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Counsel to the Debtors and Debtors-in-Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	Chapter 11
WAYFORTH, LLC, <i>et al.</i> , ¹)	Case No. 23-33000 (KRH)
Debtors.)	Jointly Administered

FIRST PLAN SUPPLEMENT TO CHAPTER 11 PLAN OF REORGANIZATION OF WAYFORTH, INC. AND WAYFORTH, LLC

PLEASE TAKE NOTICE that WayForth, Inc. and WayForth, LLC, as debtors and debtors in possession, (together, the “Debtors”) in the above-captioned chapter 11 cases, by and through their undersigned counsel, hereby submit this first plan supplement (the “First Plan Supplement”) in support of the *Chapter 11 Plan of Reorganization of WayForth, Inc. and WayForth, LLC* [Docket No. 156] (the “Plan”).

PLEASE TAKE FURTHER NOTICE that this First Plan Supplement includes the current drafts of the following documents as may be modified, amended, or supplemented from time to time in accordance with the Plan:

- **Exhibit E**— Feasibility Analysis
- **Exhibit F**— Liquidation Analysis

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: WayForth, LLC (5874) and WayForth, Inc. (8329). The mailing address for the Debtors is 1518 Willow Lawn Drive, Suite 300, Richmond, VA 23230.

PLEASE TAKE FURTHER NOTICE that the documents contained in the First Plan Supplement are integral to, and are considered part of, the Plan. If the Plan is approved, the documents contained in the First Plan Supplement will be approved by the Bankruptcy Court pursuant to the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to alter, amend, modify, or supplement any document in this First Plan Supplement in accordance with the Plan at any time before the Effective Date of the Plan or any such other date as may be provided for by the Plan or by order of the Bankruptcy Court; provided that if any document in this First Plan Supplement is altered, amended, modified, or supplemented in any material respect prior to the date of the Confirmation Hearing, the Debtors will file a blackline of such document with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that Debtors will seek confirmation of the Plan at the Confirmation Hearing scheduled for December 21, 2023 at 10:00 a.m. prevailing Eastern Time.

PLEASE TAKE FURTHER NOTICE that copies of the Plan can be obtained by: (i) emailing adolyn.wyatt@kutakrock.com with a reference to “WayForth” in the subject line; or (iii) visiting (for a fee) PACER at <http://www.vaeb.uscourts.gov>.

WAYFORTH, LLC AND WAYFORTH, INC.

By: /s/ Loc Pfeiffer
Counsel

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TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Title</u>
A	Form of Certificate of Incorporation of Reorganized WayForth, Inc.
B	Form of Bylaws of Reorganized WayForth, Inc.
C	Form of Certificate of Formation of Reorganized WayForth, LLC
D	Directors and Officers of Reorganized WayForth, LLC
E	Feasibility Analysis
F	Liquidation Analysis
G	Assumption Schedule
H	Avoidance Actions
I	Non-Exclusive List of Retained Causes of Action

THE DEBTORS RESERVE THE RIGHT TO REVISE THIS PLAN SUPPLEMENT AT ANY TIME PRIOR TO THE HEARING ON CONFIRMATION OF THE CHAPTER 11 PLAN OF REORGANIZATION OF WAYFORTH, INC. AND WAYFORTH, LLC

EXHIBIT A to Plan

Form of Certificate of Incorporation of Reorganized WayForth, Inc.

[To be filed in Second Plan Supplement]

EXHIBIT B to Plan

Form of Bylaws of Reorganized WayForth, Inc.

[To be filed in Second Plan Supplement]

EXHIBIT C to Plan

Form of Certificate of Formation of Reorganized WayForth, LLC

[To be filed in Second Plan Supplement]

EXHIBIT D to Plan

Directors and Officers of Reorganized WayForth, LLC

[To be filed in Second Plan Supplement]

EXHIBIT E to Plan
Feasibility Analysis

	2024	2025	2026	
MM Revenue	\$ 1,355,374	\$ 1,467,422	\$ 1,580,962	
Moving Revenue	\$ 1,310,684	\$ 1,419,039	\$ 1,528,834	
Subcon Revenue	\$ 98,301	\$ 106,428	\$ 114,663	
Storage Revenue	\$ 106,038	\$ 106,038	\$ 106,038	
Total Revenue	\$ 2,870,398	\$ 3,098,927	\$ 3,330,497	
MM Cost of Sales	\$ 690,504	\$ 733,711	\$ 790,481	
Moving Cost of Sales	\$ 825,731	\$ 893,994	\$ 963,166	
Subcon Cost of Sales	\$ 88,471	\$ 95,785	\$ 103,196	
Storage Cost of Sales	\$ 101,897	\$ 101,897	\$ 101,897	
Total Cost of Sales	\$ 1,706,603	\$ 1,825,388	\$ 1,958,740	
MM Gross Profit	\$ 664,870	\$ 733,711	\$ 790,481	
Moving Gross Profit	\$ 484,953	\$ 525,044	\$ 565,669	
Subcon Gross Profit	\$ 9,830	\$ 10,643	\$ 11,466	
Storage Gross Profit	\$ 4,141	\$ 4,141	\$ 4,141	
Total Gross Profit	\$ 1,163,794	\$ 1,273,539	\$ 1,371,757	
MM Margin	49%	50%	50%	
Moving Margin	37%	37%	37%	
Subcon Margin	10%	10%	10%	
Storage Margin	4%	4%	4%	
Total Margin	41%	41%	41%	
Sales Expense	\$ 358,093	\$ 363,764	\$ 370,234	
G&A Expense	\$ 426,500	\$ 426,500	\$ 426,500	
Total SG&A Expense	\$ 784,593	\$ 790,264	\$ 796,734	
Site-Level EBITDA	\$ 379,202	\$ 483,275	\$ 575,023	
Margin	13%	16%	17%	
Corporate	\$ 444,202	\$ 369,500	\$ 369,500	
EBITDA	\$ (65,001)	\$ 113,775	\$ 205,523	
Margin	-2%	4%	6%	Cumulative
Maintenance Capital Expenditures	\$ 5,000	\$ 5,000	\$ 5,000	Disposable
Audit & Legal Expenses	\$ 20,000	\$ 20,000	\$ 20,000	Income
Disposable Income	\$ (90,001)	\$ 88,775	\$ 180,523	\$ 179,298

Discount Rate	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%
Net Present Value of Disposable Income	\$150,749.38	\$138,412.45	\$127,178.78	\$116,929.89	\$107,562.20	\$98,984.93	\$91,118.27
	Projected						
	Class 3						
	Distribution						
						PE Cost of Capital	

EXHIBIT F to Plan

Liquidation Analysis

WayForth, LLC (*)	
Cash, AR	Liquidation
Cash	250,000.00
Accounts receivable (**)	700,000.00
Subtotal	950,000.00
Personal Property	
Inventory	15,000.00
Office furniture	20,000.00
Office equipment, computers	10,000.00
Machinery, equipment, vehicles	50,000.00
Customer list	50,000.00
Patent	50,000.00
Subtotal	195,000.00
Total assets	1,145,000.00
DIP	(1,000,000.00)
Secured lenders	(1,300,000.00)
Priority	(100,000.00)
Windown costs	(100,000.00)
Administrative claims	(100,000.00)
General Unsecured	(3,000,000.00)
Gross liquidation proceeds available for distributions	(4,455,000.00)
* No liquidation analysis shall be provided for WayForth, Inc., which has no assets other than its interest in WayForth, LLC.	
** AR balance reduced by \$840K of uncollectible claims exceeding 360 days past due.	

EXHIBIT G to Plan

Assumption Schedule

[To be filed in Second Plan Supplement]

EXHIBIT H to Plan

Retained Avoidance Actions

[To be filed in Second Plan Supplement]

EXHIBIT I to Plan

Non-Exclusive List of Retained Causes of Action

[To be filed in Second Plan Supplement]