

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:)	Case No. 2:23-bk-52859
)	
S&G HOSPITALITY, INC., <i>et al.</i> , ¹)	Chapter 11
)	
Debtors.)	Judge Nami Khorrami.
)	(Jointly administered)

**NOTICE OF FILING OF EXHIBIT III TO DISCLOSURE STATEMENT
FOR FIRST AMENDED JOINT PLAN OF REORGANIZATION
OF S&G HOSPITALITY, INC. AND ITS DEBTOR SUBSIDIARIES**

[Re: Docket No. 369]

On February 3, 2025, the above-captioned Debtors and Debtors in Possession filed the *Disclosure Statement for First Amended Joint Plan of Reorganization of S&G Hospitality, Inc. and Its Debtor Subsidiaries, dated as of February 3, 2025* (Docket No. 369) (as it may be amended, the “**Disclosure Statement**”). The Disclosure Statement was not originally filed with the proposed Exhibits (other than the proposed Plan that was filed separately at Docket No. 368). The Debtors hereby are filing the following Exhibit to the Disclosure Statement:

Exhibit III – Historic Financials.

The Debtors reserve the right to amend, revise, or supplement this Exhibit and to file the remaining exhibits to the Disclosure Statement in the future.

¹ The Debtors and the last four digits of their federal tax identification numbers are as follows: S&G Hospitality, Inc. (4566), Buckeye Lodging, LLC (6047), Lancaster Hospitality, LLC (8830), and Sunburst Hotels, LLC (0374).

Dated: March 3, 2025

Respectfully submitted,

/s/ David A. Beck

David A. Beck (0072868)
CARPENTER LIPPS LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
Telephone: (614) 365-4100
Facsimile: (614) 365-9145
E-mail: beck@carpenterlipps.com

COUNSEL FOR DEBTORS AND
DEBTORS IN POSSESSION

CERTIFICATE OF SERVICE

I hereby certify that on March 3, 2025 in accordance with the *Order Establishing Limited Notice and Service Procedures* (Docket No. 120) a copy of the *Notice of Filing of Exhibit III to the Disclosure Statement for the First Amended Joint Plan of Reorganization of S&G Hospitality, Inc. and Its Debtor Subsidiaries* was served electronically on the date of filing through the Court's ECF system on all ECF System on all ECF participants registered in this case at the email address registered with the Court and by email on the parties on the Master Service List identified below as receiving service by email.

Parties Served By Email

Office of the U.S. Trustee

Pamela D. Arndt
Office of the United States Trustee
170 N High Street, Suite 200
Columbus, OH 43215
Pamela.D.Arndt@usdoj.gov

Counsel to Rialto

Tami Kirby
Porter Wright Morris & Arthur LLP
One South Main Street, Suite 1600,
Dayton, OH 45402
tkirby@porterwright.com

United States Small Business Administration

United States Small Business Administration
Santa Ana Loan Liquidation Center,
200 W Santa Ana Blvd., Ste. 740,
Santa Ana CA 92701
Natasha.gaston@sba.gov

Counsel to Itria

Noah Schottenstein
DLA Piper LLP (US)
1900 N. Pearl St, Suite 2200
Dallas, Texas 75201-2482
noah.schottenstein@dlapiper.com

C. Kevin Kobbe
DLA Piper LLP (US)
Harbor East

650 S. Exeter Street, Suite 1100
Baltimore, Maryland 21202-4576
kevin.kobbe@dlapiper.com

Knight Capital Funding

Neil Morvant
neil.morvant@knightcapitalfunding.com
Knight Capital Funding
9 E Lockerman St., Ste 3A-543
Dover, Delaware 19901

Largest Unsecured Creditors

Hilton
4649 Paysphere Circle,
Chicago, IL 60674
Angela.Darr@hilton.com

HelmsBriscoe Performance Group, Inc.
20875 N, 90th Place,
Scottsdale, AZ, 85255
Collections@helmsbriscoe.com

ULINE
P.O. 88741,
Chicago, IL 60680
Chris.Stynes@Caine-Weiner.com

Xpress Management
P.O. Box 910801,
Lexington, KY 40591
Nicole@xpressmanagementsolutions.com

Ecolab
P.O. Box 32027
New York, NY 10087
Cory.Holliday@ecolab.com

Sysco Foods
P.O. Box 84266,
Cincinnati, OH 45262
Florence.Halterman@sysco.com

Red Roof Franchising
7815 Walton Parkway,
New Albany, OH 43054

wthomas@redroof.com

Pro Lighting LLC
P.O. Box 1201,
Hilliard, OH 43026
jjtreadway@gmail.com

Choice Hotels International
P.O. Box 99992,
Chicago, Illinois 60696-7792
Debbie.Furman@choicehotels.com

Hampton Inns Franchise LLC
Counsel for Hampton Inns Franchise LLC

Daniel M. Eliades, Esq.
Daniel.Eliades@klgates.com
David Catuogno, Esq.
David.Catuogno@klgates.com
K&L Gates LLP
One Newark Center, Tenth Floor
1085 Raymond Boulevard
Newark, NJ 07102

Counsel for Ohio Power Company
dba American Electric Power

Paul Schumacher
pschumacher@dmclaw.com
Dickie McCamey & Chilcote, P.C.
600 Superior Avenue East, Ste. 2330
Cleveland, Ohio 44114-26

Counsel for State of Ohio Department
of Job and Family Services

Brian M. Gianengeli
The Law Office of Charles Mifsud, LLC
6305 Emerald Parkway
Dublin, OH 43016
bgianangeli@mifsudlaw.com

/s/ David A. Beck

One of the Counsel for Debtors
and Debtors in Possession

S&G Disclosure Statement Exhibit III

[Historical Consolidated Financials]

Pre-Bankruptcy Consolidated Financials for S&G Hospitality, Inc. Debtors

**Hampton Inn - Lancaster, Quality Inn & Suites - North Columbus and Red Roof Inn Plus - Dublin OH
Consolidated Income Statements
Period From January 1, 2022 through August 17, 2023**

	2022	Partial Year 2023	Total 2022 and Pre- bankruptcy filing 2023
Operating Revenue			
Room Department	\$ 4,766,634.92	\$ 3,034,347.46	\$ 7,800,982.38
Food and Beverages Department	\$ 13,268.99	\$ 7,396.36	\$ 20,665.35
Total Operating Revenue	\$ 4,766,634.92	\$ 3,034,347.46	\$ 7,800,982.38
Departmental Expenses			
Room Department	\$ 1,284,276.34	\$ 793,508.15	\$ 2,077,784.49
Food and Beverages Department	\$ 10,316.52	\$ 4,624.78	\$ 14,941.30
Other Operating Department	\$ -	\$ -	\$ -
Total Departmental Expenses	\$ 1,294,592.86	\$ 798,132.93	\$ 2,077,784.49
Room Department	\$ 3,482,358.58	\$ 2,240,839.31	\$ 5,723,197.89
Food and Beverages Department	\$ 2,952.47	\$ 2,771.58	\$ 5,724.05
Other Operating Department	\$ -	\$ -	\$ -
Miscellaneous Income	\$ 154,498.47	\$ 27,281.97	\$ 181,780.44
Total Departmental Income	\$ 3,639,809.52	\$ 2,270,892.86	\$ 5,910,702.38
Undistributed Operating Expense			
Administrative & General	\$ 491,324.15	\$ 366,817.49	\$ 858,141.64
Information & Telecom System	\$ 70,724.55	\$ 47,676.14	\$ 118,400.69
Sales & Marketing	\$ 739,128.77	\$ 399,868.09	\$ 1,138,996.86
Property Operations & Maintenance	\$ 302,075.41	\$ 222,904.09	\$ 524,979.50
Utilities	\$ 392,980.64	\$ 193,103.23	\$ 586,083.87
Total Undistributed Operating Expense	\$ 1,996,233.52	\$ 1,230,369.04	\$ 3,226,602.56
Gross Operating Profit	\$ 1,643,576.00	\$ 1,040,523.82	\$ 2,684,099.82
Management Fees			
Management Fees	\$ 186,661.15	\$ 149,655.00	\$ 336,316.15
Total Management Fees	\$ 186,661.15	\$ 149,655.00	\$ 336,316.15
Income Before Property & Other Taxes	\$ 1,456,914.85	\$ 890,868.82	\$ 2,347,783.67
Insurance	\$ 44,626.88	\$ 28,947.03	\$ 73,573.91
Property & Other Taxes	\$ 187,818.34	\$ 5,672.00	\$ 193,490.34
Non-Operating Expenses			
Other Non-Operating Exp	\$ 3,183.90	\$ 7,732.67	\$ 10,916.57
Total Non-Operating Expenses	\$ 3,183.90	\$ 7,732.67	\$ 10,916.57
EBITDA	\$ 1,221,285.73	\$ 848,517.12	\$ 2,069,802.85
Interest Expense	\$ -	\$ -	\$ -
EBTDA	\$ 1,221,285.73	\$ 848,517.12	\$ 2,069,802.85
Depreciation & Amortization	\$ -	\$ -	\$ -
Unclassified Dept	\$ -	\$ -	\$ -
Net Income (loss)	\$ 1,221,285.73	\$ 848,517.12	\$ 2,069,802.85

Notes

1. Financials are on a cash basis.
2. Because entities were not paying mortgage payments during foreclosure, Net Income is artificially inflated compared to results during the bankruptcy.
3. Property & Other Tax payments in 2023 are lower than they would be on a prorated basis because of the timing of when property taxes are paid.

4. S&G's owner, Abhijit Vasani, did not draw any salary from S&G or its subsidiaries during this time period or receive any dividends or profit distributions from them. Instead, his compensation is paid by InnVite Hospitality out of a portion of the management fees it receives which are listed above. The management fees also cover a range of services provided by other employees of InnVite Hospitality to S&G's operating subsidiaries.

Post-Petition Consolidated Financials for S&G Hospitality, Inc. Debtors

**Hampton Inn - Lancaster
Quality Inn & Suites - North Columbus
Red Roof Inn Plus - Dublin OH**

Aug 18, 2023 to Dec 31, 2023

Operating Revenue

Room Department	\$	1,961,308.70
Total Operating Revenue	\$	1,961,308.70

Departmental Expenses

Room Department	\$	593,272.88
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Total Departmental Expenses \$ 593,272.88

Room Department Income	\$	1,368,035.82
Miscellaneous Income	\$	7,374.49
Total Departmental Income	\$	1,375,410.31

**Undistributed Operating
Expenses**

Administrative & General	\$	195,743.90
Information & Telecom System	\$	31,620.85
Property Operations & Maintenance	\$	127,429.44
Sales & Marketing	\$	245,692.86
Utilities	\$	116,405.72

**Total Undistributed Operating
Expenses \$ 716,892.77**

Gross Operating Profit \$ 658,517.54

Non-Operating Expenses

\$ 345,600.00

Other Non-Operating Expense	\$	299.69
Property & Other Taxes	\$	33,418.42
Insurance	\$	24,958.90
Depreciation & Amortization	\$	93,600.00
Other Expenses	\$	10,923.03
Itria/SBA	\$	4,925.21
Management Fees	\$	49,058.56

Total Non-Operating Expenses	\$	562,783.81
Income Before Capex and Restructuring Expenses	\$	95,733.73

Restructuring and Other Expenses		
CAPEX	\$	26,528.72
Professional Fees	\$	19,396.04
US Trustees	\$	1,576.45
Net Income	\$	<u>48,232.52</u>

Notes

1. Financials are based on aggregating monthly financials filed by Debtors with Monthly Operating Reports with Bankruptcy Court. Because of changes in how results were reported, the categories may not be consistent with other time periods.

2. Payments to RSS included amounts to be escrowed for property taxes and property insurance.

3. While the Debtors generally report on a cash basis, for certain months they also reported Depreciation and Amortization which are noncash items, on the monthly operating reports filed with the Bankruptcy Court.

4. S&G's owner, Abhijit Vasani, did not draw any salary from S&G or its subsidiaries during this time period or receive any dividends or profit distributions from them. Instead, his compensation is paid by InnVite Hospitality out of a portion of the management fees it receives which are listed above. The management fees also cover a range of services provided by other employees of InnVite Hospitality to S&G's operating

Post-Petition Consolidated Financials for S&G Hospitality, Inc. Debtors

**Hampton Inn - Lancaster
Quality Inn & Suites - North Columbus
Red Roof Inn Plus - Dublin OH**

2024

Operating Revenue

Room Department	\$	5,660,784.56
Total Operating Revenue	\$	5,660,784.56

Departmental Expenses

Room Department	\$	1,649,788.35
Total Departmental Expenses	\$	1,649,788.35

Room Department Income	\$	4,010,996.21
Miscellaneous Income	\$	88,108.04
Total Departmental Income	\$	4,099,104.25

Undistributed Operating Expense

Administrative & General	\$	537,978.63
Information & Telecom System	\$	137,263.18
Property Operations & Maintenance	\$	572,153.81
Sales & Marketing	\$	885,017.52
Utilities	\$	456,197.00
Total Undistributed Operating Expense	\$	2,588,610.14

Gross Operating Profit **\$ 1,510,494.11**

Non-Operating Expenses

Payments to RSS	\$	972,012.30
ltria/SBA	\$	34,071.37
Management Fees	\$	171,000.00
Total Non-Operating Expenses	\$	1,177,083.67
Income	\$	333,410.44

Restructuring and Other Expenses

Capex/Misc	\$	632,815.71
Professional fees	\$	286,984.38
US Trustee Fees	\$	33,535.56
Net Income	\$	(619,925.21)

Notes

1. Financials are based on aggregating monthly financials filed by Debtors with Monthly Operating Reports with Bankruptcy Court. Because of changes in how results were reported, the categories may not be consistent with other time periods.

2. Payments to RSS included amounts to be escrowed for property taxes and property insurance.

3. Capex/Misc total includes \$119,003.12 of real estate taxes that was reported in this category on monthly reports, but ordinarily would not be reported as part of this category.

4. S&G's owner, Abhijit Vasani, did not draw any salary from S&G or its subsidiaries during this time period or receive any dividends or profit distributions from them. Instead, his compensation is paid by InnVite Hospitality out of a portion of the management fees it receives which are listed above. The management fees also cover a range of services provided by other employees of InnVite Hospitality to S&G's operating subsidiaries.