
blue couch	\$85.00
coffee table	\$50.00
end table	\$50.00
storage shed	\$500.00
1 mini fridge	\$75.00
1 ice chest	\$50.00
10 wood board	\$100.00
1 large rug	\$75.00
2 medium rugs	\$100.00
3 runner rugs	\$150.00
2 ladders	\$25.00
1 filing cabinet	\$50.00
2 product display cases	\$350.00
1 wooden cabinet	\$85.00
9 poster/pictures	\$35.00
5 wemo light fixture	\$65.00
1 floppy car dealership tall blow up thing	\$75.00
2 standing light fixtures	\$55.00
1 broken flat screen tv	\$25.00
4-5x extension cords	\$50.00
2 rolling wood false walls	\$35.00
4 wood crates	\$25.00
2 display counters	\$200.00
1 back counter	\$80.00
1 glass counter	\$75.00



1 large rug	\$80.00
3 doormat rugs	\$40.00
1 runner rug	\$80.00
4 stand alone shelves	\$65.00
4 mounted shelves	\$55.00
3 fold out signs	\$55.00
1 open sign	\$45.00
1 large rig	\$25.00
4 Plan ts	\$10.00
1 printer	\$25.00
1 flat screen tv	\$100.00
1 ipads	\$200.00
3 receipt printers	\$65.00
1 fridge	\$125.00
1 printer	\$38.00
1 shredder	\$30.00
2 laptops	\$150.00
<b>TOTAL OF FIXED ASSETS</b>	<b>\$7,819.00</b>
<b>TOTAL OF INVENTORY</b>	<b>\$78,275.00</b>
<b>GRAND TOTAL</b>	<b>\$86,094.00</b>

According to Exhibit "A", the Debtor has physical personal property around \$86,094.00. Even if the Debtor were converted to a Chapter 7, the Unsecured Creditors will not receive distribution as any money generated from the sale of these assets would be consumed by Priority Creditors and Secured Creditors.

At the present time, the Debtors inventory has a retail value of approximately \$156,550.00. By selling the inventory at retail, in the ordinary course of business the Debtor will be able to generate sufficient income to make all the proposed Plan payments.

## EXHIBIT 'B'

### PROJECTED FINANCIAL INFORMATION

When the Debtor filed its Sub V Bankruptcy on December 5, 2022, its operations were being severally impacted by the three different merchants funding creditors. These Creditors were able to tap the sales account for thousands of dollars per month, leaving the Debtor with very limited income. Added to this problem, the Debtor was accruing sufficient debt to various taxing authorities. However, finally being able to get its payroll provider to release the needed information, the Debtor has been able to sufficiently reduce its tax liabilities.

During its pre-petition operations, with the Debtor paying these merchant funding creditors, it was unable to purchase needed inventory to fully stock its inventory. As a result sales were not sufficient to satisfy its debt obligations. But with the filing of the Sub V Bankruptcy, the Debtor has been able to begin its financial resurrection, making slow but steady progress. The BA reports for the months following its filings showed a profit, but again, not sufficient enough to fund a reasonable Plan of Reorganization.

In order to correct this situation, the Debtor undertook efforts to increase its inventory by adding new product lines, leading to increased sales. At this time the Debtor was spending too much of its profits to increased its inventory leading to deficient income reporting on its BA reports.

Other efforts made by the Debtor to increase its income employee costs were reduced. The Debtor cancelled its billboard advertisement with a savings of approximately \$600.00 to \$750.00 per month.

The Debtor now has a radio talk show on FM Talk 106.5 and the Debtor has been able to secure sponsors for the thirty second commercial spots, with a potential of \$600.00 per week. We already have a pledge of \$1,500.00 per month for the next three (3) months on our podcast, and we are filling the other sponsorships, increasing the Debtors income. Added to this the Debtor has published many articles on the use of CBD products leading to having a chapter written by her being published in the Anthology "Courage in Cannabis, Volume 2". Book sales are generated from the copies in the store and with all the profits from the book sales going directly into the Debtor's operating account.

Finally, the Debtor, has been able to reduce its debt to the Internal Revenue Service by filing the missing tax returns, resulting in a reduction of its debt owed to the Internal Revenue Service.

## PLAN PAYMENTS

A summary of the required Plan payments shows the following monthly payments to fund its Plan of Reorganization;

A. Priority Tax Claims:

1. State of Alabama Proof of Claim #1 is monthly payment of \$68.00 over twenty-four (24) months, beginning sixty (60) days from the effective date of confirmation.
2. State of Alabama Proof of Claim #2 is monthly payment of \$25.00 over twenty-four (24), beginning sixty (60) days from the effective date of confirmation.
3. State of Alabama Proof of Claim #3 is monthly payment of \$165.00 over thirty-six (36) months, beginning sixty (60) days from the effective date of confirmation.
4. IRS Proof of Claim #6 is monthly payment which the Debtor proposes to start making payments on December 1, 2023 and each succeeding month after that at until December 1, 2027, with the payments prorated to pay priority tax at 100% plus 8.0% interest.
5. Kim Hastings, Revenue Commissioner for Mobile County Proof of Claim #7 for a one time payment of \$100.64.
6. City of Mobile Amended Proof of Claim #8 is a monthly payment of \$585.00 for sixty (60) months.

B. Secured Creditor:

7. EBF/Partners Proof of Claim #5 is a monthly payment over sixty (60) months from the effective date of Confirmation in the amount of \$492.00.

C. Non Priority Unsecured Creditors:

8. State of Alabama, unsecured portion of Proof of Claim #2 to be paid in full in monthly payments of \$50.00 over eighteen (18) months, beginning sixty (60) days from the effective date of confirmation.

9. State of Alabama, unsecured portion of Proof of Claim #3 to be paid in full in monthly payments of \$54.00 over eighteen (18) months, beginning sixty (60) days from the effective date of confirmation.
10. IRS unsecured portion of Proof of Claim #6 to be paid in full in monthly payments of \$199.00 over sixty (60) months.
11. American Indican LLC unsecured portion of Proof of Claim #4 to be paid in full in monthly payments of \$75.00 over eighteen (18) months, beginning sixty (60) days from the effective date of confirmation.
12. SBA unsecured portion of Proof of Claim #9 to be paid in full in monthly payments of \$141.00 over sixty (60) months, beginning sixty (60) days from the effective date of confirmation.

D. SBA/EDIL

SBA/EDIL Proof of Claim #10 in the amount of \$534,443.49, will be paid according to the terms of the note with payments of \$2,518.00 per month being January 6, 2024 for thirty (30) years.

E. Administrative Expenses:

The Debtor estimates that the attorney for the Estate will be filing an additional Fee Application for approximately \$8,000.00, which will be paid in full as agreed upon by the holder of the claim and the Debtor.

The Trustee, Lynn Harwell Andrews, estimates her fees to be approximately \$3,500.00, which will be paid in full over eighteen (18) months with a monthly payment of \$195.00.

### SUMMARY OF PAYMENTS

Proof of Claim #1 \$68.00 over twenty-four (24) months

Proof of Claim # 2- \$25.00 over twenty-four (24) months

Proof of Claim #3- \$165.00 over thirty-six (36) months

Proof of Claim #6- December 1, 2023 and each succeeding month after that

at until December 1, 2027, with the payments prorated to pay priority tax at 100% plus 8.0% interest.

Proof of Claim #8-\$585.00 over sixty (60) months

Proof of Claim #2 (unsecured) - \$50.00 over eighteen (18) months

Proof of Claim #3 (unsecured) - \$54.00 eighteen (18) months

Proof of Claim #6 (unsecured) - \$199.00 over sixty (60) months

Proof of Claim #4 (unsecured) - \$74.00 eighteen (18) months

Proof of Claim #9 - \$141.00 over sixty (60) months

Proof of Claim #10 - \$2,518.00 starting January 6, 2024 over thirty(30) years

Administrative Expenses Barry A Friedman projected attorney fees of \$8,000.00 to be paid in full as agreed between the parties.

Administrative Expenses Lyn Harwell Andrews, Trustee fees, to be paid in full as agreed by the Parties.

Working with the Accountant current sales, plus sales . annualized for the period January 1, 2023 through December 31, 2023, with expected increases in income and expected decreases in expenses resulting in average monthly net profit of approximately \$4,750.00, with average net profits for the remainder of the term of the Plan increasing to \$5,829.88 per month.

According to the Debtor's projections it has sufficient inventory and net income sufficient enough to pay its creditor as per its Plan, leading to a successful rehabilitation and successful reorganization.

INCOME STATEMENT-PRELIMINARY  
CANNABAMA, LLC  
MAY 31, 2023 YEAR-TO-DATE

SALES	\$166,962.07
OTHER REVENUE	\$ 6,745.00
TOTAL REVENUE	\$173,707.07
COGS/INV	(\$54,100.32)
ADVERTISING/MARKETING	(\$ 7,000.00)
CELL	(\$ 792.66)
COMPUTER AND SOFTWARE EXPENSE	(\$ 2,490.97)
CONTRACT LABOR/SERVICES	(\$ 675.00)
DONATIONS	(\$ 41.45)
DUES AND SUBSCRIPTIONS	(\$ 235.00)
ENTERTAINMENT	(\$ 29.14)
EVENTS	(\$ 3,000.00)
FEES	(\$ 6,165.55)
INSURANCE	(\$ 992.52)
LABOR	(\$ 31,200.00)
INTEREST EXP	(\$ 0.00)
MEALS	(\$ 1,588.39)
MISC/PARKING	(\$ 6.25)
OPERATING EXPENSES/CC PMTS	(\$ 7,552.50)
PRINTING	(\$ 269.46)
PROFESSIONAL FEES	(\$ 1,000.00)
RENT	(\$ 8,260.00)

REPAIRS	(\$ 239.00)
SECURITY	(\$ 287.95)
SHIPPING	(\$ 5.45)
SUPPLIES	(\$ 4,320.00)
TAXES AND LICENSES	(\$ 816.28)
TRAVEL	(\$ 4,162.44)
UTILITIES	(\$ 4,391.65)
<b>EXPENSES</b>	<b>(\$ 139,621.98)</b>
<b>NET INCOME</b>	<b>\$ 34,085.09</b>

	A	B	C	D	E	F	G	H	I	J	K
1	Projections										
2	CannaBama, LLC										
3											
4											
5	2023										
6											
7	Revenues										
8	140,120.41		Estimated (annualized) - 9/1/23-12/31/23					280,240.81	YTD - 8/31/2023		
9	7,800.00		Sponsorship for last 4 months of 2023 (\$600 per week)								
10	147,920.41		Total estimated 9/1/23-12/31/23					35,030.10	Avg Revenue per month		
11											
12											
13	Disbursements										
14	148,470.24		Estimated (annualized) - 9/1/23-12/31/23					240,731.72	YTD 8/31/23 - Expenses		
15	(2,400.00)		reduction in billboard (\$600 per month)					56,208.75	YTD 8/31/23 - Draws - net		
16	(3,900.00)		reduction in wages (\$300 per week)					296,940.47	YTD 8/31/23 - total		
17	(3,250.00)		reduction in advertising radio (fees - \$250 per week)								
18	(4,000.00)		reduction in draw (\$1,000 per month)					37,117.56	Avg Disbursements per month		
19	(6,000.00)		reduction in COGS - private label gummies (\$1500 per month)								
20	128,920.24		Total estimated 9/1/23-12/31/23								
21											
22	19,000.17		Net 9/1/23-12/31/23								
23											
24	4,750.04		Monthly Avg for 4 month period								
25											
26											
27	2024										
28											
29	Revenues										
30	428,161.22		Estimated 1/1/24-12/31/24								
31	21,408.06		Estimated 5% Increase								
32	449,569.28		Total estimated 1/1/24-12/31/24								
33											
34											
35	Disbursements										
36	445,410.71		Estimated 1/1/24-12/31/24								
37	(7,200.00)		reduction in billboard (\$600 per month)								
38	(15,600.00)		reduction in wages (\$300 per week)								
39	(13,000.00)		reduction in advertising radio (fees - \$250 per week)								
40	(12,000.00)		reduction in draw (\$1,000 per month)								
41	(18,000.00)		reduction in COGS - private label gummies (\$1500 per month)								
42	379,610.71		Total estimated 1/1/24-12/31/24								
43											
44	69,958.57		Net 1/1/24-12/31/24								
45											
46	5,829.88		Monthly Avg for 12 month period								