

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

The Antioch Company, LLC, et al.,

Debtors.¹

Chapter 11 Case No. 13-41898

(Jointly Administered)

**SECOND AMENDED JOINT PLAN OF REORGANIZATION OF THE ANTIOCH COMPANY, LLC AND
ITS AFFILIATED DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

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¹ Jointly administered estates of the following Debtors: The Antioch Company, LLC Case No. BKY 13-41898; Antioch International, LLC Case No. BKY 13-13-41899; Antioch International—Canada, LLC Case No. BKY 13-41900; Antioch International—New Zealand, LLC Case No. BKY 13-41901; Creative Memories Puerto Rico, LLC Case No. BKY 13-41902; Antioch Framers Supply, LLC Case No. BKY 13-41903; and zeBlossoms, LLC Case No. BKY 13-41904.

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INTRODUCTION

The Debtors and the Committee propose this Plan of Reorganization. This Plan provides for two alternative structures for the reorganization. One alternative is a stand-alone reorganization. Under that alternative, the Plan calls for: (a) the substantive reorganization of Antioch, the parent company of the other Debtors, either through the reorganization of that entity or the formation of a new entity and contribution of certain of the Debtors' assets into that entity for the purpose of running the reorganized business (the "Reorganized Company"); (b) the distribution of cash and certain other assets of the Debtors, including equity interests in the Reorganized Company, to a liquidating trust for the benefit of creditors; and (c) the dissolution of the other Debtors. The second alternative is a sponsored version of this Plan, under which an investor would acquire the Reorganized Company. Under that alternative, the cash generated from that acquisition would be contributed to a liquidating trust for the benefit of creditors along with the cash and other assets of the Debtors not necessary for the business of the Reorganized Company. Reference is made to the Disclosure Statement (as that term is defined herein), distributed contemporaneously herewith, for a discussion of the Debtors' history, business, properties and operations, projections for those operations, risk factors, a summary and analysis of this Plan (as that term is defined herein), and certain related matters. Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, the Debtors and the Committee reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation.

ARTICLE I DEFINED TERMS AND RULES OF INTERPRETATION

Defined Terms. As used herein, capitalized terms shall have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.1 Administrative Claim Bar Date means December 16, 2013.

1.2 Administrative Claim means a Claim for costs and expenses of administration of the Chapter 11 Cases that is Allowed under section 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) any actual and necessary costs and expenses incurred after the Petition Date in connection with preserving the Debtors' Estates and operating the businesses of the Debtors; (b) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses Allowed by the Bankruptcy Court under section 328, 330, 331, or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (c) all Statutory Fees.

1.3 Affiliate has the meaning set forth in section 101(2) of the Bankruptcy Code.

1.4 Allowed means, with respect to a Claim or Interest in any Class, an Allowed Claim or Allowed Interest in the particular Class or category specified.

1.5 Allowed Claim means a Claim: (a) listed in the Schedules but not listed as disputed, contingent or unliquidated and which has not been clearly superseded by a timely-filed Proof of Claim; (b) for which a Proof of Claim has been timely filed and as to which no objection or request for estimation has been interposed on or before the Effective Date or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Claims Objection Bar Date, or as to which any objection has been settled, waived, withdrawn, or denied by a Final Order of the Bankruptcy Court; or (c) that is expressly deemed to be allowed pursuant to an order of the Bankruptcy Court or the terms of this Plan. Any reference herein to a particular Allowed Claim includes both the secured and unsecured portions of such Claim. The term "Allowed Claim" shall not, for purposes of computing distributions under this Plan, include interest on such Claim from and after the Petition Date.

1.6 Allowed _____ Claim means a Claim of the particular type specified that is also an Allowed Claim (e.g., an Allowed Administrative Claim is an Administrative Claim that is also an Allowed Claim).

1.7 Antioch means The Antioch Company, LLC, a Delaware limited liability company.

1.8 Assumed Contracts means the executory contracts and unexpired leases to be assumed by the Reorganized Company, a schedule of which will be included in the Plan Supplement.

1.9 Avoidance Actions means, collectively and individually, any causes of action of the Estates arising under chapter 5 of the Bankruptcy Code, including without limitation, sections 510, 542, 543, 544, 545, 546, 547, 548, 549, 550 or 553 of the Bankruptcy Code, regardless of whether or not such cause of action was commenced prior to the Effective Date.

1.10 Ballot means the ballots accompanying the Disclosure Statement upon which Holders of Impaired Claims entitled to vote shall, among other things, indicate their acceptance or rejection of this Plan in accordance with this Plan and the procedures governing the solicitation process.

1.11 Bankruptcy Code means title 11 of the United States Code, as now in effect or hereafter amended.

1.12 Bankruptcy Court means the United States Bankruptcy Court for the District of Minnesota.

1.13 Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended.

1.14 Bar Date[s] means the General Bar Date, the Governmental Entity Bar Date, the Administrative Claim Bar Date and any other deadline to file or assert claims or administrative expenses as established by the Bankruptcy Court.

1.15 Business Day means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

1.16 Cash means legal tender of the United States of America and equivalents thereof.

1.17 Cash Investment Yield means the net yield earned by the applicable Disbursing Agent from the investment of Cash held pending distribution pursuant to the Plan (including any Cash received by the Disbursing Agent on account), which investment will be in a manner consistent with the Liquidating Trust Agreement.

1.18 Cash Reserve means, without duplication of amounts in the Disputed Claims Reserve, Cash reserved by the Liquidating Trust, as determined by the Liquidating Trustee from time to time, to pay all Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, Allowed Cure Amount Claims, Allowed Convenience Class Claims, Allowed Fee Claims, and Liquidating Trust Expenses.

1.19 Cause(s) of Action means, individually or collectively and without limitation, any action, cause of action, liability, obligation, right to legal or equitable remedies, suit, debt, sum of money, damage, judgment, claim and demand whatsoever, disputed or undisputed and whether asserted or assertable directly or derivatively in law, equity, or otherwise, including, without limitation, all Avoidance Actions.

1.20 Chapter 11 Cases mean the cases under chapter 11 of the Bankruptcy Code commenced by the Debtors in the Bankruptcy Court.

1.21 Claim means a “claim,” as defined in section 101(5) of the Bankruptcy Code.

1.22 Claim Objection Bar Date means, for all Claims (other than Fee Claims, which are treated in Section 2.1.1.b.ii of this Plan), the latest of: (a) 150 days after the Effective Date, subject to extension by order of the Bankruptcy Court; (b) 90 days after the Filing of a Proof of Claim for such Claim; and (c) such other period of limitation as may be specifically fixed by the Plan, the Confirmation Order, the Bankruptcy Rules or a Final Order for objecting to such a Claim.

1.23 Class means a category of Holders of Claims or Interests, as described in Article II hereof.

1.24 Committee means the Official Committee of Unsecured Creditors appointed by the United States Trustee for Region 12 in the Chapter 11 Cases.

1.25 Confirmation Date means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

1.26 Confirmation Hearing means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

1.27 Confirmation Order means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.28 Convenience Class Claims are Claims of a single holder of a type that would otherwise be included in Class 3 as General Unsecured Claims that are either: (a) \$4,000 or less in the aggregate or (b) greater than \$4,000 in the aggregate, but as to which the holder thereof has made a Convenience Class Election.

1.29 Convenience Class Election means the election on the Ballot for voting to accept or reject this Plan by a single holder of General Unsecured Claims that are greater than \$4,000 in the aggregate to have such General Unsecured Claim reduced to the amount of \$4,000 and treated as a Convenience Class Claim.

1.30 Creative Memories-Japan means Creative Memories-Japan, LLC, a Delaware limited liability company and a non-Debtor subsidiary of Debtor, Antioch International, LLC.

1.31 Cure Amount Claim means a Claim based upon a Debtor's monetary defaults under an Executory Contract or Unexpired Lease that is to be paid in connection with the assumption or assumption and assignment of such contract or lease under section 365 of the Bankruptcy Code in connection with this Plan.

1.32 Debtor or Debtors means, individually or collectively, as the case may be, The Antioch Company, LLC, Antioch International, LLC, Antioch International—Canada, LLC, Antioch International—New Zealand, LLC, Creative Memories Puerto Rico, LLC, Antioch Framers Supply, LLC, and zeBlooms, LLC.

1.33 Disbursing Agent means a Debtor, the Liquidating Trustee or any Third Party Disbursing Agent employed by a Debtor or the Liquidating Trustee, in its capacity as disbursing agent pursuant to Article IV of this Plan.

1.34 Disclosure Statement means the disclosure statement (including all exhibits and schedules thereto or referenced in this Plan) that relates to this Plan and has been prepared and distributed by the Debtors, as co-Plan proponents with the Committee, pursuant to section 1125(g) of the Bankruptcy Code, as the same may be amended, modified or supplemented.

1.35 Disputed Claim means any Claim: (a) as to which a Debtor or another party in interest with standing has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by the Bankruptcy Court pursuant to a Final Order, or (b) that is listed on the Schedules as unliquidated, disputed or contingent.

1.36 Disputed Claim Reserve means the reserve of Liquidating Trust Assets to be maintained as part of the Liquidating Trust, which reserve will be established and maintained as described in Article VI of this Plan.

1.37 Distribution means the distribution, in accordance with the Plan, of Cash or other property as the case may be, or the Cash or other property distributed.

1.38 Distribution Date means a date selected by a Disbursing Agent in accordance with the terms of Article VI of this Plan, the Liquidating Trust Agreement or other applicable documents to make distributions on account of Allowed Claims.

1.39 Effective Date means the Business Day on which this Plan becomes effective as provided in a notice by the Debtors of the occurrence of the Effective Date, which notice shall not be filed until all conditions in Section 8.2 of this Plan have been satisfied or waived.

1.40 Entity means, an “entity” as defined in section 101(15) of the Bankruptcy Code.

1.41 Estates mean the estates of the Debtors created under section 541 of the Bankruptcy Code.

1.42 Excess Cash means, in the case of a Stand-Alone Reorganization, all Cash available to the Reorganized Company on any Excess Cash Determination Date in excess of: (a) Cash necessary to operate the Reorganized Company pursuant to an operating budget approved by the board of directors for the Reorganized Company over the next 12 month period plus (b) a reasonable reserve agreed upon by the Debtors and the Committee set forth in the Plan Supplement.

1.43 Excess Cash Determination Date means every April 15 and October 15 from and after the Effective Date until the Reorganized Company is sold or the Liquidation Trust is terminated.

1.44 Exculpated Parties means: (a) the Debtors and the Reorganized Company; (b) the Committee and its members (solely in their capacity as members of the Committee); and (c) with respect to each of the foregoing persons and entities, each of their respective directors, officers, employees, agents, representatives, shareholders, partners, members, attorneys, investment bankers, restructuring consultants and financial advisors in their capacities as such.

1.45 Executory Contract or Unexpired Lease means any executory contract or unexpired lease subject to section 365 of the Bankruptcy Code, between any Debtor and any other Person.

1.46 Exhibit means an exhibit annexed to either this Plan or as an appendix to the Disclosure Statement.

1.47 Face Amount means either: (a) the full stated amount claimed by the holder of a Claim in any Proof of Claim or request for administrative expense Filed by the applicable Bar Date or otherwise deemed timely Filed under applicable law, if the Proof of Claim or request for administrative expense specifies only a liquidated amount; (b) if no Proof of Claim is Filed by the applicable Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the Debtors’ Schedules, provided that such amount is not listed as disputed, contingent or unliquidated; or (c) the amount of the Claim (i) acknowledged by the applicable Debtor in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code or (iii) proposed by the Debtors or the Liquidating Trustee, as the case may be, if (A) no Proof of Claim or request for administrative expense has been Filed by the Bar Date or has otherwise been deemed timely Filed under applicable law and such amount is not listed in the Debtors’ Schedules or is listed in the Debtors’ Schedules as disputed, contingent or unliquidated or (B) the Proof of Claim or request for administrative request specifies an unliquidated amount (in whole or in part).

1.48 Fee Claim means any Claim under sections 328, 330(a), 331, 363, 503 and 1103 of the Bankruptcy Code for compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases.

1.49 File, Filed, or Filing means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

1.50 Final Distribution Date for a particular Class of Claims means the Distribution Date upon which a final distribution to Holders of Allowed Claims in the Class are to be made.

1.51 Final Order means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court and has not been reversed, vacated, stayed, or amended, and as to which: (a) the time to appeal, petition for certiorari or move for a stay, new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for a stay, new trial, reargument or rehearing shall then be pending; or (b) if an appeal, writ of certiorari, stay, new trial, reargument or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, certiorari shall have been denied or a stay, new trial, reargument or rehearing shall have been denied or resulted in no modification of such order and (ii) the time to take any further appeal, petition for certiorari, or move for a stay, new trial, reargument or rehearing shall have expired; provided, however, that no order or judgment shall fail to be a “Final Order” solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 has been or may be Filed with respect to such order or judgment.

1.52 General Bar Date means (a) for domestic, non-governmental parties alleging a prepetition Claim against a Debtor, the bar date of August 19, 2013, to file a Proof of Claim; (b) for foreign parties alleging a prepetition Claim against a Debtor, the bar date of September 24, 2013, to file a Proof of Claim; or (c) for parties alleging a prepetition Claim arising under 11 U.S.C. § 503(b)(9) against a Debtor, the bar date of September 24, 2013, to file a Proof of Claim.

1.53 General Unsecured Claim means any Claim that is not an Administrative Claim a Convenience Claim, an Other Priority Claim, a Priority Tax Claim, or an Intercompany Claim.

1.54 Governmental Entity Bar Date means the bar date of October 15, 2013, for governmental entities alleging a prepetition Claim against a Debtor to file a Proof of Claim.

1.55 Holder means any person or entity holding a Claim or Interest.

1.56 Impaired means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.57 Intellectual Property means collectively, patents, copyrights, trademarks, service marks, trade names, including the “Creative-Memories” brand name, trademark registrations, service mark registrations, and licenses.

1.58 Intercompany Claim means any Claim of any Debtor against any other Debtor, regardless of whether the Claim arose before or after the Petition Date.

1.59 Interest means the membership interests in each of the Debtors, including the Old Common Interests and the Old Preferred Interests.

1.60 Liabilities mean any and all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure or other occurrence taking place on or prior to the Effective Date.

1.61 Liquidating Trust means the trust established pursuant to Section 4.5 of this Plan to administer the Liquidating Trust Assets and to make distributions to holders of Allowed Claims.

1.62 Liquidating Trust Agreement means the trust agreement governing the Liquidating Trust, to be dated on or prior to the Effective Date, which will be part of the Plan Supplement.

1.63 Liquidating Trust Assets mean, (a) all of the Debtors’ assets (including, but not limited to, Causes of Action) as of the Effective Date, except the Reorganized Company Assets, access to the Debtors’ books

and records, including the right to make copies thereof; and (b) (i) in the case of a Stand-Along Reorganization, the New Membership Units, or (ii) in the case of a Sponsored Reorganization, the Plan Sponsor Consideration.

1.64 Liquidating Trust Expenses mean any and all reasonable fees, costs and expenses incurred by the Liquidating Trust or the Liquidating Trustee (or any agent, Person, entity or professional engaged by the Liquidating Trust or the Liquidating Trustee) in connection with any of their duties under this Plan and the Liquidating Trust Agreement, including any Statutory Fees, reasonable administrative fees, attorneys' fees and expenses, insurance fees, Taxes and escrow expenses.

1.65 Liquidating Trustee means the person identified in the Plan Supplement (or any successor trustee in his or her capacity as the trustee of the Liquidating Trust pursuant to the terms of the Liquidating Trust Agreement).

1.66 Liquidating Trustee Consent Transaction means, in the case of a Stand-Alone Reorganization, a transaction by the Reorganized Company that results in one or more of the following: (a) the transfer (including to an Affiliate of the Reorganized Company) of more than 10% of the fair market value of the Reorganized Company's assets; (b) the transfer (including to an Affiliate of the Reorganized Company) of the assets of, or equity interests in, Creative Memories-Japan or any other Affiliate of the Reorganized Company; (c) the issuance of membership interests, warrants, any other equity interest, or any security or other instrument that could be converted to an equity interest, in the Reorganized Company or any of its Affiliates; (d) the purchase by the Reorganized Company or any of its Affiliates of property for a purchase price greater than \$75,000, other than in the ordinary course of the Reorganized Company's business; or (e) the incurrence of indebtedness or the granting of liens on the Reorganized Company's assets, in each case in an aggregate amount not to exceed \$250,000 at any one time outstanding, and in each case other than (i) indebtedness incurred or liens granted to the Liquidating Trust or (ii) trade debt or real property lease obligations incurred in the ordinary course of the Reorganized Company's business.

1.67 Net Available Cash has the meaning ascribed to such term in Section 6.4.3(b) of this Plan.

1.68 New Membership Units mean the membership interests in the Reorganized Company to be issued on the Effective Date.

1.69 New Operating Agreement means, in the case of a Stand-Alone Reorganization, the operating agreement of the Reorganized Company, which will be included in the Plan Supplement, and which shall contain, among other provisions acceptable to the Debtors and the Committee: (a) a requirement that the Reorganized Company's Excess Cash Flow be distributed as a dividend to the Liquidating Trust; (b) restrictions on the ability of the Reorganized Company to (i) enter into certain transactions without the approval of a majority of the members of the board of directors of the Reorganized Company, and (ii) enter into a Liquidating Trustee Consent Transaction without the approval of a majority of the members of the board of directors of the Reorganized Company and the consent of the Liquidating Trustee; and (c) corporate governance provisions providing, among other things, that the board of directors of the Reorganized Company shall consist of the three individuals: (i) the Chief Executive Officer of the Reorganized Company, (ii) the Liquidating Trustee, and (iii) a third individual jointly selected by the Debtors and the Committee.

1.70 Notice Parties means the Liquidating Trustee, the United States Trustee, the Debtors, the Reorganized Company, the Committee, and the Professionals.

1.71 Old Common Interests means the common member units in Antioch, all of which are held by the trustee for the Antioch Creditor/Equityholder Trust ("C/E Trust"). The trustee of the C/E Trust holds the common member units for the benefit of the C/E Trust's beneficiaries.

1.72 Old Preferred Interests means the preferred member interests in Antioch.

1.73 Ordinary Course Professionals Order means the Order Authorizing the Debtors to Retain, Employ, and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Businesses (Docket No. 102), entered by the Bankruptcy Court on May 16, 2013.

1.74 Other Priority Claims mean all Claims entitled to priority under section 507(a) of the Bankruptcy Code, other than Administrative Claims and Priority Tax Claims.

1.75 Person means a “person,” as defined in section 101(41) of the Bankruptcy Code.

1.76 Petition Date means April 16, 2013, the date on which the Debtors filed their petitions for relief commencing the Chapter 11 Cases.

1.77 Plan means this chapter 11 plan of reorganization, including any and all exhibits and the Plan Supplement, including all supplements, appendices, and schedules thereto, either in its present form or as the same may be altered, amended, or modified from time to time.

1.78 Plan Schedule means any schedule annexed to this Plan or included as an appendix to the Disclosure Statement.

1.79 Plan Sponsor Consideration shall have the meaning ascribed to such term in Section 4.3 of this Plan.

1.80 Plan Supplement means a supplement to this Plan in form and substance satisfactory to the Debtors and the Committee, and as such documents and exhibits may be altered, amended, modified or supplemented from time to time with the consent of the Debtors and the Committee, which shall be filed with the Bankruptcy Court no later than October 21, 2013, and include, among other things, the following documents: (a) in the case of a Stand-Alone Reorganization, the New Operating Agreement; (b) the Liquidating Trust Agreement; (c) the identity of the Liquidating Trustee; (d) a list of the Assumed Contracts and cure amounts; (e) a list of the Reorganized Company Assets; (f) the Excess Cash determination; (g) a schedule of Released Parties; (h) the identities of the members of the board of directors of the Reorganized Company; (i) the Reorganized Company MIP and related documents disclosing officer compensation; (j) a statement whether the Plan Proponents will pursue a Sponsored Reorganization and, if so, (1) the identity of the Plan sponsor, (2) the consideration to be paid, (3) a detailed description of the transaction, and (4) any material ancillary documents related to the transaction with the Plan sponsor.

1.81 Priority Tax Claim means a Claim of a governmental unit of the kind entitled to priority under section 507(a)(8) of the Bankruptcy Code.

1.82 Pro Rata means, when used with reference to a distribution of property to holders of Allowed Claims in a particular Class or other specified group of Claims pursuant to Article II, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a) the amount of property to be distributed on account of such Claim to the amount of such Claim, is the same as the ratio of (b) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to the amount of all Allowed Claims, as the case may be, in such Class or group of Claims. Until all Disputed Claims in a Class are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating the Pro Rata distribution of property to holders of Allowed Claims in such Class.

1.83 Professional means (a) any professional employed in the Chapter 11 Cases pursuant to section 327 or 1103 of the Bankruptcy Code or otherwise and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

1.84 Professional Fees mean an Administrative Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses or other charges, and expenses incurred after the Petition Date and prior to and including the Effective Date.

1.85 Proof of Claim means a proof of claim filed in the Chapter 11 Cases pursuant to section 501 of the Bankruptcy Code and/or any order of the Bankruptcy Court, together with supporting documents.

1.86 Released Party means the Debtors and the Reorganized Company and each of their respective officers (as specified and to the extent provided in the Plan Supplement) and directors, acting only in his/her capacity as an officer or director.

1.87 Reorganized Company means either: (a) the entity The Antioch Company, LLC on and after the Effective Date, after giving effect to the transactions occurring on the Effective Date and whether its name is changed; or (b) such other legal entity into which the Reorganized Company Assets are contributed.

1.88 Reorganized Company Assets means the assets listed in the Plan Supplement, including the following: (a) an amount of cash agreed to by the Debtors and the Committee; (b) working capital (inventory) relating to the Reorganized Company's operations; (c) certain equipment relating to the Reorganized Company's operations; (d) the Assumed Contracts, (e) the membership interests in Creative Memories-Japan, which will also be capitalized with an amount of cash agreed upon by the Debtors and the Committee; (f) Intellectual Property relating to the Reorganized Company's operations; and (g) business litigation rights relating to the Assumed Contracts and on-going business of the Reorganized Company.

1.89 Reorganized Company MIP means, in the case of a Stand-Alone Reorganization, a management incentive plan that will provide incentive bonuses to key management of the Reorganized Company on account of cash generated for the Liquidating Trust. The terms of the Reorganized Company MIP will be included in the Plan Supplement.

1.90 Schedules mean the schedules of assets and liabilities filed by the Debtors with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as such schedules have been or may be amended or supplemented by the Debtors from time to time.

1.91 Sponsored Reorganization means the reorganization alternative described in Section 4.3 of this Plan.

1.92 Stand-Alone Reorganization means the reorganization alternative described in Section 4.2 of this Plan.

1.93 Statutory Fees has the meaning ascribed to such term in Section 2.1.1.a of this Plan.

1.94 Tax means (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental, excise or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

1.95 Third Party Disbursing Agent means an entity designated by any of the Debtors or the Liquidating Trustee (as applicable) to act as a Disbursing Agent pursuant to Article IV of this Plan.

1.96 Unimpaired means a Claim that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.97 Voting Deadline means the deadline for submitting ballots to either accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code that is specified in the Disclosure Statement, the ballots or related solicitation documents approved by the Bankruptcy Court.

1.98 Rules of Interpretation and Computation of Time. For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular

terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or schedule Filed or to be Filed means such document or schedule, as it may have been or may be amended, modified, or supplemented pursuant to this Plan; (d) any reference to an entity as a Holder of a Claim or Interest includes that entity's successors and assigns; (e) all references in this Plan to Sections, Articles, and Schedules are references to Sections, Articles, and Schedules of or to this Plan; (f) the words "herein," "hereunder," and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) subject to the provisions of any contract, certificates of formation, limited liability operating agreement, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan will be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (j) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

1.99 Exhibits and Plan Supplement. All Exhibits, including the Plan Supplement, are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits and Plan Supplement shall be filed with the Bankruptcy Court in accordance with this Plan. Holders of Claims and Interests may obtain a copy of the filed Exhibits and Plan Supplement upon written request to the Debtors. Upon their filing, the Exhibits and Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours. The documents contained in the Exhibits and Plan Supplement will be approved by the Bankruptcy Court pursuant to the Confirmation Order.

The Disclosure Statement may be used as an aid for interpretation of this Plan to the extent that any provision of this Plan is determined to be vague or ambiguous. However, to the extent any statement in the Disclosure Statement conflicts with any provision of this Plan, this Plan controls.

ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

All Claims and Interests, except Administrative Claims, Statutory Fees, and Priority Tax Claims, are placed in the following Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Statutory Fees and Priority Tax Claims, as described in Section 2.1 hereof, have not been classified and thus are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim qualifies within the description of such other Classes.

2.1 Unclassified Claims

2.1.1 Payment of Administrative Claims

Except as otherwise specified in this Section 2.1, and subject to the Bar Date provisions in this Plan, unless an order of the Bankruptcy Court provides, or a holder of an Allowed Administrative Claim agrees, otherwise, each holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Administrative Claim, Cash equal to the unpaid amount of such Allowed Administrative Claim as soon as practicable on or after the later of: (a) the Effective Date; or (b) the date on which such Administrative Claim becomes an Allowed Administrative Claim; *provided, however*, that Administrative Claims related to the business of the Reorganized Company may be paid in the ordinary course of business if not yet due and payable as of the Effective Date ("Reorganized Company Ordinary Course Claims"). Any Administrative Claims that are Allowed as of the Effective Date shall be paid by the Debtors. Any Administrative Claims Allowed after the Effective Date shall be paid by the Liquidating Trust or in the case of Reorganized Company Ordinary Course Claims, by the Reorganized Company.

a. Statutory Fees

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 shall be paid in Cash equal to the amount of such Allowed Administrative Claims. With respect to any Chapter 11 Case not converted, closed or dismissed in accordance with the provisions of this Plan, all fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date (the "Statutory Fees") shall be paid by the Liquidating Trust until the earlier of the conversion or dismissal of the applicable Chapter 11 Case under section 1112 of the Bankruptcy Code, or the closing of the applicable Chapter 11 Case pursuant to section 350(a) of the Bankruptcy Code.

b. Bar Dates for Administrative Claims

(i) General Administrative Claim Bar Date Provisions

Except as otherwise provided in this Plan or an order of the Bankruptcy Court, requests for payment of Administrative Claims must be filed no later than the Administrative Bar Date. Holders of Administrative Claims that do not File and serve such a request by the Administrative Claim Bar Date may be forever barred from asserting such Administrative Claims against the Debtors, the Reorganized Company, the Liquidating Trust or their respective property, and any such alleged Administrative Claims shall be deemed discharged as of the Effective Date. Objections to requests for allowance of an Administrative Claim must be Filed by the Claims Objection Bar Date.

(ii) Bar Dates for Professional Compensation

All unpaid Fee Claims incurred by Professionals prior to the Effective Date shall be subject to final allowance or disallowance upon application to the Bankruptcy Court pursuant to sections 328, 330 or 503(b)(4) of the Bankruptcy Code. Final applications for allowance of Fee Claims for services rendered in connection with the Chapter 11 Cases shall be Filed with the Bankruptcy Court no later than 30 days after the Effective Date; *provided, however,* that any professional receiving compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive compensation and reimbursement of expenses for services rendered before the Effective Date pursuant to the Ordinary Course Professionals Order without further review or approval of the Bankruptcy Court (except as provided in the Ordinary Course Professionals Order). Objections to any Fee Claims must be filed and served on the Notice Parties and the requesting party by the later of: (a) 60 days after the Effective Date; (b) 30 days after the filing of the applicable request for payment of the Fee Claim; and (c) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Fee Claim.

2.1.2 Payment of Priority Tax Claims

a. Priority Tax Claims

Each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of its Priority Tax Claim, Cash equal to the amount of such Allowed Priority Tax Claim as soon as practicable on or after the later of: (a) the Effective Date; or (b) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim. Any Allowed Priority Tax Claims that are Allowed as of the Effective Date shall be paid by the Debtors. Any Priority Tax Claims Allowed after the Effective Date shall be paid by the Liquidating Trustee or the Reorganized Company.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section 2.1.2.a, the holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim. Any such Claim or demand for any such penalty shall be subject to treatment in Class 3 (General Unsecured Claims), as applicable, if not subordinated to Class 3 Claims pursuant to an order of the Bankruptcy Court. The holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Debtors, the Reorganized Company, the Liquidating Trust or their respective property (other than as a holder of a Class 3 Claim pursuant to the terms of this Plan).

2.2 Classified Claims

2.2.1 Other Priority Claims (Class 1 Claims) – Unimpaired.

Each Holder of an Allowed Other Priority Claim shall receive, in full satisfaction of its Other Priority Claim, Cash equal to the amount of such Allowed Other Priority Claim as soon as practicable on or after the later of: (a) the Effective Date or (b) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim. Any Other Priority Claims that are Allowed as of the Effective Date shall be paid by the Debtors. Any Other Priority Claims Allowed after the Effective Date shall be paid by the Liquidating Trustee or the Reorganized Company. Holders of Allowed Other Priority Claims are deemed to have accepted the Plan and, therefore, are not entitled to vote on the Plan.

2.2.2 Convenience Class Claims (Class 2 Claims) – Impaired.

Each Holder of an Allowed Convenience Class Claim shall receive a one time cash payment of 37.5% of the amount of its Allowed Claim. Any Convenience Class Claims that are Allowed as of the Effective Date shall be paid by the Debtors. Any Convenience Class Claims Allowed after the Effective Date shall be paid by the Liquidating Trustee. Holders of Convenience Class Claims are entitled to vote to accept or reject the Plan.

2.2.3 General Unsecured Claims (Class 3 Claims) – Impaired.

On one or more Distribution Dates, each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata share of the net proceeds of the Liquidating Trust Assets after the payment of all Allowed Fee Claims, Administrative Claims, Priority Tax Claims, Other Priority Claims, and Convenience Class Claims, and the payment of all Liquidating Trust Expenses. Distributions to Holders of Allowed General Unsecured Claims shall be made by the Liquidating Trustee. Holders of General Unsecured Claims are entitled to vote to accept or reject the Plan.

2.2.4 Intercompany Claims (Class 4 Claims) – Impaired.

Holders of Intercompany Claims shall receive no distribution under this Plan and are conclusively deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

2.2.5 Interests (Class 5 Interests) – Impaired.

On the Effective Date, all Interests in any of the Debtors shall be deemed cancelled, null and void. Holders of Interests shall receive no distribution under this Plan and are conclusively deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

2.3 Special Provisions Relating to the Rights of Setoff of Creditors

Nothing in this Plan shall expand or enhance a creditor's right of setoff, which shall be determined as of the Petition Date. Nothing in this Plan is intended to, or shall be interpreted to, approve any creditor's effectuation of a postpetition setoff without the consent of the Debtors or Liquidating Trustee unless prior Bankruptcy Court approval has been obtained.

ARTICLE III ACCEPTANCE OR REJECTION OF THE PLAN

3.1 Impaired Classes of Claims Entitled to Vote

Only the Holders of Convenience Class Claims and General Unsecured Claims in Classes 2 and 3, respectively, are entitled to vote to accept or reject this Plan.

3.2 Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted this Plan if this Plan is accepted by the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan. Because Classes 2 and 3 are Impaired, the votes of Holders of Claims in Classes 2 and 3 will be solicited.

3.3 Presumed Acceptances by Unimpaired Classes

Class 1 is Unimpaired by this Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims are conclusively presumed to have accepted this Plan, and the votes of the Holders of such Claims will not be solicited.

3.4 Classes Deemed to Reject this Plan

Holders of Intercompany Claims and Interests in Classes 4 and 5, respectively, are not entitled to receive any distribution under this Plan. Pursuant to section 1126(g) of the Bankruptcy Code, Classes 4 and 5 are conclusively deemed to have rejected this Plan and the votes of Holders of Claims and Interests in Classes 4 and 5 therefore will not be solicited.

ARTICLE IV MEANS FOR IMPLEMENTATION OF THE PLAN

4.1 Plan Alternatives

This Plan provides for two alternatives for the restructuring of the Debtors: (a) a stand-alone reorganization as a more modern memory preservation business with equity ownership of the Reorganized Company being held by the Liquidating Trust; or (b) the acquisition of the Reorganized Company's equity or assets through an investment by, and/or sale to, a Plan sponsor, with the proceeds of such investment and/or sale being contributed to the Liquidating Trust.

Since the Petition Date, the Debtors have focused on both modifying their business so that it can succeed as a more nimble and viable business after emergence and generating cash to provide for a material distribution to creditors. At the same time, the Debtors have been engaged in a process to determine whether there exists an appropriate Plan sponsor to partner with or own the new business, thus monetizing the equity in that business for the Debtors' creditors. That process is not complete as of the filing of this Plan, and the Plan is therefore proposed in the alternative. If an appropriate Plan sponsor does not emerge, the reorganization will go forward on a stand-alone basis. If a sponsor is willing to invest an amount satisfactory to the Debtors and the Committee, the reorganization will go forward on a sponsored basis, and the Liquidating Trust will receive primarily cash rather than a combination of cash and equity in the Reorganized Company.

The Debtors and the Committee shall make the determination of whether the Debtors' restructuring will be a Stand-Alone Reorganization or a Sponsored Reorganization, and will provide notice of such determination as soon as reasonably practicable after the determination is made, but in no event later than October 21, 2013.

4.2 Alternative 1: Stand-Alone Reorganization

4.2.1 Formation of the Reorganized Company

On the Effective Date, the Debtors will be reorganized as the Reorganized Company. The Reorganized Company will hold all the Reorganized Company Assets, which shall include the following: (a) an amount of initial Cash agreed upon by the Debtors and the Committee; (b) working capital (inventory) relating to its operations; (c) certain equipment relating to its operations; (d) the Assumed Contracts; (e) the equity in Creative Memories-Japan, which will also be capitalized with an amount of cash agreed upon by the Debtors and the

Committee; (f) Intellectual Property relating to its operations; and (g) certain business litigation rights. On the Effective Date, the Reorganized Company Assets shall vest with the Reorganized Company, free and clear of all Claims, Interests, liens, charges, or other encumbrances. On and after the Effective Date, the Reorganized Company may engage in any act or activity authorized by the New Operating Agreement without the Bankruptcy Court's supervision or approval, and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or Confirmation Order. All equity interests in the Reorganized Company shall be distributed to and held by the Liquidating Trust for the benefit of the holders of Allowed Claims. The Liquidating Trustee, in conjunction with the board of directors and management of the Reorganized Company, shall continue to work to monetize the equity in the Reorganized Company in accordance with this Plan, the New Operating Agreement, and the Liquidating Trust Agreement.

4.2.2 The Reorganized Company (Stand-Alone) and Relationship with the Liquidating Trust

The Reorganized Company will be a Delaware limited liability company governed by and operated pursuant to the New Operating Agreement. On the Effective Date, 100% of the New Membership Units shall be owned by the Liquidating Trust. Subject to an agreement on a compensation structure as set forth in the next sentence, Chris Veit will serve as the Chief Executive Officer. The officers and the key provisions of the compensation structure, which will include the Reorganized Company MIP, for such officers will be acceptable to the Debtors, the Committee, and such officers. On the Effective Date, the Reorganized Company may operate its business pursuant to the terms of the New Operating Agreement and may use, acquire, and dispose of property without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions, other than restrictions expressly imposed by this Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Company may pay the charges that it incurs on or after the Effective Date for professionals' fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

4.3 Alternative 2: Sponsored Reorganization

In the event the Debtors and the Committee determine to pursue a sponsored reorganization, on the Effective Date, the New Membership Units or the Reorganized Company Assets will be transferred to the Plan sponsor in exchange for consideration (the "Plan Sponsor Consideration"), which consideration will be contributed to the Liquidating Trust.

4.4 Certain Other Matters Relevant to Both Plan Alternatives

Entry of the Confirmation Order shall constitute approval, pursuant to sections 105(a) and 1123(a)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the transfer of the Liquidating Trust Assets to the Liquidating Trust, and the transfer and/or revesting of the Reorganized Company Assets to the Reorganized Company.

Notwithstanding the reorganization provided for herein, the Debtors and the Liquidating Trust shall remain responsible for the payment of quarterly fees pursuant to 28 U.S.C. § 1930 to the Office of United States Trustee until such time as a particular case is closed pursuant to a Final Decree or other order of the Bankruptcy Court, dismissed, or converted.

Unless, in the case of a Sponsored Reorganization, the Debtors, the Committee, and the Plan sponsor agree otherwise, on the Effective Date, all Interests shall be cancelled, provided that the member interests in Creative Memories-Japan shall be transferred to the Reorganized Company.

4.5 Formation of the Liquidating Trust

Under either alternative Plan structure, on or prior to the Effective Date, the Liquidating Trust shall be established pursuant to the Liquidating Trust Agreement for the purpose of liquidating the Estates (except for the Reorganized Company Assets) and distributing the proceeds thereof to creditors in accordance with the terms of this Plan and the Liquidating Trust Agreement. Subject to and to the extent set forth in the Plan, the Confirmation

Order, the Liquidating Trust Agreement or other agreement (or any other order of the Bankruptcy Court entered pursuant to or in furtherance hereof), the Liquidating Trust (and the Liquidating Trustee) shall be empowered to: (a) effect all actions and execute all agreements, instruments and other documents necessary to implement the Liquidating Trust provisions of this Plan; (b) accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle and protect the Liquidating Trust Assets (directly or through its professionals, in accordance with the Plan); (c) sell, liquidate, transfer, distribute or otherwise dispose of the Liquidating Trust Assets (directly or through its professionals) or any part thereof or any interest in this Plan upon such terms as the Liquidating Trustee determines to be necessary, appropriate or desirable; (d) calculate and make distributions to holders of Allowed Claims pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (e) comply with the Plan and exercise the Liquidating Trustee's rights and fulfill its obligations thereunder; (f) review, reconcile or object to Claims, including Scheduled Claims, and resolve such objections as set forth in the Plan; (g) pursue Causes of Action that may be transferred to the Liquidating Trust, if any, to the extent that their pursuit would likely result in an economic benefit to holders of Claims; (h) retain and compensate professionals to represent the Liquidating Trustee, as necessary and appropriate to comply with the terms of this Plan and Trust Agreement; (i) establish and maintain a Disputed Claims Reserve; (j) file appropriate Tax returns and other reports on behalf of the Liquidating Trust and pay Taxes or other obligations owed by the Liquidating Trust; (k) exercise such other powers as may be vested in the Liquidating Trustee under the Liquidating Trust Agreement or the Plan, or as deemed by the Liquidating Trustee to be necessary and proper to implement the provisions of this Plan and the Liquidating Trust Agreement; (l) object to the amount of any Claim on any Schedule if the Liquidating Trustee determines in good faith that the Claim is invalid or has previously been paid or satisfied; (m) pay any and all residual statutory fees of any Debtors as provided in Section 2.1.2.a of this Plan; and (n) dissolve the Liquidating Trust in accordance with the terms of the Liquidating Trust Agreement. Notwithstanding anything to the contrary in this Section, the Liquidating Trust's primary purpose is liquidating the assets transferred to it by the Debtors and making distributions of the assets of the Liquidating Trust to holders of Allowed Claims.

4.5.1 Funding of and Transfer of Assets into the Liquidating Trust

a. On the Effective Date, the Debtors shall transfer the Liquidating Trust Assets to the Liquidating Trust. The Liquidating Trust Assets, including the Causes of Action, will be transferred to, vest in and be preserved for the Liquidating Trust on the Effective Date, free and clear of all liens, claims and other encumbrances.

b. The Liquidating Trustee shall have the authority to create sub-accounts or sub-trusts within the Liquidating Trust, and into which the Liquidating Trustee may deposit any non-Cash property, including real or personal property pending its liquidation. The Liquidating Trustee, as trustee of such sub-accounts or sub-trusts may hold legal title to such property. Once liquidated, any Cash proceeds of such sub-accounts or sub-trusts shall be deposited directly into the primary trust account.

c. The act of transferring assets and rights to the Liquidating Trustee of the Liquidating Trust, as authorized by the Plan, shall not be construed to destroy or limit any such assets or rights or be construed as a waiver of any right, and such rights may be asserted by the Liquidating Trust as if the asset or right was still held by the applicable Debtor. In connection with the transfer of the Liquidating Trust Assets, any attorney-client privilege, work product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Liquidating Trust shall vest in the Liquidating Trust and its representatives, and the Debtors and the Liquidating Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges.

4.5.2 Liquidating Trustee and Trust Advisory Committee

The initial Liquidating Trustee shall be selected by the Committee. The powers, rights and responsibilities of the Liquidating Trustee shall be specified in the Liquidating Trust Agreement and shall include the authority and responsibility to fulfill the rights and obligations identified in this Plan. Other rights and duties of the Liquidating Trustee and the beneficiaries of the Liquidating Trust shall be as set forth in the Liquidating Trust Agreement. The Liquidating Trust Agreement will also provide for a trust advisory committee, the initial composition of which shall be selected by the Committee, to approve certain material decisions of the Liquidating Trustee, including (i) the sale or liquidation of non-Cash Liquidating Trust Assets for greater than \$250,000, (ii) the settlement, compromise,

abandonment, or withdrawal of any Cause of Action with face value greater than \$100,000, (iii) the settlement or compromise of any Disputed Claims with face value greater than \$50,000 for an Administrative Claim, Priority Tax Claim or Other Priority Claim, or greater than \$100,000 for a General Unsecured Claim; (iv) the retention of professionals by the Liquidating Trust; and (v) in the case of a Stand-Alone Reorganization, (a) consenting to the transfer of all or substantially all of the Reorganized Company's assets, (b) consenting to the issuance of membership interests, warrants, or any other equity interest, or security that could be converted to an equity interest, in the Reorganized Company, (c) transferring the New Membership Units, and (d) lending to or investing in the Reorganized Company.

4.5.3 Liquidating Trust Agreement

The Liquidating Trust Agreement generally will provide for, among other things: (a) the payment of reasonable compensation to the Liquidating Trustee; (b) the payment of other expenses of the Liquidating Trust, including the cost of pursuing the Claims, rights and Causes of Action assigned to the Liquidating Trust; (c) the retention of counsel, accountants, financial advisors or other professionals and the payment of their compensation; (d) the investment of Cash by the Liquidating Trustee within certain limitations; (e) the preparation and filing of appropriate Tax returns and other reports on behalf of the Liquidating Trust and the payment of Taxes or other obligations owed by the Liquidating Trust; (f) the orderly liquidation of the Liquidating Trust's assets; and (g) the litigation, settlement, abandonment or dismissal of any Claims, rights or Causes of Action assigned to the Liquidating Trust.

4.5.4 Reports to Be Filed by the Liquidating Trustee

The Liquidating Trustee, on behalf of the Liquidating Trust, shall File with the Bankruptcy Court (and provide to any other party entitled to receive any such report pursuant to the Liquidating Trust Agreement), no later than 31 days after June 30 and December 31 of each calendar year, a semi-annual report regarding the administration of property subject to its ownership and control pursuant to the Plan, distributions made by it, and other matters relating to the implementation of this Plan; *provided, however*, that the filing of any such report is solely to provide centralized access to information and there is no implication or suggestion that the Bankruptcy Court is supervising the Liquidating Trustee.

4.5.5 Fees and Expenses of the Liquidating Trust

Except as otherwise ordered by the Bankruptcy Court, the reasonable and necessary fees and expenses of the Liquidating Trust (including the reasonable and necessary fees and expenses of any professionals assisting the Liquidating Trustee in carrying out its duties under the Plan) will be paid by the Liquidating Trustee in accordance with the Liquidating Trust Agreement without further order from the Bankruptcy Court.

4.5.6 Indemnification

The Liquidating Trust Agreement may include reasonable and customary indemnification provisions for the benefit of the Liquidating Trustee and/or other parties. Any such indemnification shall be the sole responsibility of the Liquidating Trust and payable solely from the Liquidating Trust Assets.

4.5.7 Tax Treatment

The Debtors and Committee intend for the tax treatment of the Liquidating Trust to be that of a "grantor trust" pursuant to the relevant provisions of the Internal Revenue Code, but no such determination shall be made as a result of confirmation of this Plan.

4.5.8 Disposition of Assets by Liquidating Trust

Subject to the provisions of the Liquidating Trust Agreement, the Liquidating Trustee may conduct any sales or liquidations of non-Cash Liquidating Trust Assets from the Liquidating Trust on any terms he or she deems reasonable, without further order of the Bankruptcy Court.

4.5.9 Settlement of Causes of Actions and Disputed Claims

Subject to the provisions of the Liquidating Trust Agreement, the Liquidating Trustee may settle, compromise, abandon or withdraw any Cause of Action (with the exception of Causes of Action transferred to the Reorganized Company), including any Avoidance Action, on any grounds or terms he or she deems reasonable, without further order of the Bankruptcy Court.

4.5.10 Preservation of Causes of Action; Avoidance Actions

On the Effective Date, the Debtors will transfer to the Liquidating Trustee, as the representative of the Estates under section 1123(b) of the Bankruptcy Code, all Causes of Action (with the exception of certain specific Causes of Action identified as Reorganized Company Assets), including Avoidance Actions, and the Liquidating Trustee may enforce any Causes of Action that the Debtors or the Estates may hold against any entity to the extent not expressly released under the Plan or by any Final Order of the Bankruptcy Court, including but not limited to those items identified at Plan Schedule 4.5.10.

4.6 Restructuring Transactions

The Chief Executive Officer and the Chief Restructuring Officer of the Debtors and the Liquidating Trustee shall be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan. Pursuant to section 1146(a) of the Bankruptcy Code, the following shall not be subject to any stamp Tax, real estate transfer Tax, mortgage recording Tax, sales or use Tax or similar Tax: (a) the creation of any mortgage, deed of trust, lien or other security interest; (b) the making or assignment of any lease or sublease; or (c) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale or assignments executed in connection with any of the foregoing or pursuant to the Plan.

4.7 Sources of Cash for Plan Distributions

Except as otherwise provided in this Plan or the Confirmation Order, all Cash necessary for the payments pursuant to this Plan shall be obtained from existing Cash balances, or, in the case of payments to be made by the Liquidating Trustee, from the proceeds of the Liquidating Trust Assets.

ARTICLE V TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 Assumption and Assignment

The Assumed Contracts shall be assumed by the Reorganized Company. All other Executory Contracts, Unexpired Leases or other agreements shall be deemed rejected as of the Confirmation Date.

5.2 Cure of Defaults

On the Effective Date, the Debtors or the Plan sponsor, as applicable, shall pay all Cure Amount Claims. If an Executory Contract or Unexpired Lease is assumed after the Effective Date, the Reorganized Company or the Plan sponsor, as applicable, shall pay the Cure Amount Claims.

5.3 Bar Date for Rejection Damage Claims

To the extent not previously rejected in accordance with an Order of the Bankruptcy Court, claims arising out of the rejection of an Executory Contract or Unexpired Lease pursuant to Section 5.1 of this Plan must be Filed with the Bankruptcy Court and served on the Debtors or, on and after the Effective Date, the Liquidating Trustee, by no later than 30 days after the later of: (a) notice of entry of an order approving the rejection of such Executory Contract or Unexpired Lease; (b) notice of the entry of Confirmation Order; or (c) notice of an amendment to the

Assumed Contract list, and upon allowance, shall be an Allowed General Unsecured Claim. Any Claims not Filed within such applicable time periods shall be forever barred from receiving a distribution from the Debtors, the Estates, the Liquidating Trust, or the Reorganized Company.

5.4 Approval of Rejection

Entry of the Confirmation Order shall constitute, pursuant to sections 365 and 1123 of the Bankruptcy Code, the approval of the rejection of all Executory Contracts and Unexpired Leases, other than the Assumed contracts, pursuant to Section 5.1 of this Plan to the extent not previously assumed or rejected by order of the Bankruptcy Court.

5.5 Compensation and Benefit Programs

Except as otherwise expressly provided in Plan Schedule 5.5, all employment and severance contracts and policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to its employees, retirees, and non employee directors, including, without limitation, all deferred compensation plans, savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life, and accidental death and dismemberment insurance plans and contracts, are treated as executory contracts under the Plan and on the Effective Date will be rejected pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code. It is the intention of the Debtors to continue those plans that make sense for the Reorganized Company and replace certain plans with new plans that more appropriately serve the Reorganized Company and its employees. The Reorganized Company intends to amend its consultant contracts. Plan Schedule 5.5 will be included with the Plan Supplement.

ARTICLE VI PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in this Article VI, distributions of Cash to be made on the Effective Date to holders of Claims as provided by Article II that are Allowed as of the Effective Date shall be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than 30 days after the Effective Date; or, with respect to undeliverable distributions, when the provisions of Section 6.3 are satisfied. Distributions on account of Claims that become Allowed after the Effective Date shall be made on the next Distribution Date that is at least five Business Days after such Claim becomes Allowed.

6.2 Method of Distributions to Holders of Claims

The Debtors shall make all distributions of Cash to Holders of Administrative Claims, Other Priority Claims, Priority Tax Claims, and Convenience Class Claims that are Allowed as of the Effective Date. The Reorganized Company or the Liquidating Trustee, or such Third Party Disbursing Agent as the Liquidating Trustee may employ in his/her sole discretion, shall make all other distributions of Cash and other instruments or documents required under the Plan. Each Disbursing Agent shall serve without bond.

6.3 Delivery of Distributions and Undeliverable or Unclaimed Distributions

6.3.1 Delivery of Distributions

Distributions to holders of Allowed Claims shall be made: (a) at the addresses set forth on the respective Proofs of Claim or request for payment of Administrative Claim Filed by holders of such Claims, as applicable; (b) at the address for a Claim transferee set forth in a valid and timely notice of transfer of Claim Filed with the Bankruptcy Court; (c) at the addresses set forth in any written notice of address change Filed with the Bankruptcy Court after the date of Filing of any related Proof of Claim; (d) at the addresses reflected in the applicable Debtor's Schedules if no Proof of Claim has been Filed and the Bankruptcy Court has not received a written notice of a

change of address; or (e) if clauses (a) through (d) are not applicable, at the last address known or directed by such holder after such Claim becomes an Allowed Claim.

6.3.2 Undeliverable Distributions Held by Disbursing Agents

a. Holding of Undeliverable Distributions

Subject to Section 6.3.2.c of this Plan, distributions returned to a Disbursing Agent, or otherwise undeliverable shall remain in the possession of the Disbursing Agent, pursuant to this Section 6.3.2.a, until such time as a distribution becomes deliverable. The Liquidating Trustee, or such Third Party Disbursing Agent as may be employed by the Liquidating Trustee, holding undeliverable Cash shall invest such Cash in a manner consistent with the Liquidating Trust Agreement.

b. After Distributions Become Deliverable

On each Distribution Date, the applicable Disbursing Agent shall make all distributions that became deliverable to holders of Allowed Claims at the next Distribution Date; provided, however, that the applicable Disbursing Agent may, in its sole discretion, establish a record date prior to each periodic Distribution Date, such that only Allowed Claims as of the record date will participate in such periodic distribution. Notwithstanding the foregoing, the applicable Disbursing Agent reserves the right, to the extent it determines a distribution on any periodic Distribution Date is uneconomical or unfeasible, or is otherwise unadvisable, to postpone a Distribution Date.

c. Failure to Claim Undeliverable Distributions

Any holder of an Allowed Claim that does not assert its right to an undeliverable distribution within the earlier of one year of such distribution and the date that is 90 days prior to the Final Distribution Date shall be forever barred from asserting any such Claim against the Debtors, the Liquidating Trust, the Reorganized Company and any Disbursing Agent and their respective property or accounts. In such cases, unclaimed distributions held by a Disbursing Agent shall be returned to the Liquidating Trust for distribution to other creditors, and the Liquidating Trustee shall have no responsibility to make further distributions to such creditor. Any unclaimed distributions or any distributions that are returned as undeliverable and unclaimed under this Section 6.3.2.c, shall become property of the Liquidating Trust free of any restrictions thereon. The Liquidating Trustee may donate to the charitable organization of his or her choice any non-material distributions that are made on the Final Distribution Date and that are undeliverable or (in the event of a distribution made by check) remain uncashed for 180 days after the Final Distribution Date. Any such material (as opposed to non-material) distributions shall be remitted to the Bankruptcy Court as unclaimed funds. Upon such remittance, the Liquidating Trustee shall be deemed to have satisfied his obligations to make distributions under the Plan and shall not be required to make additional distributions. Nothing contained in the Plan shall require a Debtor, the Reorganized Company, the Liquidating Trustee or a Disbursing Agent to attempt to locate any holder of an Allowed Claim.

6.4 Timing and Calculation of Amounts to be Distributed

6.4.1 Distributions on Account of Allowed Claims in Class 1

Distributions to be made to holders of Allowed Claims classified in Class 1 under the Plan shall be made as set forth in Section 2.2.1 hereof.

6.4.2 Distributions on Account of Allowed Claims in Class 2

Distributions to be made to holders of Allowed Claims in Class 2 under the Plan shall be made as set forth in Section 2.2.2 hereof.

6.4.3 Distributions on Account of Allowed Claims in Class 3

a. Selection of Distribution Dates for Class 3 Claims

Except where this Plan requires the making of a distribution on account of a particular Allowed Claim within a particular time, the Liquidating Trustee shall have the authority to select Distribution Dates that, in the judgment of the Liquidating Trustee, provide holders of Allowed Claims with payments as quickly as reasonably practicable while limiting the costs incurred by the distribution process; *provided, however*, that the first Distribution Date after the Effective Date must occur prior to March 15, 2014, and a Distribution Date must occur at least once every twelve months thereafter, if any amounts are available for distribution on such date.

b. Calculation of Amounts to Be Distributed to Holders of Class 3 Claims

Prior to any distribution to holders of Allowed General Unsecured Claims, the Liquidating Trustee shall estimate the amount of Cash on hand (the "Net Available Cash") that will remain after funding (without duplication) the Disputed Claims Reserve and the Cash Reserve. Such estimation of Net Available Cash shall utilize assumptions that (a) litigation with claimants with respect to any issue that is being reasonably contested will be unsuccessful; (b) any unresolved Causes of Action shall result in no recovery for the Liquidating Trust; and (c) remaining non-Cash assets, including, the case of a Stand-Alone Reorganization, the New Membership Units, shall produce no recovery for the Liquidating Trust. Only if, after applying such assumptions, the estimated Net Available Cash is greater than zero shall the Liquidating Trustee be permitted to make any distributions to holders of Allowed General Unsecured Claims.

c. Distributions to Holders of Allowed Claims in Class 3

On each Distribution Date, each holder of an Allowed General Unsecured Claim shall receive a distribution of any Net Available Cash such that each holder of an Allowed General Unsecured Claim has received, in the aggregate, its Pro Rata share of the Net Available Cash. All distributions shall be made pursuant to the terms and conditions of this Plan and the Liquidating Trust Agreement, and shall be subject to the Debtors' or the Liquidating Trustee's rights of setoff or deduction.

d. *De Minimis* Distributions

On each Distribution Date prior to the Final Distribution Date, the Liquidating Trustee shall not distribute Cash to the holder of an Allowed General Unsecured Claim if the amount of Cash to be distributed on account of such Claim is less than \$100 in the aggregate. Any Cash not distributed pursuant to this Section 6.4 shall be retained in the Liquidating Trust until the next Distribution Date. On the Final Distribution Date, if the aggregate amount of distributions to be made to such claimant is \$25 or greater, such distribution shall be made. Otherwise, the amount shall be redistributed to other holders of Allowed General Unsecured Claims and such holder of an Allowed Claim shall be forever barred from asserting its Claim for such distribution against the Liquidating Trust or its property.

e. Provisions for Excess Funds

After the Final Distribution Date and the remittance to the Bankruptcy Court of unclaimed funds, if the Liquidating Trust receives any funds and, in good faith, does not believe that an additional distribution will be cost effective or materially beneficial to creditors, the Liquidating Trustee may donate such excess funds to a charitable organization of his or her choice.

6.5 Provisions Governing Disputed Claims Reserve

6.5.1 Funding

On the Effective Date or otherwise prior to the initial distributions under Section 6.4 of this Plan, the Disputed Claims Reserve shall be established by the Liquidating Trustee for the benefit of holders of Disputed Claims that become Allowed Claims. For the purpose of calculating the assets to be contributed to the Disputed

Claims Reserve, all Disputed Claims will be treated (solely for purposes of establishing the Disputed Claims Reserve) as Allowed Claims in the Face Amount of such Claims as of the Effective Date, and the Disputed Claims Reserve shall contain Cash sufficient to pay 100% of distributions to which holders of the Disputed Claims would be entitled under the Plan. In addition, Disputed Claims rendered duplicative as a result of the consolidation of the Debtors pursuant to Article VII hereof shall only be counted once for purposes of establishing the Disputed Claims Reserve. In making and establishing the Disputed Claims Reserve and determining the Face Amount of Disputed Claims, the Liquidating Trustee may rely on the Debtors' estimates as to Disputed Claims and shall have no liability therefore in the absence of bad faith or gross negligence, and the Debtors shall have no liability for their estimation of Disputed Claims in the absence of bad faith or gross negligence. As Disputed Claims are resolved, the Liquidating Trustee or Third Party Disbursing Agent shall make adjustments to the Disputed Claims Reserve. The Liquidating Trustee may File a motion seeking an order of the Bankruptcy Court approving additional procedures for the establishment of the Disputed Claims Reserve.

6.5.2 Distributions

The distributions received by the Liquidating Trustee or Third Party Disbursing Agent on account of the Disputed Claims Reserve from the Liquidating Trust, along with any Cash Investment Yield held in the Disputed Claims Reserve, shall (a) be deposited in a segregated bank account in the name of the Disbursing Agent for the benefit of holders of Allowed Claims and Disputed Claims that become Allowed Claims; (b) be accounted for separately; and (c) not constitute property of the Debtors. The Disbursing Agent shall invest any Cash held in the Disputed Claims Reserve in a manner consistent with the Liquidating Trust Agreement.

6.5.3 Recourse

Holders Allowed Claims, including holders of Disputed Claims that ultimately becomes Allowed Claims, shall have no recourse against Liquidating Trust property or assets previously distributed on account of any Allowed Claim or as payment for Liquidating Trust Expenses.

6.5.4 No Transfer of Rights

The rights of holders of Allowed Claims to receive distributions from the Disputed Claims Reserve in accordance with the Plan shall be non-transferable, except with respect to a transfer by will, the laws of descent and distribution or operation of law.

6.6 Postpetition Interest

No interest shall be deemed to have accrued on any Claim on or after the Petition Date.

6.7 Holders of Record

Transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 for which a notice of transfer has been Filed on or prior to the close of business on the Effective Date shall be treated as the holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Effective Date. No transfers Filed with the Bankruptcy Court after the Effective Date shall be recognized by the Liquidating Trustee.

6.8 Means of Cash Payments

Except as otherwise specified in this Plan, Cash payments made pursuant to the Plan shall be in U.S. currency by checks drawn on a domestic bank selected by the Debtors, the Liquidating Trustee or any Disbursing Agent, as applicable, by wire transfer, electronic funds or ACH from a domestic bank; *provided, however*, that Cash payments to foreign holders of Allowed Claims may be made, at the option of the Liquidating Trustee or any Disbursing Agent in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

6.9 Withholding Requirements

6.9.1 Withholding

In connection with the Plan, to the extent applicable, each Disbursing Agent shall comply with all applicable Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to applicable withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, each Disbursing Agent shall be authorized to take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding Taxes or establishing any other mechanisms the Disbursing Agent believes are reasonable and appropriate, including requiring Claim holders to submit appropriate Tax and withholding certifications. To the extent any Claim holder fails to submit appropriate Tax and withholding certifications as required by the Disbursing Agent, such Claim holder's distribution shall be deemed undeliverable and subject to Section 6.3.2 of this Plan.

6.9.2 Distributions

Notwithstanding any other provision of this Plan, each person receiving a distribution of Cash pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of the distribution, including income, withholding and other Tax obligations.

6.9.3 Allocations

The Debtors, the Liquidating Trustee, and any Disbursing Agent reserve the right to allocate and distribute all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens and similar encumbrances.

6.10 Setoffs

Except with respect to claims of a Debtor released pursuant to the Plan or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, each Debtor or the Liquidating Trustee on behalf of a Debtor may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim) the Claims, rights and Causes of Action of any nature that the applicable Debtor or Liquidating Trust may hold against the holder of such Allowed Claim; *provided, however*, that neither the failure to effect a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the applicable Debtor or the Liquidating Trustee of any claims, rights and Causes of Action that the Debtors or Liquidating Trustee may possess against a Claim holder, which are expressly preserved under Section 4.5.10.

6.11 No Distributions Pending Allowance

Notwithstanding any other provision of this Plan, no payments or distributions shall be made on account of a Disputed Claim until such Claim becomes an Allowed Claim, if ever.

6.12 Prosecution of Objections to Claims

6.12.1 Objections to Claims

All objections to Claims must be Filed and served on the holders of such Claims, and any amendment to the Schedules to reduce the scheduled Claim of such holder, must be made by the Debtors or the Liquidating Trustee by the Claims Objection Bar Date. If an objection has not been Filed to a Claim or an amendment has not been made to the Schedules with respect to a scheduled Claim by the Claims Objection Bar Date, the particular Claim shall be treated as an Allowed Claim if such Claim has not been Allowed earlier.

6.12.2 Authority to Prosecute Objections

On or after the Effective Date, the Liquidating Trustee shall have the sole authority, to File, settle, compromise, withdraw or litigate to judgment objections to Claims, subject to the terms of the Liquidating Trust Agreement and the requirements to obtain Bankruptcy Court authority for certain actions in accordance with this Plan.

6.12.3 Authority to Amend Schedules

The Debtors or the Liquidating Trustee, as applicable, shall have the authority to amend the Schedules with respect to any Claim, and to make distributions based on such amended Schedules without approval of the Bankruptcy Court; provided, however, that the Liquidating Trustee shall seek approval from the Bankruptcy Court prior to increasing by (i) more than \$500 of the proposed Allowed amount of any Priority Tax Claim and Other Priority Claim on the Schedules, or (ii) more than \$2,000 of the proposed Allowed amount of any General Unsecured Claim on the Schedules. In addition, if any such amendment to the Schedules reduces the amount of a Claim or changes the nature or priority of a Claim, the Debtors or the Liquidating Trustee, as applicable, shall provide the holder of such Claim with notice of such amendment and such holder shall have 30 days to File an objection to such amendment with the Bankruptcy Court. The notice shall contain the same specificity to affected creditors that would be required if the Schedules amendment was a Claim objection. If no such objection is Filed, the Liquidating Trustee may proceed with distributions based on such amended Schedules without approval of the Bankruptcy Court. Notwithstanding anything contained in this Section 6.12.3 or this Plan to the contrary, the Liquidating Trustee shall have the authority to object to the amount of any Claim indicated on the Schedules if the Liquidating Trustee determines in good faith that the Claim is invalid or has previously been paid or satisfied.

6.12.4 Request for Extension of Claims Objection Bar Date

Upon motion to the Bankruptcy Court, the Debtors or Liquidating Trustee may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to a specific list of Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a Plan modification under section 1127 of the Bankruptcy Code.

6.13 Distributions on Account of Disputed Claims Once Allowed

Distributions on account of Disputed Claims that become Allowed Claims after the Effective Date shall be made in accordance with Article VI of this Plan.

ARTICLE VII CONSOLIDATION OF THE DEBTORS

7.1 Consolidation

This Plan treats the Estates as if they were consolidated for purposes of Claims administration and distribution. Accordingly, for purposes of implementing the Plan: (a) all Liquidating Trust Assets and liabilities of the Debtors shall be treated as if they are pooled; and (b) with respect to any guarantees by one Debtor of the obligations of any Debtor, and with respect to any joint or several liability of any Debtor, the holder of any Claims for such obligations shall receive a single recovery on account of any such joint obligations of the Debtors, in each case except to the extent otherwise provided in the Plan.

7.2 Order Granting Consolidation for Certain Purposes

This Plan serves as a motion seeking entry of an order consolidating the Debtors for purposes of Claims administration and distribution. Unless an objection to such consolidation is made in writing by any creditor affected by the Plan and Filed with the Bankruptcy Court on or before the date fixed by the Bankruptcy Court for objecting to Confirmation of this Plan, the consolidation order (which may be the Confirmation Order) may be entered by the

Bankruptcy Court. In the event any such objections are timely Filed, a hearing with respect thereto shall occur at or before the Confirmation Hearing.

In the event that the Bankruptcy Court does not approve the Debtors' election to treat the Estates as if they are consolidated, (a) the Plan shall be treated as a separate plan of liquidation for each Debtor and (b) the Debtors shall not be required to re-solicit votes with respect to the Plan.

ARTICLE VIII CONFIRMATION OF THE PLAN

8.1 Conditions to Confirmation

Confirmation of this Plan shall be subject to satisfaction of the following conditions at or prior to the time the Confirmation Order is entered:

- A. The Disclosure Statement shall have been approved.
- B. The Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Committee.
- C. The Plan Supplement shall be reasonably acceptable in form and substance to the Debtors and the Committee.

8.2 Conditions Precedent to the Effective Date

The following are conditions precedent to the Effective Date that must be satisfied or waived.

- A. The Confirmation Order shall have become a Final Order.
- B. The Confirmation Order shall be in full force and effect.
- C. The Liquidating Trust Agreement shall be executed, the Liquidating Trust shall be created and the Liquidating Trustee shall have been appointed and accepted such appointment.
- D. The Plan and all Exhibits to the Plan shall not have been materially amended, altered or modified from the Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or modification has been made in accordance with Section 10.6 of this Plan.
- E. If applicable, the New Operating Agreement and all other necessary filings for the formation of the Reorganized Company shall have been entered into and executed to become effective as of the Effective Date.
- F. All corporate formalities relating to the Reorganized Company and its relationship with Creative Memories-Japan shall be implemented and executed.
- G. If applicable, selection of the Reorganized Company's board shall be completed and approved by all necessary parties.
- H. All authorizations, consents, certifications, approvals, rulings, no-action letters, opinions or other documents or actions required by any law, regulation or order to be received or to occur in order to implement the Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so shall not have a material adverse effect.

8.3 Waiver of Conditions to Confirmation or Effective Date

The conditions to Confirmation and the conditions to the Effective Date may be waived in whole or in part at any time by the Debtors and the Committee without an order of the Bankruptcy Court.

8.4 Cramdown

The Debtors request Confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that has not accepted or is deemed not to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code.

8.5 Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date is not satisfied or duly waived in accordance with Section 8.3 hereof, then upon motion by the Debtors and the Committee made before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this Section 8.5: (a) the Plan will be null and void in all respects, including with respect to the releases described in Article VIII hereof; (b) nothing contained in the Plan will (i) constitute a waiver or release of any Claims by or against any Debtor or (ii) prejudice in any manner the rights of the Debtors or any other party in interest; and (c) the Liquidating Trust, if already created, shall be promptly dissolved.

8.6 Effect of Confirmation of this Plan

This Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, and their respective successors and assigns, including, but not limited to, the Reorganized Company, and all other parties in interest in the Chapter 11 Cases and their respective successors and assigns.

8.6.1 Releases

a. Releases by the Debtors

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors and the Reorganized Company, on their behalf and as representative of and on behalf of the Estates, shall be deemed to release forever, waive, and discharge the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen, or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Company, or the Estates, would have been legally entitled to assert in their own right against such Released Parties (whether individually or collectively) based on or relating to, or in any manner arising from, in whole or in part, any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Reorganized Company, the Estates, the Chapter 11 Cases, this Plan, or the Disclosure Statement, the business or contractual arrangements between the Debtors and any Released Party, the restructuring of Claims and Interests in the Chapter 11 Cases, the negotiation, formulation, or preparation of this Plan and Disclosure Statement, or related agreements, instruments, or other documents, or any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided, however*, such releases shall only extend to actions or inactions taken by such Released Parties in good faith.

The Debtors and the Committee may provide releases of claims to all officers and to employees of the Debtors who will become employees of the Reorganized Company on the Effective Date of this Plan. As to employees who become employees of the Reorganized Company, including as an officer, any such releases shall be discussed as part of a comprehensive agreement with each employee regarding employment by the Reorganized Company, including any existing or future Claim for compensation, severance, or bonuses, including the Reorganized Company MIP. The Debtors and the Committee will provide notice of such releases as part of the Plan Supplement.

b. Releases by Third Parties

In consideration for the obligations under this Plan, each and every person or entity that is entitled to vote on the Plan but does not vote to reject the Plan and each person or entity who is deemed to accept the Plan will be deemed to forever release and waive all claims, demands, debts, rights, Causes of Action, and Liabilities in connection with or related to any of the Debtors, the Chapter 11 Cases, or this Plan, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, that are based in whole or in part on any act, omission, or other occurrence taking place on or prior to the Effective Date, against the Released Parties to the fullest extent permitted under applicable law.

c. Limitation on Releases

Notwithstanding anything in the Plan or in the releases set forth above to the contrary, nothing herein shall be construed to release, and the Debtors do not hereby release, any rights of the respective Debtors, the Reorganized Company, or the Liquidating Trustee to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder.

8.6.2 Discharge of Claims and Termination of Interests

Except as otherwise provided herein or in the Confirmation Order, all consideration distributed under this Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims and Interests of any nature whatsoever against the Debtors or any of their assets or properties, and regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims and Interests. Upon the Effective Date, the Debtors and the Reorganized Company shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims and Interests including, but not limited to, demands and liabilities that arose before the Confirmation Date.

8.6.3 Injunction

Except as provided in the Plan, the discharge, release and exculpation provisions of this Plan shall act as an injunction against any entity that has held, currently holds, or may hold a Claim or other debt or liability against the Debtors or an Interest or other right of an equity security holder, on account of any such Claims, debts, Liabilities, Interests or rights, taking any action inconsistent with the relief afforded by such provisions.

8.6.4 Exculpation

Subject to the occurrence of the Effective Date, none of the Exculpated Parties shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases and the Plan, the pursuit of confirmation of this Plan, the consummation of this Plan or the administration of this Plan or the property to be distributed under the Plan; provided, that the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided further that nothing in the Plan shall, or shall be deemed to, release the Exculpated Parties, or exculpate the Exculpated Parties with respect to, their respective obligations or covenants arising pursuant to the Plan or for any willful misconduct or gross negligence.

8.7 Request for Waiver of Stay of Confirmation Order

This Plan shall serve as a motion seeking a waiver of the stay of the Confirmation Order imposed by Bankruptcy Rule 3020(e).

**ARTICLE IX
RETENTION OF JURISDICTION**

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive

jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and this Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim or Priority Tax Claim and the resolution of any objections to the allowance or priority of Claims or Interests;

B. resolve any matters related to the assumption, rejection, or assumption and assignment, of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which the Debtors, the Reorganized Company, the Plan sponsor, or Liquidating Trustee may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;

C. ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of this Plan;

D. decide or resolve any motions, adversary proceedings, contested, or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

E. enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

F. resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;

G. approve any modification of this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or approve any modification of the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;

H. hear and determine all applications for compensation and reimbursement of expenses of Professionals under this Plan or under sections 330, 331, or 503(b) of the Bankruptcy Code, which shall be payable by the Debtor only upon allowance thereof pursuant to the order of the Bankruptcy Court, provided, however, that the fees and expenses of the Reorganized Company's Professionals, incurred after the Effective Date, including counsel fees, may be paid by the Reorganized Company in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

I. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;

J. hear and determine Causes of Action by or on behalf of the Debtors, the Reorganized Company, or the Liquidating Trustee;

K. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

L. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or distributions pursuant to this Plan are enjoined or stayed;

M. determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement, or document created in connection with this Plan, the Disclosure Statement or the Confirmation Order;

N. enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases;

O. hear and determine all matters related to the property of the Estates and the Liquidating Trust, including the extension of the Liquidating Trust, from and after the Confirmation Date;

P. hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under the Bankruptcy Code; and

Q. enter a final decree and order closing the Chapter 11 Cases.

ARTICLE X MISCELLANEOUS PROVISIONS

10.1 Effectuating Documents and Further Transactions

The Debtors and the Reorganized Company are authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan.

10.2 Corporate Action

Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under this Plan that would otherwise require approval of the member interest owners or directors of the Debtors or the Reorganized Company shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date without any requirement of further action by the member interest owners or directors of the Debtors or the Reorganized Company.

10.3 Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code: (a) the issuance, transfer, or exchange of notes or equity securities under this Plan; (b) the creation of any mortgage, deed of trust, lien, pledge, or other security interest; (c) the making or assignment of any lease or sublease; or (d) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including, without limitation, any merger agreements; agreements of consolidation, restructuring, disposition, liquidation, or dissolution; deeds; bills of sale; and transfers of tangible property, shall not be subject to any stamp tax, recording tax, personal property tax, real estate transfer tax, sales, or use tax or other similar tax. Unless the Bankruptcy Court orders otherwise, all sales, transfers, and assignments of owned and leased property approved by the Bankruptcy Court on or prior to the Effective Date shall be deemed to have been in furtherance of, or in connection with, this Plan.

10.4 Payment of Statutory Fees

All fees due and 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.

10.5 Dissolution of the Committee

On the Effective Date, the Committee shall dissolve and all members, employees or agents thereof shall be discharged from all rights and duties arising from or related to the Chapter 11 Cases; provided, however, that the Liquidating Trustee shall be substituted for the Committee with respect to any pending litigation or contested matter to which the Committee is a party, and the Committee shall remain intact with respect to any appeals filed regarding

Confirmation and the resolution of applications for Fee Claims by the Committee's Professionals. The Liquidating Trustee shall continue to compensate the Committee's Professionals for reasonable services provided in connection with any of the foregoing post-Effective Date activities.

10.6 Amendment or Modification of this Plan

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, the Debtors and the Committee may alter, amend, or modify this Plan at any time prior to or after the Confirmation Date. A Holder of an Impaired Claim that has voted to accept this 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.

10.7 Severability of Plan Provisions

If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

10.8 Successors and Assigns

This Plan shall be binding upon and inure to the benefit of the Debtors, and their successors and assigns, including, without limitation, the Reorganized Company and the Liquidating Trustee. The rights, benefits, and obligations of any Entity or Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Entity or Person.

10.9 Revocation, Withdrawal, or Non Consummation

The Debtors reserve the right to revoke or withdraw this Plan prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraws this Plan, or if confirmation or consummation does not occur, then: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), assumption or rejection of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors or any other Person or Entity, or (iii) constitute an admission of any sort by the Debtors or any other Person or Entity.

10.10 Notice

All notices, requests, and demands to or upon the Debtors or the Reorganized Company 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:

THE ANTIOCH COMPANY, LLC
6401 8th Avenue South
St. Cloud, MN 56301-1839
Telephone: (320) 529-5000
Attn: Christopher Veit

with a copy to:

MCDONALD HOPKINS LLC
600 Superior Ave., E.
Cleveland, OH 44114-2653
Telephone: (216) 348-5400
Facsimile: (216) 348-5474
Attn: Sean D. Malloy, Michael J. Kaczka, and Manju Gupta

All notices, requests, and demands to or upon the Committee 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:

FAEGRE BAKER DANIELS LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Telephone: (612) 766-7000
Facsimile: (612) 766-1600
Attn: Michael B. Fisco, Eric J. Howe, and Nicole M. Murphy

All notices, requests, and demands to or upon the Liquidating Trustee 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:

Mark Hooley, Liquidating Trustee
405 Portland Avenue
St. Paul, MN 55102
Telephone: (612) 386-5419
Facsimile: (651) 305-5119

10.11 Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Delaware, without giving effect to the principles of conflicts of law of such jurisdiction.

10.12 Exhibits

All exhibits to this Plan, including the Plan Supplement, are incorporated and are a part of this Plan as if set forth in full herein.

10.13 Filing of Additional Documents

On or before substantial consummation of this Plan, the Debtors shall File such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

10.14 Events of Default

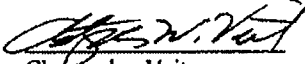
Unless otherwise provided elsewhere in the Plan, default with respect to the Reorganized Company's, the Debtors' or the Liquidating Trustee's obligations under the Plan to any Person entitled to receive a Distribution

under the Plan will not occur unless and until such Person has delivered written notice of such default to the Reorganized Company and the Liquidating Trustee at the address set out in the Plan and in the Liquidating Trust Agreement, and the Reorganized Company or the Liquidating Agent have failed to cure such default within 30 days after receipt of such written notice. If the Reorganized Company or the Liquidating Trustee fail to cure a default, a Person shall have such remedies provided under applicable law, including without limitation a claim for breach of contract.

Dated: November 13, 2013

Respectfully submitted,

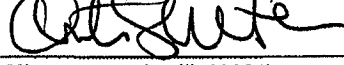
The Antioch Company, LLC (for itself and on behalf of its Affiliated Debtors)

By: 
Name: Christopher Veit
Title: Chief Executive Officer

The Official Committee of Unsecured Creditors

By: _____
Name: Sharon Holmlund
Title: Committee Chair

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AND DEBTORS IN POSSESSION

-- and --

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COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

Dated: November 13, 2013

Respectfully submitted,

The Antioch Company, LLC (for itself and on behalf of its Affiliated Debtors)

By: _____
Name: Christopher Veit
Title: Chief Executive Officer

The Official Committee of Unsecured Creditors

By: Sharon Holmlund
Name: Sharon Holmlund
Title: Committee Chair

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