UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

In re: **CASE NO. 6:12-bk-10518-KSJ**

BENADA ALUMINUM PRODUCTS, LLC, **CHAPTER 11**

Debtor.
_____________________________________/

DISCLOSURE STATEMENT
PURSUANT TO 11 U.S.C. § 1125 FOR BENADA ALUMINUM PRODUCTS, LLC

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November 29, 2012

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DISCLOSURE STATEMENT PURSUANT TO 11 U.S.C. § 1125 FOR BENADA ALUMINUM PRODUCTS, LLC

I. INTRODUCTION AND SUMMARY

This Disclosure Statement ("Disclosure Statement") is filed pursuant to the requirements of § 1125 of Title 11 of the United States Code (the "Bankruptcy Code"). This Disclosure Statement is intended to provide adequate information to enable holders of claims in the above-captioned bankruptcy case ("Bankruptcy Case") to make informed judgments about the Plan of Reorganization (the "Plan") submitted by Benada Aluminum Products, LLC (the "Debtor"). The Debtor is soliciting votes to accept the Plan. The overall purpose of the Plan is to provide for the restructuring of the Debtor's liabilities in a manner designed to maximize recoveries to all stakeholders. The Debtor believes the Plan provides the best means currently available for its emergence from Chapter 11 and the best recoveries possible for holders of claims and interests against the Debtor, and thus strongly recommends that you vote to accept the Plan.

THIS DISCLOSURE STATEMENT AND ITS RELATED DOCUMENTS ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT THE PLAN. THIS INTRODUCTION AND SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE REMAINING PORTIONS OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN. THE PLAN IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND ANY HOLDER OF ANY

CLAIM OR INTEREST SHOULD READ AND CONSIDER THE PLAN CAREFULLY IN LIGHT OF THIS DISCLOSURE STATEMENT IN MAKING AN INFORMED JUDGMENT ABOUT THE PLAN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS. ALL CAPITALIZED TERMS USED IN THIS DISCLOSURE STATEMENT SHALL HAVE THE DEFINITIONS ASCRIBED TO THEM IN THE PLAN UNLESS OTHERWISE DEFINED HEREIN.

NO REPRESENTATION CONCERNING THE DEBTOR IS AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS MADE THAT ARE OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON IN ARRIVING AT A DECISION ABOUT THE PLAN.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO AUDIT. FOR THAT REASON, AS WELL AS THE COMPLEXITY OF THE DEBTOR'S BUSINESS AND FINANCIAL AFFAIRS, AND THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES, AND PROJECTIONS WITH COMPLETE ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THIS DISCLOSURE STATEMENT INCLUDES FORWARD LOOKING STATEMENTS BASED LARGELY ON THE DEBTOR'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AND ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, CAUSES OF ACTION, AND OTHER ACTIONS, THE DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

As prescribed by the Bankruptcy Code and the Rules, Claims asserted against, and equity Interests in, the Debtor are placed into "Classes." The Plan designates six (6) separate classes of Claims and Interests. The Plan contemplates paying these classes of Claims over time, except as to the Allowed Secured Claim of FTL Capital Partners, LLC ("FTL Capital"), as more fully set forth *infra*. The Plan also provides that as of the Effective Date of the Plan the Debtor's existing membership and equitable interests will be extinguished and re-vested 100% with FTL Capital.

To the extent the legal, contractual, or equitable rights with respect to any Claim or Interest asserted against the Debtor are altered, modified, or changed by treatment proposed under the Plan, such Claim or Interest is considered "Impaired," and the holder of such Claim or Interest is entitled to vote in favor of or against the Plan. A Ballot for voting in favor of or against the Plan ("Ballot") will be mailed along with the Plan.

THE VOTE OF EACH CREDITOR OR INTEREST HOLDER WITH AN IMPAIRED CLAIM OR INTEREST IS IMPORTANT. TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS AND BY THE DATE SET FORTH IN THE BALLOT.

VOTING DEADLINE
The last day to vote to accept or reject the Plan is ____________, 2013. All votes must be received by the voting agent by 5:00 p.m. (EST) on that day.

Upon receipt, the Ballots will be tabulated, and the results of the voting will be presented to the Bankruptcy Court for its consideration. As described in greater detail in Section IV of this Disclosure Statement, the Code prescribes certain requirements for confirmation of a plan. The Bankruptcy Court will schedule a hearing to consider whether the Debtor has complied with those requirements (the "Confirmation Hearing").

The Code permits a court to confirm a plan even if all Impaired Classes have not voted in favor of a plan. Confirmation of a plan over the objection of a Class is sometimes called "cramdown." As described in greater detail in Section IV of this Disclosure Statement, the

Debtor has expressly reserved the right to seek cramdown in the event all Impaired Classes do not vote in favor of the Plan.

II. DESCRIPTION OF DEBTOR'S BUSINESS

A. In General.

The Debtor owns and operates an aluminum products manufacturing facility in Sanford, Florida. The Debtor manufactures made-to-order aluminum products, such as patio screens and window frames, for various suppliers of such products. The Debtor's production capabilities include remelting, casting and extruding aluminum, fabricating parts, powder coat finishing, advanced painting, and warehousing and exporting.

The Debtor was formed as a Florida limited liability corporation on June 15, 2011, to simultaneously purchase the assets of two aluminum products manufacturing companies. At that time, the Debtor purchased both: (i) the assets out of bankruptcy of Florida Extruders International, Inc. ("FEI"), based in Sanford, Florida,[1] and (ii) the assets of Benada Aluminum of Florida, Inc. ("BAF"), which was based in Miami, Florida. The Debtor has since consolidated its operations and now operates only out of its location at 2540 Jewett Lane, Sanford, Florida 32771. The Debtor has three members: FTL Aluminum Products, LLC ("FTL Aluminum"), FTL Capital and BAF. FTL Aluminum is a subsidiary of FTL Capital, which is a St. Louis, Missouri based private equity firm owned by Paul D. Melnuk and Thomas J. Hillman. FTL Aluminum holds 35.4% of the Debtor's outstanding membership interests; FTL Capital holds 40%.

The Debtor's other member, BAF, was an aluminum products manufacturer in Miami with nearly 50 years of experience in the industry before selling its assets to the Debtor.

1 For a more complete history of FEI and the § 363 sale through which the Debtor purchased substantially all of FEI's assets, see FEI's Disclosure Statement (Doc. No. 92) and the Order Approving Sale of Assets Free and Clear (Doc. No. 110) in Bankruptcy Case No. 8:11-bk-07761-KRM.

BAF is owned primarily by Monte Friedkin, who was the Debtor's initial CEO and President. BAF received a 41% membership interest in the Debtor in exchange for selling all its assets to the Debtor. As set forth above, the Debtor has three members: FTL Aluminum, FTL Capital, and BAF. FTL Aluminum owns 35.4% of the outstanding membership interests, FTL Capital holds 40%, and BAF owns the remaining 24.6%. BAF's principal, Mr. Friedkin, disputes the forgoing percentage ownership interests, arguing BAF still holds its original 41% of the interests in the Debtor for reasons set forth below.

The Debtor's Operating Agreement vests the management of the company in a five-person board of managers. The board is comprised of three managers of FTL Aluminum's choosing, and two managers of BAF's choosing; FTL Capital has no management rights in the Debtor. FTL Aluminum's managers are: Paul Melnuk, Thomas Hillman, and Wes Rarick. BAF's managers are Monte Friedkin and Michael J. Brandon (all five managers together, the "Managers"). The Managers receive no compensation for their work as managers of the Debtor.

Brad Aldrich is the Debtor's Chief Restructuring Officer and has been authorized by the Debtor to take any and all actions on behalf of the Debtor during this Chapter 11 case. (Doc. No. 53). Mr. Aldrich is an independent contractor. Paul Melnuk is the Debtor's current Chief Executive Officer. He receives no compensation for his work as CEO.

B. Reasons for Bankruptcy Filing.

The Debtor's current financial strain is rooted in the financing used to acquire FEI's assets through a § 363 sale. The Debtor financed the purchase with loans from Wells Fargo Bank, N.A. ("Wells Fargo"), and FTL Capital. On or around June 20, 2011, Wells Fargo provided two loans to the Debtor in the aggregate amount of $9,720,000.00 under the terms of (i) a Term Note dated June 20, 2011, in the original principal amount of $4,720,000.00 (the "Term

Note”), and (ii) a Revolver Note dated June 20, 2011, in the original principal amount of $5,000,000.00 (the “Revolver Note,” and together with the Term Note, the “Notes”). The Notes are secured and cross-collateralized by various mortgage and security agreements that grant Wells Fargo a first-priority security interest in all real and personal property owned by the Debtor, including the Debtor’s inventory and accounts receivable (all such security agreements, loan documents, and Notes are collectively referred to as the “Loan Documents”).

In late 2011, FTL Capital provided an additional $2,000,000 in subordinated debt financing to the Debtor to assist with its general operations. In exchange for its subordinated loan, FTL Capital received a second priority security interest in substantially all the Debtor’s personal property, and 40% of the membership interests in the Debtor. As a result, BAF holds only 24.6% of the membership interests, though BAF disputes this. While acting as President and CEO of the Debtor, Mr. Friedkin approved FTL Capital’s subordinated debt contribution and the grant of membership interests to FTL Capital. Thereafter, Mr. Friedkin was removed as President and CEO. Subsequent to removal, Mr. Friedkin attempted to withdraw his approval of the subordinated debt transaction. Friedkin thus disputes that FTL Capital holds 40% of the outstanding membership interests in the Debtor.

After the Debtor acquired FEI’s assets, the Debtor consolidated FEI’s and BAP’s respective operations into the Sanford location. The Debtor’s sales revenue over the past year of operations has been steady but insufficient for the Debtor to operate with positive cash flow and without the need for further draws on the Revolver Note. The Debtor generated approximately $18 million in sales revenue for the last half of 2011, and $18.9 million for the first half of 2012.

The Debtor’s slow sales have led to cash flow problems that required the Debtor to purchase inventory cash in advance from all of its suppliers. Even worse, the Debtor’s

depleted inventory and accounts receivable have eroded the Debtor's borrowing base under the Revolver Note. With neither sufficient cash nor borrowing ability under the Revolver Note, the Debtor has faced an impending inability to purchase raw materials. Accordingly, in June 2012 the Debtor began negotiations with Wells Fargo to restructure its current obligations and obtain additional operational funds to allow the Debtor to purchase additional inventory and necessary raw aluminum (known as "billet").

On or about June 26, 2012, Wells Fargo declared the Debtor in default under the Loan Documents. On that date, Wells Fargo sent a letter declaring that the Debtor committed two acts of default under the terms of the Loan Documents (the "Default Letter"). In short, the Debtor had been unable to draw additional funds under the Revolver Note for several months prior to the Petition Date, which has forced the Debtor to seek alternative sources of capital or financing to purchase inventory.

The Debtor has attempted to obtain additional loan advances from FTL Capital. FTL Capital offered to loan an additional $1.5 million. However, the Debtor was unable to obtain the required approval for such loan. Without such additional financing, the Debtor would have run out of the aluminum billet necessary for producing its products and would have been forced to halt operations. Accordingly, the Debtor filed this case to gain liquidity and restructure its debts while continuing operations.

C. Events Subsequent to Chapter 11 Filing.

Since the Petition Date, the Debtor has continued to operate its business as a debtor-in-possession under §§ 1107(a) and 1108 of the Code. Specifically, the Debtor has taken affirmative steps to maintain its business as a going-concern by retaining strategic partners. The Debtor has sought an order pursuant to § 327 of the Code authorizing the Debtor to retain the law

firm of Latham, Shuker, Eden & Beaudine, LLP as Debtor's counsel, *nunc pro tunc* to the Petition Date. (Doc No. 19). The Debtor has also sought and obtained permission to retain Transaction Data Processing Corporation as its restructuring advisors and Brad Aldrich, as the Debtor's Chief Restructuring Officer, *nunc pro tunc* to August 1, 2012. (Doc. No. 53). Furthermore, the Debtor has sought and obtained permission to retain Triton Capital Partners, LTD and David Asmann as the Debtor's financial advisors, *nunc pro tunc* to the Petition Date. (Doc. No. 65). The Debtor has also sought and obtained permission to pay certain pre-petition wages, salaries, commissions, bonuses and benefits of its employees and to maintain its pre-petition bank accounts. (Doc. No. 29 and Doc. No. 30).

Furthermore, the Debtor has taken actions to ensure operations of the Debtor's manufacturing business will continue. First, the Debtor has sought and obtained permission, on a final basis, to use cash collateral of Wells Fargo and FTL Capital and authorizing the Debtor to obtain post-petition financing on a super-priority, secured and priming basis. (Doc. No. 54).[2] Wells Fargo has agreed to lend up to $3,000,000.00 and FTL Capital has agreed to lend up to $2,000,000.00 in DIP financing to the Debtor. The DIP financing has not only enabled the Debtor's operations to continue, but has allowed the Debtor to increase sales, re-establish trade relationships with its vendors and suppliers and has restored faith from its customers in the Debtor. Second, the Debtor has sought and obtained permission to sell one of its un-used "presses" and related extrusion equipment for the sum of Two Million Nine Hundred Thousand Dollars and No Cents ($2,900,000.00) to Tubelite, Inc. (Doc. No. 64). The sale of the equipment enabled the Debtor to unload significant secured debt owed to Wells Fargo. Third, the Debtor sought and obtained approval to assume its supply agreement with Metal Exchange

2 The Debtor has recently sought to amend the DIP financing agreement to modify certain defined terms and change the borrowing limit amount, which is set for hearing on November 28, 2012 at 9:30 A.M. (Doc. No. 104).

Corporation for the purchase and delivery of aluminum billet needed by the Debtor to manufacture its products for its customers. (Doc. No. 100). Fourth, the Debtor has sought and obtained approval of a settlement agreement by and between the Debtor, Famis, Inc., JP Morgan Chase Bank N.A., Wells Fargo and FTL Capital. (Doc. No. 103). The settlement was executed not only to clarify the ownership of certain equipment belonging to Famis, Inc., but to also assume the contract between Famis and the Debtor. The assumption of the contract allows the debtor to continue to receive critical products and supplies from Famis necessary for the Debtor's continued operations and provides Famis assurance as to its ownership of the paint equipment so the parties can continue their working relationship. These actions by the Debtor have enabled the Debtor to not only sustain operations, but has resulted in increasing sales 62% in September and October compared to August when the Debtor filed.

On October 9, 2012, the United States Trustee appointed: (i) Hydro Aluminum North America, Inc., (ii) American Douglas Metals, Inc., and (iii) Hunter Douglas Metals, Inc. to serve on the unsecured creditor's committee (the "UCC"). (Doc. No. 68). Subsequent to that time, the UCC has sought and obtained permission to employ the law firms of Bush Ross, P.A. as local counsel and Miles & Stockbridge P.C. as lead counsel for the UCC. (Doc. No. 101 and Doc. No. 102). On November 19, 2012, the UCC filed its application to employ Deloitte Financial Advisory Services LLP ("Deloitte") as its own financial advisors. (Doc. No. 112). Deloitte is seeking compensation of a blended rate of $325/hr from the Debtor and the Debtor's estate.

Lastly, on September 14, 2012, Premier Rollout Awnings, Inc. ("Premier") filed an adversary complaint styled: *Premier Rollout Awnings, Inc. v. Benada Aluminum Products, LLC*, Adv. Case No. 6:12-ap-00170-KSJ (the "Adversary Complaint") against the Debtor alleging that the Debtor has used and continues to use Premier's proprietary information for the benefit of the

Debtor and the Debtor's other customers. In the Adversary Complaint, Premier alleged that it was owed damages and that such damages were non-dischargeable under Section 523 of the Bankruptcy Code. After discussion with counsel for Premier, Premier amended the Adversary Complaint and alleged counts of: (i) declaratory relief; (ii) injunctive relief; (iii) conversion; and (iv) recovery of personal property. (Adv. Doc. No. 6). In response, the Debtor filed its Answer, Affirmative Defenses and Counterclaims to the Adversary Complaint on November 19, 2012. (Adv. Doc. No. 10). The Debtor denies the allegations set forth by Premier and has filed counterclaims against Premier for: (i) breach of oral contract, (ii) goods sold, (iii) account stated, (iv) unjust enrichment and (v) objected to the Premier proof of claim. (Adv. No. 10).

III. THE PLAN

THE FOLLOWING SUMMARY IS INTENDED ONLY TO PROVIDE AN OVERVIEW OF DEBTOR'S PLAN. ANY PARTY IN INTEREST CONSIDERING A VOTE ON THE PLAN SHOULD CAREFULLY READ THE PLAN IN ITS ENTIRETY BEFORE MAKING A DETERMINATION TO VOTE IN FAVOR OF OR AGAINST THE PLAN. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN.

A. Overview.

All Claims against the Debtor shall be classified and treated pursuant to the terms of the Plan. As detailed more fully below, the Plan contains a total of six (6) Classes of Claims and Interests as follows: four (4) Classes of Allowed Secured Claims; one (1) Class of Allowed General Unsecured Claims; and one (1) Class of Interests. Five (5) Classes of Claims and Interests are Impaired and are entitled to vote in favor or against the Plan. One (1) Class of Claims is Unimpaired.

On the Effective Date, the Plan provides that Holders of Allowed Administrative Claims will be paid in full or over time, as set forth *infra* and in the Plan. Holders of Allowed Unsecured Priority Claims (which does not include ad valorem tax claims) will be paid by the

Debtor, with interest, over a period of five (5) years. The Holders of Allowed Secured Claims (except FTL Capital) will retain their respective liens on the Debtor's real and personal property and be paid in full, with interest, over a period of up to five (5) years, as the case may be, as more fully set forth herein and in the Plan. The Holders of Allowed Secured Tax Claims shall retain their statutory liens on the Debtor's personal and real property and shall be paid in full, with interest accruing at the Statutory Rate (as defined in the Plan), over a period of five (5) years from the Petition Date. The Class of Allowed General Unsecured Claims consists of all claims of general unsecured creditors shall be paid 100% of their Allowed Claim with interest, based on monthly payments of $20,000.00, but may also receive additional quarterly payments equal to 40% of the Debtor's quarterly EBITDA. The Class of Interests consists of all membership interest in the Debtor existing as of the Petition Date, which such Interests shall be wiped out and re-vested 100% with FTL Capital, in exchange for the extinguishment of its Allowed Secured Claim (Pre-Petition).

B. Classification and Treatment of Claims.

1. Administrative and Priority Tax Claims

a. Non-DIP Loan Administrative Claims. Holders of all Allowed Administrative Claims of the Debtor, not constituting the Allowed Administrative Expenses of Wells Fargo or FTL Capital, shall be paid in full on the Effective Date or, if the claim does not become allowed prior to the Effective Date, on the date the Allowed Amount of such claim is determined by Final Order of the Court. However, nothing in this provision of the Plan shall preclude the Debtor from paying a holder of an Administrative Claim less than one hundred percent (100%) of its Allowed Claim in Cash on the Effective Date, provided that such Claim

holder consents to different payment terms. The Debtor estimates Non-DIP Loan Administrative Claims to be approximately $350,000.00.

b. DIP Loan Administrative Claims. The DIP Loan Administrative Claims shall consist of the Debtor-in-Possession Loans of Wells Fargo and FTL Capital. First, Wells Fargo shall have an Allowed DIP Loan Administrative Claim for actual post-petition funding, interest, expenses and reasonable attorneys' fees, which the Debtor estimates in the amount of approximately $3,000,000.00 plus interest, fees and expenses (the "Wells DIP Loan Administrative Claim"). The Wells DIP Loan Administrative Claim is secured by substantially all of the Debtor's real and personal property (the "Wells Fargo Collateral"). In satisfaction of its Allowed DIP Loan Administrative Claim, Wells Fargo shall continue to have a first priority lien on the Wells Fargo Collateral, subordinate only to the lien of the Seminole County Tax Collector on account of its Allowed Class 1 Claim, and shall be paid in full together with interest and terms acceptable to Wells Fargo, no later than ninety (90) days from the Effective Date.

Second, FTL Capital shall have an Allowed DIP Loan Administrative Claim for actual post-petition funding, interest, expenses and reasonable attorneys' fees, which the Debtor estimates in the amount of approximately $2,000,000.00 plus interest, fees and expenses (the "FTL Capital DIP Loan Administrative Claim"). The FTL Capital DIP Loan Administrative Claim is secured by a third priority lien on the Debtor's personal property (subordinate to the Wells DIP Loan Administrative Claim and Allowed Class 1 and 2 Claims)(the "FTL Capital Collateral"). In satisfaction of its Allowed DIP Loan Administrative Claim, FTL Capital shall retain its lien on the FTL Capital Collateral, in the same priority as set forth above, and shall receive monthly principal and interest payments with interest at 12% per annum (same payment terms in accordance with the previously executed FTL Capital DIP Loan

Agreement) with a final and full payment due one (1) year from the Effective Date. Payments shall commence on the Effective Date.

c. Allowed Priority Claims. Except to the extent that the Holder and the Debtor have agreed or may agree to a different treatment, each Holder of an Allowed Priority Claim shall receive from the Debtor, in full satisfaction of such Claim, payments equal to the Allowed Amount of such Claim. Allowed Priority Claims, other than Claims for real property taxes, will be paid over 60 months by quarterly payments of principal and interest, which will accrue interest at the Confirmation Rate, based on a five (5) year amortization and maturity. Payments will commence on the later of the Effective Date, or on such date as a respective Priority Claim becomes Allowed. The filed amount of Priority Tax Claims is approximately $88,000.00, though the Allowed Amount of such Claims may be significantly less.

2. Secured Claims.

a. Class 1 – Seminole County Tax Collector.

Class 1 consists of the Allowed Secured Claims of the Seminole County Tax Collector for unpaid 2012 real property and tangible property taxes secured by a statutory lien on the Debtor's property located at 2540 Jewett Lane, Sanford, Florida comprised of seven (7) parcels of real property and the improvements thereon (the "Sanford Property"). In full satisfaction of its Class 1 Claim, the Seminole County Tax Collector shall retain its statutory lien on the Sanford Property, and shall receive equal monthly payments of principal and interest beginning on the Effective Date and ending on the date that is 60 months from the Petition Date. Payments shall total the Allowed Class 1 Claim amount plus interest, which shall accrue and be paid at the Statutory Rate, amortized over a 25 year period with a balloon payment due 60

months from the Petition Date; *provided, however*, that the Debtor may prepay the Class 1 Claim in part or in full with no penalty at any time. Class 1 is Impaired.

b. Class 2 – Wells Fargo – Term Loan. Class 2 consists of the Allowed Secured Claim of Wells Fargo in the current amount of approximately One Hundred Fifty Thousand Dollars ($150,000.00) plus interest, expenses and reasonable attorneys' fees based on the Term Loan. The Class 2 Claim is secured by a lien on the Wells Fargo Collateral (as defined above). In full satisfaction of its Class 2 Claim, Wells Fargo shall retain its lien on the Wells Fargo Collateral, subordinate only to the Wells DIP Loan Administrative Claim and Allowed Class 1 Claim (as it pertain to the Sanford Property), and shall receive monthly payments of principal and interest, with such interest paid at an annual rate equal to LIBOR plus 5.5%, based on a one year amortization, with final payment due 12 months from the Effective Date. Class 2 is Impaired.

c. Class 3 – Wells Fargo – Revolver Loan. Class 3 consists of the Allowed Secured Claim of Wells Fargo in the amount of approximately Three Million Dollars ($3,000,000.00) based on the Revolver Loan. The Allowed Class 3 Claim is secured by a lien on the Wells Fargo Collateral (as defined above). The Class 3 Claim was paid in full prior to Confirmation. Class 3 is Unimpaired.

d. Class 4 – FTL Capital. Class 4 consists of the Allowed Secured Claim of the FTL Capital in the approximate amount of Two Million Two Hundred Thousand Dollars and No Cents ($2,200,000.00). The Class 4 Claim is secured by a lien on the FTL Capital Collateral, as defined above. In full satisfaction of its Class 4 Claim, FTL Capital shall receive 100% of the equity interest in the Debtor on the Effective Date. Class 4 is Impaired.

3. Unsecured Claims.

a. Class 5 - Allowed Unsecured Claims. Class 5 consists of all Allowed Unsecured Claims. In full satisfaction of their Class 5 Claims, Holders of Class 5 Claims shall receive *pro rata* payments based on the Debtor's performance after the Effective Date until all Allowed Unsecured Claims are paid in full plus 4% per annum in interest. First, the Holders of Class 5 Claims shall receive minimum *pro rata* monthly payments of Twenty Thousand Dollars ($20,000.00)(the "Regular Payments"). Second, Holders of Class 5 Claims shall also receive additional *pro rata* payments in an amount equal to 40% of the Debtor's quarterly EBITDA (the "Additional Payments"). Regular Payments shall commence on the Effective Date and Additional Payments shall commence, if applicable, on the 10th day of the first month after the close of the Debtor's quarter, but no sooner than three months after the Effective Date. Class 5 is Impaired.

4. Equity Interests

a. Class 6 - Equity in the Debtor. Class 6 consists of any and all membership interests currently issued or authorized in the Debtor. On the Effective Date, all Class 6 Interests shall be extinguished. All issued and authorized membership interests in the Debtor shall be re-vested with FTL Capital on the Effective Date. Class 6 is Impaired.

C. Means of Implementation.

1. Business Operations, Exit Financing and Cash Flow.

The Debtor shall continue to manage its operations and manufacture products for its customers. The Debtor's current income derived from its operations, combined with the reduction in debt service payment amounts to secured creditors, will allow the Debtor to pay all ordinary course expenses and otherwise operate on a positive cash flow basis.

Furthermore, by confirmation the Debtor shall secure Exit Financing in a sum no less than $3,000,000.00 at market terms that will enable the Debtor to make required plan payments, operate on a positive cash flow basis and provide the Debtor with the capital and credit necessary to continue to produce high-quality finished goods to its customers and grow its business for the benefit of the Debtor and the Debtor's estate.

2. Funds Generated During Chapter 11.

Funds generated from operations until the Effective Date will be used for Plan Payments and for general operations; however, Debtor's cash on hand as of Confirmation shall be available for Administrative Expenses.

3. Management and Control of Debtor.

The day-to-day operations of the Debtor shall continue be overseen by the Debtor's board of managers. FTL Capital shall be vested with 100% of the Debtor's membership interest on the Effective Date and shall have the sole authority to appoint the board of managers. The board of managers shall include, at a minimum, Paul Melnuk, Thomas Hillman and Brad Aldrich. Paul Melnuk shall remain the Debtor's Chief Executive Officer. Brad Aldrich shall remain as the Debtor's Chief Restructuring Office for at least a year commencing on the Effective Date. The powers and compensation of the board of managers of the Debtor shall be substantially the same as the manager's powers and compensation as of the Petition Date.

4. Membership Interests in Debtor.

All membership Interests in the Debtor shall be re-vested with FTL Capital on the Effective Date.

D. Other Provisions.

1. Leases and Executory Contracts.

The Debtor shall have through and including the Effective Date within which to assume or reject any unexpired lease or executory contract. If the Debtor does not reject or file a motion to reject any such unexpired lease or executory contract by the Effective Date, then such unexpired lease or executory contract shall be deemed assumed. It is the Debtor's position that the executory contracts listed on the Schedule of Executory Contracts filed pursuant to Rule 1007 are the only executory contracts to which the Debtor was a party as of the Petition Date.

2. Procedures For Resolving Disputed Claims.

a. Prosecution of Objections to Claims. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, and except as otherwise provided in the Plan, the Debtor shall have the exclusive right to make and file objections to all Claims prior to the Effective Date, and the Debtor shall have the exclusive right to make and file objections to Claims after the Effective Date.

Unless another time is set by order of the Bankruptcy Court, all objections to Claims and Interests shall be filed with the Court and served upon the Holders of each of the Claims and Interests to which objections are made within 180 days after the Effective Date.

Except as may be specifically set forth herein, nothing in this Plan, the Disclosure Statement, the Confirmation Order, or any order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any claim, cause of action, right of setoff, or other legal or equitable defense that the Debtor had immediately prior to the

commencement of the Bankruptcy Case, against or with respect to any Claim or Interest. Except as set forth in the Plan, upon Confirmation the Debtor shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses that the Debtor had immediately prior to the commencement of the Bankruptcy Case as if the Bankruptcy Case had not been commenced.

b. Estimation of Claims. The Debtor may, at any time, request that the Bankruptcy Court estimate any contingent, disputed or unliquidated Claim pursuant to § 502(c) of the Code, regardless of whether the Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event the Bankruptcy Court estimates any contingent, disputed or unliquidated Claim, that estimated amount will constitute either the Allowed Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim.

c. Cumulative Remedies. All of the aforementioned Claim objection, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. Until such time as an Administrative Claim, Claim, or Interest becomes an Allowed Claim, such Claim shall be treated as a Disputed Administrative Claim, Disputed Claim, or a Disputed Interest for purposes related to allocations, Distributions, and voting under the Plan.

d. Payments and Distributions on Disputed Claims. As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid from the Debtor's Cash and Assets, such that the Holder of such Allowed Claim receives all payments and distributions to which such Holder is entitled under this Plan in order to bring payments to the affected Claimant current with the other participants in the particular Class in question. Except as otherwise provided herein, no partial payments and no partial distributions will be made with respect to a Disputed Claim until the resolution of such disputes by settlement or Final Order. Unless otherwise agreed by the Debtor or as otherwise specifically provided herein, a Creditor who holds both an Allowed Claim and a Disputed Claim will not receive a distribution until such dispute is resolved by settlement or Final Order.

e. Allowance of Claims and Interests.

(i) Disallowance of Claims. All Claims held by Persons against whom the Debtor has obtained a Final Order establishing liability for a cause of action under §§ 542, 543, 522(f), 522(h), 544, 545, 547, 548, 549, or 550 of the Bankruptcy Code shall be deemed disallowed pursuant to § 502(d) of the Code, and Holders of such Claims may not vote to accept or reject the Plan, both consequences to be in effect until such time as such causes of action against that Person have been settled or resolved by a Final Order and all sums due the related Debtor by that Person are turned over to such Debtor.

(ii) Allowance of Claims. Except as expressly provided herein, no Claim or Interest shall be deemed Allowed by virtue of the Plan, Confirmation, or any Order of the Bankruptcy Court in the Bankruptcy Case, unless and until such Claim or Interest is deemed Allowed under the Bankruptcy Code or the Bankruptcy Court enters a Final Order in the Bankruptcy Case allowing such Claim or Interest.

f. Controversy Concerning Impairment. If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before the Confirmation Date. If such controversy is not resolved prior to the Effective Date, the Debtor's interpretation of the Plan shall govern.

3. Effect of Confirmation.

a. Authority to Effectuate the Plan. Upon the entry of the Confirmation Order by the Bankruptcy Court, all matters provided for under this Plan will be deemed to be authorized and approved without further approval from the Bankruptcy Court. The Confirmation Order will act as an order modifying the Debtor's by-laws or operating agreement such that the provisions of this Plan can be effectuated. The Debtor shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action is necessary to achieve Consummation and carry out the Plan.

b. Post-Confirmation Status Report. Within 120 days of the entry of the Confirmation Order, the Debtor will file status reports with the Court explaining what progress has been made toward consummation of the confirmed Plan. The status report will be served on the United States Trustee, and those parties who have requested special notice post-confirmation. The Bankruptcy Court may schedule subsequent status conferences in its discretion.

IV. CONFIRMATION

A. Confirmation Hearing.

Section 1128 of the Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing on the Plan at which time any party in interest may be heard in support of

or in opposition to Confirmation. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement to be made at the Confirmation Hearing. Any objection to Confirmation must be made in writing and filed with the Clerk, and delivered to the following persons, at least seven (7) days prior to Confirmation Hearing:

Counsel for the Debtor:
R. Scott Shuker, Esquire
Justin M. Luna. Esquire
Latham, Shuker, Eden & Beaudine, LLP
111 N. Magnolia Avenue, Suite 1400
Orlando, Florida 32801

Debtor:
Benada Aluminum Products, LLC
c/o Brad Aldrich
2540 Jewett Lane
Sanford, Florida 32771

United States Trustee:
Miriam G. Suarez, Esq.
135 West Central Blvd., Suite 620
Orlando, Florida 32801

B. Financial Information Relevant to Confirmation.

1. The Debtor's financial projections for the three years following the effective date are attached hereto as **Exhibit "A"**. The projections indicate the Debtor's operational cash flow will be sufficient to service the required Plan Payments; and

2. A copy of the Debtor's Chapter 7 liquidation analysis ("Liquidation Analysis") establishing that Creditors will fair materially worse in the event the Debtor is forced into Chapter 7 as compared to the Plan is currently being prepared and will be furnished to all creditors at least 14 days prior to the disclosure statement hearing.

C. Confirmation Standards.

For a plan of reorganization to be confirmed, the Code requires, among other things, that a plan be proposed in good faith and comply with the applicable provisions of Chapter 11 of the Code. Section 1129 of the Code also imposes requirements that at least one class of Impaired Claims accept the plan, that confirmation of the plan is not likely to be followed by liquidation, or the need for further financial reorganization, that a plan be in the best interests of creditors, and that a plan be fair and equitable with respect to each class of Claims or Interests which is Impaired under the plan.

The Bankruptcy Court shall confirm a plan only if it finds that all of the requirements enumerated in § 1129 of the Code have been met. The Debtor believes that the Plan satisfies all of the requirements for Confirmation.

1. Best Interests Test. Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of an Allowed Claim or Interest of such Class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if Debtor were, on the Effective Date, liquidated under Chapter 7 of the Code. The Debtor believes that satisfaction of this test is established by the Liquidation Analysis.

To determine what holders of Claims and Equity Interests would receive if the Debtor were liquidated, the Bankruptcy Court must determine how the assets and properties of the Debtor would be liquidated and distributed in the context of a Chapter 7 liquidation case. The Debtor's costs of liquidation under Chapter 7 would include the fees payable to a trustee in bankruptcy and to any additional attorneys and other professionals engaged by such trustee, plus

any unpaid expenses incurred by Debtor during the Chapter 11 Case, including compensation of attorneys and accountants. The additional costs and expenses incurred by a trustee in Chapter 7 liquidation could be substantial and would decrease the possibility that Unsecured Creditors would receive meaningful distributions. The foregoing types of Claims arising from Chapter 7 administration and such other Claims as may arise in Chapter 7 or result from the pending Chapter 11 Case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay the Claims of Unsecured Creditors. Liquidation in Chapter 7 might substantially delay the date at which Creditors would receive any Payment.

The Debtor has carefully considered the probable effects of liquidation under Chapter 7 on the ultimate proceeds available for distribution to Creditors and Interest Holders, including the following:

a. the possible costs and expenses of the Chapter 7 trustee or trustees;

b. the possible adverse effect on recoveries by Creditors under Chapter 7 due to reduced sale prices for Debtor's assets caused by the forced Chapter 7 liquidation; and

c. the possible substantial increase in Claims that would rank before or on parity with those of Unsecured Creditors.

2. Financial Feasibility. The Code requires, as a condition to Confirmation, that Confirmation of a plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor unless the liquidation is proposed in the Plan. As the Projections will demonstrate, the Debtor believes that core operations of the Debtor and exit financing will generate sufficient cash flow to make all Plan Payments as noted herein. Based

upon the Projections, the Debtor asserts that the Plan is feasible and Confirmation is not likely to be followed by further financial reorganization.

3. Acceptance by Impaired Classes. The Code requires as a condition to Confirmation that each Class of Claims or Interests that is Impaired under the Plan accept such Plan, with the exception described in the following section. A Class of Claims has accepted the Plan if the Plan has been accepted by Creditors that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class who vote to accept or to reject the Plan.

A Class of Interests has accepted the Plan if the Plan has been accepted by holders of Interests that hold at least two-thirds (2/3) in amount of the Allowed Interests of such Class that vote to accept or reject the Plan. Holders of Claims or Interests who fail to vote are not counted as either accepting or rejecting the Plan.

A Class that is not Impaired under a Plan is deemed to have accepted such Plan, and solicitation of acceptances with respect to such Class is not required. A Class is Impaired unless: (i) the legal, equitable and contractual rights to which the Claim or Interest entitles the holder of such Claim or Interest are not modified; (ii) with respect to Secured Claims, the effect of any default is cured and the original terms of the obligation are reinstated; or (iii) the Plan provides that on the Effective Date the holder of the Claim or Interest receives on account of such claim or interest Cash equal to the Allowed Amount of such Claim or, with respect to any Interest, any fixed liquidation preference to which the holder is entitled.

4. Confirmation Without Acceptance by all Impaired Classes: "Cramdown." The Code contains provisions that enable the Bankruptcy Court to confirm the Plan, even though

the Plan has not been accepted by all Impaired Classes, provided that the Plan has been accepted by at least one Impaired Class of Claims. Section 1129(b)(1) of the Code states:

> Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

This section makes clear that the Plan may be confirmed, notwithstanding the failure of an Impaired Class to accept the Plan, so long as the Plan does not discriminate unfairly, and it is fair and equitable with respect to each Class of Claims that is Impaired under, and has not accepted, the Plan.

DEBTOR BELIEVES THAT, IF NECESSARY, IT WILL BE ABLE TO MEET THE STATUTORY STANDARDS SET FORTH IN THE CODE WITH RESPECT TO THE NONCONSENSUAL CONFIRMATION OF THE PLAN AND WILL SEEK SUCH RELIEF.

D. Consummation.

The Plan will be consummated and Payments made if the Plan is Confirmed pursuant to a Final Order of the Bankruptcy Court, the Effective Date occurs, and the Debtor or Debtor and applicable parties reach agreement on any required documents. It will not be necessary for the Debtor to await any required regulatory approvals from agencies or departments of the United States to consummate the Plan. The Plan will be implemented pursuant to its provisions and the Code.

E. Exculpation from Liability.

The Debtor, the Debtor, their respective members, Managers, officers, and directors, and their respective Professionals (acting in such capacity) shall neither have nor incur any liability whatsoever to any Person or Entity for any act taken or omitted to be taken in good

faith in connection with or related to the formulation, preparation, dissemination, or confirmation of the Plan, the Disclosure Statement, any Plan Document, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the plan or the Reorganization Case; provided, however, that this exculpation from liability provision shall not be applicable to any liability found by a court of competent jurisdiction to have resulted from fraud or the willful misconduct or gross negligence of any such party. With respect to the Professionals, the foregoing exculpation from liability provision shall also include claims of professional negligence arising from the services provided by such Professionals during the Reorganization Case. The rights granted hereby are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Debtor, the Debtor, and their respective agents have or obtain pursuant to any provision of the Code or other applicable law, or any agreement. This exculpation from liability provision is an integral part of the Plan and is essential to its implementation. Notwithstanding anything to the contrary contained herein, the provisions hereof shall not release or be deemed a release of any of the Causes of Action otherwise preserved by the Plan. The terms of this exculpation shall only apply to liability arising from actions taken on or prior to the Effective Date.

ANY BALLOT VOTED IN FAVOR OF THE PLAN SHALL ACT AS CONSENT BY THE CREDITOR CASTING SUCH BALLOT TO THIS EXCULPATION FROM LIABILITY PROVISION. MOREOVER, ANY CREDITOR WHO DOES NOT VOTE IN FAVOR OF THE PLAN MUST FILE A CIVIL ACTION IN THE BANKRUPTCY COURT ASSERTING ANY SUCH LIABILITY WITHIN THIRTY (30) DAYS FOLLOWING THE EFFECTIVE DATE OR SUCH CLAIMS SHALL BE FOREVER BARRED.

Notwithstanding the foregoing, (i) the Debtor shall remain obligated to make payments to Holders of Allowed Claims as required pursuant to the Plan and (ii) the Debtor’s respective

members, Manager, and executive officers shall not be relieved or released from any personal contractual liability except as otherwise provided in the Plan.

F. Police Power.

Nothing in this Article IV shall be deemed to effect, impair, or restrict any federal or state governmental unit from pursuing its police or regulatory enforcement action against any person or entity, other than to recover monetary claims against the Debtor for any act, omission, or event occurring prior to Confirmation Date to the extent such monetary claims are discharged pursuant to § 1141 of the Code.

G. Revocation and Withdrawal of this Plan.

The Debtor reserves the right to withdraw this Plan and Disclosure Statement at any time before entry of the Confirmation Order. If (i) the Debtor revokes and withdraws this Plan, (ii) the Confirmation Order is not entered, (iii) the Effective Date does not occur, (iv) this Plan is not substantially consummated, or (v) the Confirmation Order is reversed or revoked, then this Plan shall be deemed null and void.

H. Modification of Plan.

The Debtor may seek to amend or modify this Plan in accordance with § 1127(b) of the Code, remedy any defect or omission, or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

On or before substantial consummation of the Plan, the Debtor may issue, execute, deliver or file with the Bankruptcy Court, or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan.

V. ALTERNATIVE TO THE PLAN.

If the Plan is not confirmed and consummated, the Debtor believes that the most likely alternative is a sale of the Debtor or a liquidation of the Debtor under Chapter 7 or 11 of the Code. In a liquidation or sale, the Debtor believes the going-concern value of the Debtor will be lost and the assets will be sold in a distressed setting. The Debtor believes that a liquidation or sale of the business will not be sufficient to pay all secured claims and administrative claims. In a case under Chapter 7 of the Code, a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to Creditors in accordance with the priorities established by the Code. The Debtor's analysis of the probable recovery to Creditors and holders of Equity Interest is set forth in the Liquidation Analysis.

VI. CONCLUSION

The Debtor recommends that Holders of Claims and Interests vote to accept the Plan.

DATED this 29th day of November 2012 in Orlando, Florida.

/s/ Justin M. Luna________________________
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