THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL TO THE BANKRUPTCY COURT BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT AT THIS TIME.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Binder & Binder – The National Social Security Disability Advocates (NY), LLC, *et al.*,[1] Debtors.	Chapter 11 Case No. 14-23728 (RDD) (Jointly Administered)

DISCLOSURE STATEMENT FOR JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, PROPOSED BY STELLUS CAPITAL INVESTMENT CORPORATION AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: (1) Binder & Binder - The National Social Security Disability Advocates (NY), LLC (1450); (2) SSDI Holdings, Inc. (3038); (3) Binder & Binder - The National Social Security Disability Advocates LLC (8580); (4) Binder & Binder - The National Social Security Disability Advocates (AZ), LLC (5887); (5) Binder & Binder - The National Social Security Disability Advocates (CA), LLC (1456); (6) Binder & Binder - The National Social Security Disability Advocates (CO), LLC (0945); (7) Binder & Binder - The National Social Security Disability Advocates (CT), LLC (0206); (8) Binder & Binder - The National Social Security Disability Advocates (FL), LLC (1455); (9) Binder & Binder - The National Social Security Disability Advocates (GA), LLC (4768); (10) Binder & Binder - The National Social Security Disability Advocates (IL), LLC (1457); (11) Binder & Binder - The National Social Security Disability Advocates (MD), LLC (3760); (12) Binder & Binder - The National Social Security Disability Advocates (MO), LLC (2108); (13) Binder & Binder - The National Social Security Disability Advocates (NJ), LLC (1454); (14) Binder & Binder - The National Social Security Disability Advocates (NC), LLC (1460); (15) Binder & Binder - The National Social Security Disability Advocates (OH), LLC (7827); (16) Binder & Binder - The National Social Security Disability Advocates (PA), LLC (1453); (17) Binder & Binder - The National Social Security Disability Advocates (TX), LLC (1458); (18) Binder & Binder - The National Social Security Disability Advocates VA, LLC (7875); (19) Binder & Binder - The National Social Security Disability Advocates (WA), LLC (0225); (20) Binder & Binder - The National Social Security Disability Advocates (LA), LLC (8426); (21) Binder & Binder - The National Social Security Disability Advocates (MI), LLC (8762); (22) Binder & Binder - The National Social Security Disability Advocates (DC), LLC (5265); (23) The Rep for Vets LLC (6421); (24) National Veterans Disability Advocates LLC (dba The Rep for Vets LLC) (7468); and (25) The Social Security Express Ltd. (4960).

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Dated: November 23, 2015

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DISCLAIMER[2]

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE "JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, PROPOSED BY STELLUS CAPITAL INVESTMENT CORPORATION AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS" (THE "PLAN" AND, STELLUS CAPITAL INVESTMENT CORPORATION AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, THE "PROPONENTS") AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS SHOULD READ THIS DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING THE PLAN, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE SUMMARY OF THE PLAN CONTAINED HEREIN, AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE DISCLOSURE STATEMENT AND THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE SUBJECT IN ALL RESPECTS TO THIS GLOBAL DISCLAIMER, AND ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. IN ADDITION, THE FACTUAL INFORMATION AND DESCRIPTIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE DEBTORS AND THE DEBTORS' BUSINESSES HAS BEEN PROVIDED BY THE DEBTORS TO THE PROPONENTS OF THE PLAN, HAS NOT BEEN INDEPENDENTLY VERIFIED BY THE PROPONENTS, AND THE PROPONENTS MAKE NO REPRESENTATION OR WARRANTY, EXPLICITLY OR IMPLICITLY, REGARDING THE ACCURACY OF SUCH INFORMATION, OR WHETHER SUCH INFORMATION INCLUDES ALL MATERIAL INFORMATION REGARDING THE DEBTORS AND THEIR BUSINESSES. FURTHER, THE TRANSMISSION OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. AFTER THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT (I) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL BE MATERIALLY ACCURATE; AND (II) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY

[2]This disclaimer portion of the Disclosure Statement is referred to herein as the "Global Disclaimer."

LAW. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE UNITED STATES SECURITIES & EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST THE DEBTORS WITH "*ADEQUATE INFORMATION*" (AS DEFINED IN THE BANKRUPTCY CODE) SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING, SECURITIES OF THE DEBTORS SHOULD NOT RELY UPON THIS DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, AS A STIPULATION OR AS A WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING EITHER PROPONENT OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS. THE PROPONENTS URGE EACH HOLDER OF A CLAIM AGAINST OR EQUITY INTEREST IN THE DEBTORS TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TREATMENTS CONTEMPLATED THEREIN.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR CLAIM, OBJECTION TO A PARTICULAR CLAIM, OR CAUSE OF ACTION, IS, OR IS NOT, IDENTIFIED IN THIS DISCLOSURE STATEMENT. THE PLAN ADMINISTRATOR AND THE COMMITTEE REPRESENTATIVE, AS APPLICABLE, MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND CAUSES OF ACTION, AND MAY OBJECT TO CLAIMS AND PROSECUTE CAUSES OF ACTION AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN, IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS, OBJECTIONS TO CLAIMS, OR CAUSES OF ACTION. THE PLAN RESERVES FOR THE PLAN ADMINISTRATOR AND THE COMMITTEE REPRESENTATIVE, AS APPLICABLE, THE RIGHT TO PROSECUTE CAUSES OF ACTION (AS DEFINED IN THE PLAN) AGAINST ANY ENTITY, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN.

THE PROPONENTS BELIEVE THAT ACCEPTANCE OF THE PLAN DESCRIBED IN THIS DOCUMENT IS IN THE BEST INTERESTS OF THE DEBTORS' ESTATES, THEIR CREDITORS AND ALL OTHER PARTIES IN INTEREST.

ACCORDINGLY, THE PROPONENTS RECOMMEND THAT YOU VOTE IN FAVOR OF THE PLAN.

I.

INTRODUCTION

A. Overview

Binder & Binder – The National Social Security Disability Advocates LLC, and its debtor affiliates (the "Debtors" or "Binder & Binder"), are nationally recognized providers of advocacy services for claimants of social security disability and veterans disability benefits.

On December 18, 2014 (the "Commencement Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), thereby commencing these bankruptcy cases (the "Chapter 11 Cases"). The Debtors are operating their businesses as debtors-in-possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

As discussed in more detail below, on October 29, 2015, upon motion of Stellus Capital Investment Corporation ("Stellus"), which is one of the Proponents of the Plan, the Bankruptcy Court entered an "Order Terminating the Debtors' Exclusive Filing and Solicitation Periods Pursuant to Section 1121(d) of the Bankruptcy Code" [Docket No. 372], thereby permitting the filing of plans in the Chapter 11 Cases by parties in interest other than the Debtors.

On November 18, 2015, Stellus and the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases (the "Committee"), as Proponents, filed the Plan with respect to each of the Debtors' Estates. As of the filing of the Plan by the Proponents, no other plan options had been successfully negotiated between and among the various stakeholders, necessitating the Wind-Down contemplated by the Plan.

As described more fully below, the Plan generally provides for the controlled and orderly Wind-Down of the Debtors' Estates and businesses over a three-year period. Although the Wind-Down does not contemplate advertising for new SSA/VA Cases (defined below) after the Effective Date, it does anticipate continuing to prosecute and service existing SSA/VA Cases. In connection therewith, the Plan also presumes the continuation of certain of the Debtors' existing employees and commercial relationships through the Wind-Down.

This Disclosure Statement is submitted pursuant to section 1125 of the Bankruptcy Code for the solicitation of votes on the Plan. The purpose of this Disclosure Statement is to provide you with background information concerning (i) the Debtors; (ii) the Debtors' businesses, operations, structure, and industry; (iii) events leading up to the Chapter 11 Cases; (iv) significant events that have occurred since the Commencement Date; (v) a summary overview of the Plan; and (vi) information regarding the solicitation of votes on the Plan. Accordingly, this Disclosure Statement describes certain aspects of the Plan, the Debtors' operations, history and significant events that have occurred during the Debtors' chapter 11 cases (the "Chapter 11

Cases"), the process relating to confirmation of the Plan by the Bankruptcy Court, and related matters. This introduction is intended solely as a summary of the Plan and is qualified in its entirety by the Plan and the other portions of this Disclosure Statement. If there is any inconsistency between the Plan (including the exhibits and schedules attached thereto and any supplements to the Plan) and the descriptions in this Disclosure Statement, the terms of the Plan (and the exhibits and schedules attached thereto and any supplements to the Plan) control.

Capitalized terms used in this Disclosure Statement and not otherwise defined herein shall have the definitions ascribed to such terms in the Plan.

For a description of the Plan as it relates to holders of Claims against, and Equity Interests in, the Debtors, please see Section VI below ("Summary of the Plan").

FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN, AND THE EXHIBITS THERETO IN THEIR ENTIRETY.

This Disclosure Statement, the Plan and any documents attached or referred to in this Disclosure Statement and the Plan are the only materials that Creditors should use to determine whether to vote to accept or reject the Plan. A ballot (the "Ballot") for accepting or rejecting the Plan is being submitted to holders of Claims that the Proponents believe are entitled to vote to accept or reject either of the Plan.

The last day to vote to accept or reject the Plan is _____, 2015 (the "Voting Deadline"). To be counted, your Ballot must actually be received by the Voting Agent (identified below) by 4:00 p.m. (prevailing Eastern Standard Time) on the Voting Deadline. Any Ballots received after the Voting Deadline will not be counted. Claimants must return their Ballots to the Voting Agent in accordance with the Voting Instructions that accompany the Ballots. Ballots will not be accepted if sent by facsimile, e-mail or other electronic means.

_____, 2015 is the "Voting Record Date," which is the date on which the identity of holders of Claims against the Debtors will be determined for the purpose of establishing an entitlement, if any, to receive certain notices and vote on the Plan.

By the Disclosure Statement Approval Order dated December __, 2015, the Bankruptcy Court approved this Disclosure Statement for dissemination to holders of Claims against the Debtors that are entitled to vote on the Plan. Approval of this Disclosure Statement by the Bankruptcy Court does not constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. Please refer to each Plan, the Summary of the Plan, and the balance of this Disclosure Statement for the Proponents' views regarding the implications and consequences of confirmation of the Plan.

The Proponents strongly urge Creditors to vote to accept the Plan by completing and returning their Ballots so that they will be received on or before the Voting Deadline: _____, 2015, at 4:00 p.m., prevailing Eastern Standard Time.

B. Qualification Concerning Summaries Contained in this Disclosure Statement

This Disclosure Statement contains summaries of certain provisions of the Plan, certain statutory provisions, certain documents related to the Plan, certain events in the Chapter 11 Cases, and certain financial information. Subject in all respects to the Global Disclaimer set forth above, the Proponents believe the summary of the Plan and related document summaries contained herein are fair and accurate, however, such summaries are qualified to the extent that they do not set forth the entire text of such documents, statutory provisions or financial information. All of the exhibits to the Plan and this Disclosure Statement and other pleadings and orders relating to the Chapter 11 Cases are available for inspection during regular business hours (9:00 a.m. to 4:00 p.m. EST weekdays, except legal holidays) at the Office of the Clerk of the Court, United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601, or online at www.nysb.uscourts.gov. A PACER password is required to access case information, which can be obtained at www.pacer.psc.uscourts.gov, or by calling 1-800-676-6856. These documents are also available free of charge at http://www.bmcgroup.com/binder.

C. Source of Information Contained in this Disclosure Statement

As stated in the Global Disclaimer, the factual and descriptive information contained in this Disclosure Statement regarding the Debtors and the Debtors' businesses has been provided by the Debtors and has not been independently verified by the Proponents. Accordingly, the Proponents make no representation, explicitly or implicitly, regarding the accuracy of such information, or whether such information includes all material information regarding the Debtors and their businesses. In addition, it is the understanding of the Proponents that such factual and descriptive information has been provided from sources of and available to the Debtors, including the Debtors' books and records, and the Debtors' counsel, Chief Restructuring Officer and other professionals and management, as well as certain pleadings filed with the Bankruptcy Court. The Proponents are unable to represent or warrant that the information contained herein, including the financial information, is without any inaccuracy or omission.

D. Reliance on Disclosure Statement

As stated in the Global Disclaimer, this Disclosure Statement may not be relied on for any purpose other than to determine whether to vote to accept or reject the Plan, and nothing stated herein shall constitute an admission of any fact or liability by any party, or be admissible in any proceeding involving any Proponent or any other party other than proceedings to approve this Disclosure Statement and confirm a Plan, or be deemed evidence of the tax or other legal effects of the Plan on any Debtor or holders of Claims. Holders of Claims entitled to vote should read this Disclosure Statement and the Plan carefully and in their entirety and may wish to consult with counsel prior to voting on a Plan.

E. No Duty to Update

As stated in the Global Disclaimer, the statements contained in this Disclosure Statement are made as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the

information set forth herein since that date. The Proponents have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

F. Representations and Inducements Not Included in this Disclosure Statement

No representations concerning or related to any Debtor, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. You should not rely on any representations or inducements made to secure your acceptance or rejection of the Plan not contained in this Disclosure Statement.

Further, the various other agreements or forms referred to herein are exhibits hereto and/or to the Plan and are incorporated herein by reference. The summary of certain provisions of these documents is qualified in its entirety by reference thereto. The descriptions of these documents and the copies of these documents included as exhibits hereto and/or to the Plan have been included to provide information regarding the terms of these documents. These documents contain representations and warranties made by and to the parties thereto as of specific dates. The representations and warranties of each party set forth in each document have been made solely for the benefit of the other party to such document. In addition, such representations and warranties (i) may have been qualified by confidential disclosures made to the other party in connection with such document; (ii) may be subject to a materiality standard which may differ from what may be viewed as material by other readers; (iii) were made only as of the date of such documents or such other date as is specified therein; and (iv) may have been included in such documents for the purpose of allocating risk between or among the parties thereto rather than establishing matters as facts.

G. Authorization of Information Contained in this Disclosure Statement

For the purposes of the Bankruptcy Court's consideration of this Disclosure Statement and the confirmation of the Plan, and subject to the Global Disclaimer, no representations or other statements concerning any Debtor, Chapter 11 Cases, or the Plan, are authorized by any Proponent, other than those expressly set forth in this Disclosure Statement.

H. SEC Review

This Disclosure Statement has not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), nor has the SEC passed upon the accuracy or adequacy of the statements contained herein.

I. Legal or Tax Advice

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Creditor should consult his, her, or its own legal counsel and accountant as to legal, tax and other matters concerning his, her, or its Claim.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

J. Forward-Looking Statements

This Disclosure Statement and Plan contain forward-looking statements with respect to the Plan. Forward-looking statements include, without limitation, (i) descriptions of certain aspects of the Plan; (ii) projections of income tax and other contingent liabilities, and other financial items; and (iii) any descriptions of assumptions underlying or relating to any of the foregoing.

Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements often include words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" or similar expressions. Forward-looking statements should not be unduly relied upon. They indicate the Proponents' expectations about the future and are not guarantees. Forward-looking statements speak only as of the date they are made and the Proponents have no obligation to update them to reflect changes that occur after the date they are made. There are several factors which could cause results to differ significantly from expectations. For examples of such factors refer to Section VII below ("Certain Factors to be Considered").

II.

PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims

Solicitation is being conducted at this time in order to obtain sufficient acceptances to enable the Plan to be confirmed by the Bankruptcy Court. The Plan sets forth, among other things, how Administrative Expense Claims, Claims against and Equity Interests in the Debtors will be treated upon consummation of the Plan and the Wind-Down of the Estates. This Disclosure Statement describes certain aspects of the Plan, the Debtors' business operations, significant events leading to the Chapter 11 Cases, and related matters. **FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN, AND ALL OF THEIR RELATED EXHIBITS IN THEIR ENTIRETY.**

On December __, 2015, following a hearing on the Disclosure Statement (the "Disclosure Statement Hearing"), the Bankruptcy Court entered the Disclosure Statement Approval Order approving this Disclosure Statement, finding that it contains information of a kind and in sufficient detail to enable the holders of Claims against the Debtors that are entitled to vote to make an informed judgment about the Plan. This Disclosure Statement is being transmitted to holders of certain Claims against the Debtors. The primary purpose of this Disclosure Statement is to provide those parties voting on the Plan with adequate information to make a reasonably informed decision with respect to the Plan before voting to accept or to reject the Plan.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTY OF THE ACCURACY OR

COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, NOR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

IF CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST EACH OF THE DEBTORS, WHETHER OR NOT THEY ARE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OF PROPERTY UNDER THE PLAN. THUS, YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT CAREFULLY. IN PARTICULAR, HOLDERS OF IMPAIRED CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO, THE PLAN, AND ANY EXHIBITS TO THE PLAN CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR TO REJECT THE PLAN.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING OR CONTAINS OR MAY CONTAIN ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS.

Except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur after the date hereof and that may have a material impact on the information contained in this Disclosure Statement. Further, the Proponents do not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement shall not under any circumstance imply that the information herein is correct or complete as of any time after the date hereof.

B. Solicitation Package

In addition to approving this Disclosure Statement, the Bankruptcy Court approved certain voting procedures, scheduled the Confirmation Hearing at which the Bankruptcy Court will consider confirmation of the Plan, and approved the form of notice regarding the Confirmation Hearing (the "Confirmation Hearing Notice"). Accompanying this Disclosure Statement are copies of (i) the Plan; (ii) the Confirmation Hearing Notice, which provides notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time and place of the hearing to consider confirmation of the Plan and related matters, and the time for filing objections to confirmation of the Plan; and (iii) for Creditors whose Claims are classified in SSDI Class 2, SSDI Class 4, Subsidiary Debtor Class 2, and Subsidiary Debtor Class 4, one or more Ballots to be used in voting to accept or to reject the Plan. If you did not receive a Ballot and believe that you should have, please contact the Voting Agent identified below in the next subsection.

C. Voting Procedures, Ballots and Voting Deadline

Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or interests that are members of a class that (i) is "impaired" within the meaning of section 1124 of the Bankruptcy Code; and (ii) is not deemed to have rejected a plan under section 1126(g) of the

Bankruptcy Code, are entitled to vote to accept or reject a chapter 11 plan. Classes of claims or interests that are not impaired under section 1124 of the Bankruptcy Code are conclusively presumed to have accepted a plan under section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the plan. Impaired classes of which the members will receive no recovery under a plan are deemed to have rejected the plan under section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the plan.

If you are entitled to vote to accept or reject the Plan pursuant to the Disclosure Statement Approval Order, a Ballot is enclosed for the purpose of voting on the Plan. After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, please (i) indicate your acceptance or rejection of the Plan by checking the appropriate boxes and providing requested information on the enclosed Ballot; and (ii) complete and sign your **ORIGINAL** Ballot (copies will not be accepted) and return it in the envelope provided to the Voting Agent (defined below) so that it is **RECEIVED** by the Voting Deadline (defined below). **NO BALLOT WILL BE ACCEPTED IF IT IS SENT BY FACSIMILE, E-MAIL OR OTHER ELECTRONIC MEANS.**

Each Ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject a Plan, you must use only the coded Ballot or Ballots sent to you with this Disclosure Statement. If you believe you received the wrong Ballot, please contact the Voting Agent.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ACCOMPANYING THE BALLOT AND RECEIVED NO LATER THAN THE VOTING DEADLINE, _____, 2016, AT 4:00 P.M., PREVAILING EASTERN STANDARD TIME, BY THE VOTING AGENT, BMC GROUP, INC., AT THE FOLLOWING ADDRESS:

Via Post office:

BMC Group, Inc.
Attn: [_____]
PO Box 90100
Los Angeles, CA 90009

Via overnight delivery or hand-delivery:

BMC Group Inc.
Attn: [_____]
300 N. Continental Blvd., #570
El Segundo, CA 90245

Any Ballot that is executed and returned but does not indicate an acceptance or rejection of a Plan will not be counted.

DO NOT RETURN ANY DEBT INSTRUMENTS WITH YOUR BALLOT.

If you have any questions about the procedure for voting your Impaired Claim or with respect to the packet of materials that you have received, please contact the Voting Agent at (888) 909-0100.

If you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)), an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact the Voting Agent.

D. Confirmation Hearing and Deadline for Objections to Confirmation

The Bankruptcy Court has scheduled the Confirmation Hearing **for _____, 2016, at __:00 _.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Robert D. Drain, United States Bankruptcy Judge, in the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan must be filed with the Clerk of the Bankruptcy Court, in accordance with the electronic filing requirements as set forth online at www.nysb.uscourts.gov, with a copy to the Chambers of the Honorable Robert D. Drain, and served so that they are **RECEIVED on or before _____, 2016 at 4:00 p.m. (prevailing Eastern Time)** by:

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The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

III.

OVERVIEW OF THE PLAN

Although the Plan generally applies to all of the Debtors, except as otherwise provided in the Plan, (i) the Plan constitutes twenty-five (25) distinct chapter 11 plans, one for each Debtor; (ii) for voting purposes, each holder of a Claim in a Class that is entitled to vote to accept or reject the Plan shall vote its Claim in such Class by individual Debtor; and (iii) the classification scheme set forth in Article 3 of the Plan applies to each Debtor, but to the extent that there are no Claims in a certain Class against a particular Debtor, pursuant to Section 4.7 and Section 5.7 of the Plan, that Class shall be deemed not to exist for any purpose whatsoever with respect to that Debtor. A copy of the Plan is attached as Exhibit A to this Disclosure Statement.

The Plan generally provides for the controlled and orderly Wind-Down of the Debtors' Estates and businesses over a three-year period, and contemplates, among other things, (i) the appointment on the Effective Date of SSDI Holdings, Inc. (a Debtor) as Plan Administrator, and the appointment by the Plan Administrator of the Wind-Down Team, for the purpose of overseeing the orderly Wind-Down of the Debtors' estates and maximizing Distributions to holders of Allowed General Unsecured Claims; (ii) in furtherance of the Wind-Down, the continued prosecution of existing SSA/VA Cases (defined below) and, in connection therewith, the anticipated continuation of certain of the Debtors' existing employee and commercial relationships for purposes of servicing the existing SSA/VA Cases through the Wind-Down; (iii) separate and apart from the continued prosecution of the existing SSA/VA Cases, the liquidation of the other Estate Assets of the Debtors, in the manner as determined by the Plan Administrator, subject in certain instances to the approval of a majority of the Plan Trust Board, to maximize Distributions to the holders of Allowed Claims; (iv) the preservation of all Causes of Action of the Debtors' Estates (other than those specifically released under the Plan) and, subject to approval of the Plan Trust Board with respect to any material Causes of Action, the prosecution of such Causes of Action for the benefit of the holders of Allowed General Unsecured Claims; and (v) distribution of the proceeds of the foregoing in accordance with the Plan. The Plan also provides for the appointment on the Effective Date of a Committee Representative, for the purpose of overseeing the implementation of the Plan for the collective benefit of the holders of Allowed General Unsecured Claims.

The Wind-Down and attendant Distributions to the holders of Allowed Claims under the Plan are premised upon the Proponents' financial analyses, supported in certain respects by certain financial data and analyses provided by DSI (defined below) to the Proponents during the Chapter 11 Cases, of (i) certain historical and current operating conditions affecting the Debtors (including, without limitation, operating assumptions contributing to the Debtors' realization of revenue, such as the number of SSA/VA Case decisions, the Debtors' success rates with respect to SSA/VA Cases, and the dollar amount and timing of fee awards historically realized by the Debtors in connection with SSA/VA Cases); (ii) certain recent trends affecting the Debtors; and (iii) certain operating expense assumptions, including, without limitation, the elimination of the Debtors' advertising expenses from and after the Effective Date, and certain ongoing operating assumptions attendant to the Wind-Down and the Wind-Down Team, including with respect to wages, benefits, and taxes based upon employee headcount, rent expense, utilities, and capital expenditure costs, supported by analysis conducted by DSI.

IV.

HISTORY OF THE DEBTORS AND COMMENCEMENT OF THE CHAPTER 11 CASES[3]

A. Overview of Prepetition Operations

1. Debtors' Businesses

Founded in 1979 by brothers Harry and Charles Binder, Binder & Binder – The National Social Security Disability Advocates, LLC and its subsidiaries are the nation's largest provider of social security disability and veterans' benefits advocacy services, with operating scale and efficiencies unrivaled by its competitors in the highly fragmented advocacy market. While most other advocacy firms outsource or refer cases that are not in their core region, the Debtors leverage their national footprint to service all of their cases in-house and provide the same level of advocacy expertise regardless of where a client is located.

The Company has 40 years of experience helping disabled individuals obtain disability benefits through programs administered by the Social Security Administration ("SSA") as well as helping veterans apply for disability and related benefits through programs administered by the Department of Veterans Affairs (the "VA"). There are two primary programs through which the SSA provides disability benefits: the Social Security Disability Insurance Program and the Supplemental Security Income Program. Each of these programs provides monthly benefits to disabled workers and their spouses, children, and survivors. In addition, the VA provides benefits for U.S. Armed Forces veterans with disabilities resulting from diseases or injuries incurred or aggravated during active military service (and some disabilities that arise post-service) through its Veterans Affairs Disability Benefits Program.

Since 1979, the Company has handled over 300,000 disability cases under programs operated by the SSA ("SSA Cases") and the VA ("VA Cases" and collectively with SSA Cases, "SSA/VA Cases"). Upon intake, each SSA/VA Case is assigned to an employee who serves as the advocate of record before the SSA or VA, as applicable (the "Advocate"). Upon receiving a new SSA/VA Case, the Advocate assigns his or her rights to any SSA Fees to the Debtors.

In 2010, H.I.G. Capital, LLC ("HIG") acquired a controlling equity interest in the Company. In connection with such acquisition, the Debtors obtained secured financing in the approximate amount of $38 million from the Prepetition Lenders (as defined below).

As of the Commencement Date, the Debtors employed approximately 973 employees in 35 offices across the United States. This national footprint has allowed the Company to provide services for disability claimants nationwide. The Debtors' employees are members of United Service Workers, IUJAT, Local 455 (the "Union"). The Debtors and the Union are parties to four (4) collective bargaining agreements dated October 1, 2012 (the "CBAs"). The CBAs will expire by their terms on December 31, 2015. In light of the expiration date of the CBAs and the multi-year duration of the Wind-Down, as of the date hereof, the Proponents are in the process of

[3] For the avoidance of doubt, the factual and descriptive statements regarding the Debtors and their businesses contained in this Section IV are subject to the Global Disclaimer.

commencing discussions with the Union in an effort to reach a potential consensual arrangement for the purpose of facilitating the Wind-Down.

2. The Social Security Benefits Claims Process

In many instances, an Advocate's representation of a disability claimant seeking an award under an SSA program is a multi-phase process. The first phase involves the completion and compilation of forms, medical records, information releases, and a written explanation of the disability from a doctor ("Phase One" or the "Initial Application Phase"). The claimant's initial application is submitted for consideration to an SSA office and reviewed by an examiner and medical expert. It may take from three to six months to receive a decision on the initial application. If the initial application is denied, the claimant may appeal and obtain a second review by a different examiner and medical expert. The reconsideration of the initial application can take, on average, three to five months.

Upon a second denial of the initial application, the claimant enters the second phase of the process, the Hearing Phase. The claimant must appeal the denial on reconsideration to the SSA's Office of Disability Adjudication and Review, where an Administrative Law Judge hears the appeal ("Phase Two" or the "Hearing Phase"). The Hearing Phase consists of a formal hearing, submission of additional medical records in support of the claim, and a decision by the assigned Administrative Law Judge. While claimants in Phase Two can expect to wait up to thirteen months for a hearing and decision, on average, the historical success rate of cases in Phase Two is substantially higher than Phase One. This increase is likely attributable to the fact that many more claimants seek third-party representation in Phase Two after denial of their initial application. The SSA estimates that more than 85% of claimants choose to be represented by third-party advocates, such as the Debtors, after the denial of their initial application. The Debtors' success rate has historically been, and consistently remains, two to three times greater in the Hearing Phase than the Initial Application phase.

The third and final phase at the SSA level is the appeal of a denial by the Administrative Law Judge to the Appeals Council ("Phase Three" or the "Appeals Council Phase"). The Appeals Council may find that the decision of the Administrative Law Judge should be affirmed, overturned, or remanded for reconsideration. A decision from the Appeals Council may take up to nine months on average. Where claimants are still denied benefits after appealing to the Appeals Council, their only remaining avenue for relief is by seeking judicial review in federal court. The Debtors do not represent claimants in the judicial review process. The Debtors have, however, established longstanding relationships with entities providing legal services for the prosecution of claimants' cases in federal court.

The disability claims process is lengthy and arduous, with decisions at the Hearing Phase taking up to two years, and over three years if judicial review is necessary. Given the complexity of the SSA process, the length of time it may take to receive a final decision, and the increased probability of a final decision being favorable with third-party representation, the Debtors' services are, in many cases, essential to preserving disability claimants' livelihood.

Pursuant to SSA and VA regulations, the Advocate is entitled to certain fees in connection with its successful adjudication of an assigned SSA/VA Case (the "SSA Fees"). As a

condition of employment by the Company, each Advocate has assigned to the Company its rights to any SSA Fees earned in connection with the SSA/VA Cases. The collection of SSA Fees is the Debtors' primary source of revenue. The Debtors do not collect any revenue on SSA/VA Cases until a favorable decision is issued. As a result, the Debtors' cash flow is dependent in large part upon the speed with which the federal government considers and adjudicates the SSA/VA Cases.

B. Capital Structure

1. Summary of the Debtors' Prepetition Capital Structure

SSDI Holdings, Inc. ("SSDI") is a privately held Delaware corporation owned by (i) HIG Binder, LLC, which holds 15,000 shares of Series A Preferred Stock; (ii) one or more affiliates of D.E. Shaw Direct Capital Portfolios, L.L.C., which hold 750 shares of Series A Preferred Stock; (iii) Charles Binder, who holds 1,687.5 shares of Common Stock and 3,983.11 shares of Series B Preferred Stock; (iv) Harry Binder, who holds 5,062.5 shares of Common Stock and 11,348.82 shares of Series B Preferred Stock.

SSDI is the sole member of Binder & Binder – The National Social Security Disability Advocates, LLC ("SSDA"), a Delaware limited liability company that in turn is the sole member of each of the other Debtors.

2. Prepetition Credit Facilities

a. Secured Obligations

Pursuant to a Loan Agreement dated as of August 27, 2010 and the other loan, guaranty, and security documents related thereto, SSDA was the sole borrower under a prepetition senior secured financing facility (the "Prepetition Facility") consisting of a revolving credit facility in the maximum principal amount of $8 million (the "Prepetition Revolver") and a term loan in the original principal amount of $29 million (the "Prepetition Term Loan"). All other Debtors, except for nine Debtors formed after the origination of the Prepetition Facility (the "Non-Guarantor Debtors"),[4] guaranteed SSDA's indebtedness under the Prepetition Facility (the Debtors other than SSDA and the Non-Guarantor Debtors, the "Guarantor Debtors").

Capital One, N.A. ("Capital One") and U.S. Bank National Association ("U.S. Bank") are the lenders under the Prepetition Facility (the "Prepetition Lenders"). U.S. Bank served as administrative and collateral agent for the Prepetition Lenders. As of the Commencement Date, $6,499,733 was outstanding under the Prepetition Revolver and $16,548,500 was outstanding under the Prepetition Term Loan (collectively, the "Prepetition Secured Debt"). U.S. Bank, as

[4]The Non-Guarantor Debtors include Binder & Binder - The National Social Security Disability Advocates (AZ), LLC (5887); Binder & Binder - The National Social Security Disability Advocates (CT), LLC (0206); Binder & Binder - The National Social Security Disability Advocates (MD), LLC (3760); Binder & Binder - The National Social Security Disability Advocates (MO), LLC (2108); Binder & Binder - The National Social Security Disability Advocates (OH), LLC (7827); Binder & Binder - The National Social Security Disability Advocates VA, LLC (7875); Binder & Binder - The National Social Security Disability Advocates (LA), LLC (8426); Binder & Binder - The National Social Security Disability Advocates (MI), LLC (8762); and Binder & Binder - The National Social Security Disability Advocates (DC), LLC (5265).

agent for the Prepetition Lenders, asserted a security interest in and lien on substantially all of the assets of SSDA and the Guarantor Debtors (the "Prepetition Collateral") as security for the Debtors' obligations under the Prepetition Facility (the "Prepetition Liens"). The Prepetition Facility was paid in full through the Initial DIP Facility (defined below).

b. Mezzanine Facility

SSDI and SSDA, as well as certain guarantors, as borrowers, and Stellus ("Mezzanine Lender"), as successor by assignment to D.E. Shaw Direct Capital Portfolios, L.L.C., are parties to that certain Investment Agreement dated as of August 27, 2010 (the "Prepetition Subordinated Investment Agreement").

In connection with the Prepetition Subordinated Investment Agreement, SSDA, as borrower, issued a subordinated PIK promissory note to the Mezzanine Lender (the "Prepetition Subordinated Note") pursuant to which the Mezzanine Lender provided the Company with unsecured subordinated debt in the amount of $13 million.

The Mezzanine Lender agreed to subordinate the $13 million loan to the Prepetition Secured Debt pursuant to a Subordination Agreement dated as of August 27, 2010 (the "Prepetition Subordination Agreement" and together with all related documents and agreements, the "Prepetition Subordinated Credit Documents").

As of the Commencement Date, $17,015,863.73 was outstanding under the Prepetition Subordinated Credit Documents, comprised of $13,401,573.07 in principal, $4,686,995.66 of accrued interest, and $114,284.74 in attorneys' fees.

3. Trade Obligations

As of the Commencement Date, the Debtors owed approximately $6 million in trade debt. A substantial portion of the trade debt relates to advertising and media provider costs. The Debtors have not engaged in any significant advertising since late summer 2014 and, as such, advertising expenses have been significantly reduced.

C. Events Leading to Chapter 11 Filing

A number of factors have increased the delay between favorable decisions in SSA/VA Cases and the disbursement of the related SSA Fees. First, the federal sequestration and temporary shutdown in 2013, while temporary, were unexpected and detrimentally impacted the speed of case dispositions and payment of SSA Fees, thus disrupting the Debtors' revenue stream and contributing to the Debtors' financial distress.

Although benefits payments under the various programs operated by the SSA were exempt from the funding cuts implemented as part of the federal sequestration, workflow disruptions at the SSA and uncertainty as to how the sequestration might impact new claims delayed the processing of claims and the payment of fees to advocates, even for cases already successfully adjudicated. Claims processing times eventually returned to normal levels later in 2013, but the federal government shutdown in October 2013 yet again caused delays in case resolution.

During the shutdown, the SSA and VA continued to conduct hearings, but the shutdown caused significant delays in their issuance of post-hearing decisions. As a result, the Debtors' rate of successful adjudications dropped significantly in the fourth quarter of 2013, with revenues falling short of projections by approximately 20%. Although the sequestration and shutdown were not recurring events, the resulting disruption in the Debtors' operating cash flow and the post-shutdown lag in case adjudication severely impacted the Debtors' operating performance and liquidity, necessitating a financial restructuring.

Second, more stringent standards in evaluating SSA/VA Cases in the earlier phases have negatively impacted the speed of case disposition and payment of SSA Fees. For fiscal year 2013, the Debtors generated approximately $83.7 million of revenue, of which approximately $83.4 million (99.68%) came from SSA Fees. The Debtors generate additional revenue, totaling approximately 0.32% of total revenue, from other services, including a co-branded debit card program with Esquire Bank for claimants who do not have bank accounts, and a lead generation service for providers of Medicare supplemental insurance programs.

Facing a liquidity crisis in early 2014, the Debtors engaged Lincoln International LLC to solicit incremental financing or a capital infusion. That endeavor, however, did not yield tangible results. As a result, the Debtors retained Development Specialists, Inc. ("DSI") in July 2014 to explore their strategic alternatives and undertake an operational restructuring. In light of the Debtors' continued inability to service the Prepetition Secured Debt, the Debtors determined, in an exercise of their business judgment, that it was necessary to commence these Chapter 11 Cases.

V.

THE CHAPTER 11 CASES

The following is a general summary of the Chapter 11 Cases, including the stabilization of the Debtors' operations following the Commencement Date, certain administrative matters addressed during the Chapter 11 Cases, and the Debtors' restructuring initiatives since the Commencement Date. The information noted below was obtained from documents and case filings made by or on behalf of the Debtors and/or their professionals in the Chapter 11 Cases.

A. Continuation of Business; Stay of Litigation and Enforcement of Creditors' Rights

Since the Commencement Date, the Debtors continued to operate as debtors in possession subject to the supervision of the Bankruptcy Court. Although the Debtors are authorized to operate in the ordinary course of business, transactions out of the ordinary course of business have required Bankruptcy Court approval.

An immediate effect of the Debtors' filing their voluntary chapter 11 petitions was the imposition of the automatic stay under the Bankruptcy Code, which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by Creditors, the enforcement of liens against property of the Debtors and the continuation of litigation against the Debtors. The automatic stay of an act against property of the Debtors' Estates remains in effect, unless

modified by the Bankruptcy Court, until such property no longer is property of the Debtors' Estates; the stay of all other acts encompassed by the automatic stay continues until the earlier of the time the Debtors' chapter 11 cases are closed or dismissed.

B. Parties in Interest and Advisors

Described below are the primary parties that have played significant roles in the Chapter 11 Cases to date.

1. The Bankruptcy Court

The Debtors' Chapter 11 Cases were filed in the United States Bankruptcy Court for the Southern District of New York, located in White Plains, New York. The Honorable Robert D. Drain, United States Bankruptcy Judge, is presiding over the Chapter 11 Cases.

2. Advisors to the Debtors

a. Bankruptcy Counsel

The Debtors sought authority to retain Lowenstein Sandler LLP ("Lowenstein") as bankruptcy counsel for the Debtors. The order approving the retention of Lowenstein was entered by the Bankruptcy Court on March 9, 2015.

b. Chief Restructuring Officer

The Debtors sought authority to retain DSI as crisis managers and appointed William A. Brandt, Jr. of DSI as Chief Restructuring Officer. The order authorizing DSI to provide the Chief Restructuring Office and additional personnel and designating William A. Brandt, Jr. was entered by the Bankruptcy Court on January 30, 2015.

c. Ordinary Course and Other Professionals

On December 19, 2014, the Debtors sought authority to continue to employ (or retain) certain professionals to assist them on a day-to-day basis to provide services relating to labor and employment, litigation, and corporate services, subject to monthly caps on compensation. On January 30, 2015, the Court entered an Order authorizing the Debtors to retain each of the following as ordinary course professionals: Duane Morris LLP (labor legal services); Galgano & Associates, PLLC (intellectual property legal services); and Pillsbury Winthrop Shaw Pitman LLP (industry legal services); and Zinker & Herzberg, LLP (legal services related to client bankruptcies).

3. The Creditors' Committee and Its Advisors

On January 8, 2015, the United States Trustee, pursuant to its authority under section 1102 of the Bankruptcy Code, appointed the Creditors' Committee [Docket No. 80]. The Creditors' Committee was appointed to represent the interests of, and to serve as a fiduciary for, the Debtors' unsecured creditors.

The initial members of the Committee were as follows:

1. Stellus
2. United Service Workers Union, Local 455 IUJAT & Related Funds,
3. T&G Industries, Inc.,
4. WB Mason Co., and
5. Teacktronics, Inc.

The Committee retained Klestadt Winters Jureller Southard & Stevens, LLP as its counsel and Getzler Henrich & Associates LLC as its financial advisors to provide the Committee guidance and advice in the cases and to advise and consult with it regarding any plan of reorganization or potential sale of assets. The Bankruptcy Court approved the retention of Committee's counsel and financial advisors by orders dated March 20, 2015 [Docket Nos. 171, 172].

Since its initial appointment, the Committee has been twice reconstituted. First, on January 30, 2015, the U.S. Trustee removed Stellus from the Committee due to the possibility of Stellus providing the Alternative DIP Facility [Docket No. 99]. Second, on August 14, 2015, the U.S. Trustee removed the Union because the U.S. Trustee believed that it no longer had any claim against the Debtors [Docket No. 330].

C. First and Second Day Orders

When the Debtors' out-of-court restructuring efforts did not bring the results it had hoped for, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code, thereby commencing these Chapter 11 Cases. The Debtors continue to operate their business as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

On the Commencement Date, the Debtors filed numerous "first day" motions seeking various relief intended to ensure a seamless transition between the Debtors' prepetition and postpetition business operations and to facilitate the smooth administration of the Chapter 11 Cases. The relief requested in these orders, among other things, allowed the Debtors to continue certain normal business activities that may not be specifically authorized under the Bankruptcy Code or as to which the Bankruptcy Code may have otherwise required additional Bankruptcy Court approval. Substantially all of the relief requested in the Debtors' "first day" motions was granted by the Bankruptcy Court. These motions and orders are available for review and download free of charge at the Debtors' case information website maintained by the Debtors' claims and noticing agent, BMC Group, Inc. ("BMC") (located at www.bmcgroup.com/binder).

The orders entered pursuant to the Debtors' "first day" motions authorized the Debtors to, among other things:

- jointly administer the Debtors' Chapter 11 Cases solely for procedural purposes;
- establish certain notice, case management and administrative procedures;

- obtain an extension of the time to file the Debtors' schedules and statements of financial affairs and file a consolidated list of creditors;
- retain BMC as the Debtors' noticing and claims agent;
- continue use of existing cash management system, bank accounts and business forms;
- immediately pay the following prepetition amounts: (i) certain employee wages, compensation and employee benefits, and (ii) prepetition insurance obligations;
- continue and renew their insurance programs and insurance premium financing arrangements;
- establish an orderly, regular process for the monthly compensation and reimbursement of estate professionals; and
- establish procedures pursuant to which utilities are prohibited from discontinuing service except in certain circumstances.

D. Debtor-in-Possession Financing and Cash Collateral

Below is a summary of the Debtors' debtor-in-possession financing initiatives taken during the Chapter 11 Cases.

1. Initial Debtor-in-Possession Financing from Capital One and U.S. Bank

On December 19, 2014, the Debtors' filed the "Motion for Entry of Interim and Final Order (I) Approving Post-Petition Senior Secured Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Adequate Protection, and (IV) Modifying the Automatic Stay" [Docket No. 14]. The Initial DIP Credit Agreement (defined below) provided for a post-petition revolving loan in the amount of $26 million, which provided for the payment in full, or roll-up, of the $23 million of prepetition indebtedness (the "Rolled-Up Debt") and an additional commitment of up to $3 million to fund the Debtors' operations during the Chapter 11 Cases (the "Initial DIP Facility").

On December 24, 2014, the Court entered the "Interim Order (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Granting Liens, Security Interests and Superpriority Status; (III) Authorizing Use of Cash Collateral; (IV) Affording Adequate Protection: (V) Scheduling a Final Hearing; and (VI) Modifying the Automatic Stay" [Docket No. 50] (the "Initial Interim DIP Order"). The Initial Interim DIP Order provided that, notwithstanding the roll-up of the Prepetition Secured Debt through the Initial DIP Facility, the Initial DIP Facility was subject to treatment under section 1129(b) of the Bankruptcy Code, rather than payment in cash on the effective date of a confirmed plan. Also on December 24, 2014, pursuant to the Initial Interim DIP Order, the Debtors entered into a Post-Petition Revolving Credit and Security Agreement

dated as of December 23, 2014 (as amended, restated, supplemented, or otherwise modified from time to time, the "Initial DIP Credit Agreement") with Capital One as a lender, US Bank as a lender and as agent ("DIP Agent"), and the lenders from time to time party thereto (collectively with US Bank and Capital One, the "Initial DIP Lenders"). The Initial DIP Facility imposed numerous case controls and other limitations on the Debtors' operations that proved to be impracticable given the circumstances the Debtors were facing.

On January 22, 2015, the Committee filed the "Objection of the Official Committee of Unsecured Creditors to Debtors' Motion for Entry of Interim and Final Orders (I) Approving Post-Petition Senior Secured Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Adequate Protection, and (IV) Modifying the Automatic Stay" [Docket No. 93] (the "Committee's DIP Objection"). Among other things, the Committee objected to (i) the Initial DIP Lenders' demand that the rolled-up obligations under the Prepetition Facility be paid in full upon confirmation of a plan; (ii) the aggressive repayment schedule; (iii) the plan milestones that essentially guaranteed the Chapter 11 Cases were a controlled liquidation; (iv) the prohibition on advertising and other going concern activities; and (v) the structure of the wind-down fund created under the Initial DIP Facility.

On January 26, 2015, the Initial DIP Lenders issued a notice that events of default had occurred under the Initial DIP Credit Agreement (the "DIP Default Letter"). The DIP Default Letter alleged that, as of the Test Period (as defined in the Initial DIP Credit Agreement) ending January 17, 2015, the Debtors were in default of the financial covenants set forth in clauses 1(d)(i) and (ii) of Annex I to the Initial DIP Credit Agreement, including clauses (1)(d)(i) (cash receipts) and (1)(d)(ii) (cash disbursements).

In light of the Debtors' determination that additional funding was necessary due to the federal payment slowdown, the impracticability of certain covenants in the Initial DIP Credit Agreement due to the federal payment slowdown, the various issues raised in the Committee's DIP Objection, the alleged defaults asserted in the DIP Default Letter, and the Initial DIP Lenders' failure to provide a proposed final financing order sufficiently in advance of the previously scheduled final hearing, the hearing to consider final approval of the Initial DIP Facility was adjourned from January 29, 2015 until February 10, 2015. The parties agreed that the January 29 hearing would be used as a status conference. During that status conference, the Debtors discussed the need to modify the Initial DIP Credit Agreement and engaged in negotiations with the Initial DIP Lenders and the Committee regarding those modifications.

On February 3, 2015, the Court entered the "Order (A) Extending and Amending the Interim Order (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Granting Liens, Security Interests and Superpriority Status, (III) Authorizing Use of Cash Collateral, (IV) Affording Adequate Protection, (V) Scheduling a Final Hearing, and (VI) Modifying the Automatic Stay, and (B) Approving Amendment to the DIP Loan Agreement" (the "Second Interim DIP Order") [Docket No. 122], thereby extending the approval of the Initial DIP Facility granted in the Initial Interim DIP Order through February 18, 2015.

2. Alternative Debtor-in-Possession Financing from Stellus

Shortly after the Commencement Date, the Debtors recognized a need to find alternative or replacement post-petition financing. First, the payment of fees from the SSA on account of successfully adjudicated SSA Cases had slowed significantly, a trend affecting the entire industry. Second, the Debtors had not seen the projected decrease in new SSA Cases and, as a result, needed to maintain higher staffing levels than originally budgeted. Lastly, numerous provisions under the Initial DIP Credit Agreement were proving onerous and impracticable.

On February 10, 2015, the Debtors filed the "Motion for Entry of Interim and Final Orders (I) Approving Alternative Post-Petition Senior Secured Financing on a First-Priority Priming Basis, (II) Authorizing Use of Cash Collateral, (III) Granting Adequate Protection, and (IV) Modifying the Automatic Stay" (the "Alternative DIP Motion") [Docket No. 143]. After a contested hearing, the Court authorized the Debtors to enter into the Post-Petition Credit Agreement with Stellus (the "Alternative DIP Credit Agreement") on an interim basis on March 3, 2015 (the "Alternative DIP Order") [Docket No. 193] and on a final basis on March 20, 2015 (the "Final Alternative DIP Order") [Docket No. 211].

Pursuant to the Alternative DIP Credit Agreement and Final Alternative DIP Order, the Debtors obtained a new $6 million term loan from Stellus secured by a first-priority priming lien on all of the Debtors' assets. Of the $6 million in new money, $3 million was used to satisfy the balance of new indebtedness (above the Rolled-Up Debt) owed on the Initial DIP Facility. Under the Alternative DIP Credit Agreement, the Debtors are obligated to make, in addition to excess cash sweeps, monthly amortized payments of $500,000 payments to Stellus and the Initial DIP Lenders. As of the date of this Disclosure Statement, the outstanding principal balance of the Alternative DIP Facility is $4.5 million.

E. Meeting of Creditors

The first meeting of creditors (pursuant to section 341 of the Bankruptcy Code) was held on February 24, 2015 at the Bankruptcy Court, 300 Quarropas Street, White Plains, New York.

F. The Debtors' Financial Performance Since the Commencement Date

Since the Commencement Date, the Debtors have filed monthly operating reports that summarize the Debtors' cash receipts and disbursements. Reference is made to the Debtors' monthly operating reports for information regarding the Debtors' stated cash on hand throughout the Chapter 11 Cases.

G. Employee Benefits and Union Negotiations

Prior to the Commencement Date and in the ordinary course of its business, the Debtors paid employee wages and salaries as well as other forms of compensation to its employees, many of whom are organized through the Union. As of the Commencement Date, the Debtors owed significant prepetition Union obligations on account of four (4) collective bargaining agreements. Early in the Chapter 11 Cases, the Debtors negotiated with the Union and reached a settlement with the Union regarding assumption of the collective bargaining agreements and modifications of those agreements.

On February 11, 2015, the Debtors filed the "Debtors' Motion for Authority to Assume Amended Collective Bargaining Agreements and Membership Agreement" (the "CBA Assumption Motion") [Docket No. 145]. Modifications to the CBAs included, but were not limited to: (i) a two percent (2%) salary increase for employees for 2015; (ii) for the Debtors, in their sole discretion, to provide certain Employees with a salary increase greater than two (2%) percent; and (iii) renegotiations of the terms of the CBAs (as amended by the Consensual Amendments (as defined in the CBA Assumption Motion)) to begin on July 1, 2015.

On March 9, 2015, the Court entered the "Order Authorizing Debtors to Assume Amended Collective Bargaining Agreements and Membership Agreement" [Docket No. 198]. As a result of the consensual modifications, the Proponents understand that the Debtors have no outstanding employee related obligations.

H. Reduction of Operations During the Chapter 11 Cases

Since the Commencement Date, the Debtors have closed certain of their offices and incurred certain workforce reductions. In addition, the Debtors are party to and operating pursuant to four collective bargaining agreements (the "CBAs"). As noted in Section IV.A.1 above, early in the Chapter 11 Cases, the Debtors renegotiated and assumed the CBAs with certain modifications.

I. Meetings with Parties Expressing Interest in a Transaction

During the Chapter 11 Cases, the Debtors met with more than a dozen parties who expressed interest in either partnering with the Debtors or acquiring portions of the Debtors' business. Present at those meetings, which took place between March and April of 2015, were the Debtors' professionals, Stellus and its counsel, HIG, and Harry and Charles Binder with their counsel. None of those interests came to bear any prospective alternatives.

J. Settlement of Pending Litigations

As of the Commencement Date, the Debtors were the subject of two potentially substantial labor related disputes. Both were resolved and settlements were negotiated by the Debtors' professionals and received final approval from the Bankruptcy Court

1. California Class Action Suit

On October 9, 2012, Emmily Palomino, on behalf of herself and certain current and former employees of Debtor Binder & Binder – The National Social Security Disability Advocates (CA), LLC[5] (the "CA Class Action Plaintiffs"), filed a putative class action complaint in the Superior Court of the State of California, Orange County against Binder (CA) (the "CA Class Action").[6] The Class Action Complaint included allegations that Binder (CA) violated California law by allegedly (i) failing to pay minimum wages; (ii) failing to pay overtime

[5]For convenience and brevity Binder & Binder – The National Social Security Disability Advocates (CA), LLC is also referred to as Binder (CA).

[6]See *Emmily Palomino v. Binder & Binder – The National Social Security Disability Advocates (CA), LLC*, Case No. 30-2012-00603581-CU-OE-CXC (Cal. Super. Ct. Oct. 9, 2012)

compensation; (iii) failing to provide accurate itemized wage statements; (iv) failing to timely pay wages upon termination of employment; and (v) committing unfair business practices (the "Class Action Complaint"). Binder (CA) vigorously disputed the allegations of the Class Action Complaint and on November 29, 2012, filed its answer to the Class Action Complaint denying all allegations and asserting numerous defenses. The CA Class Action Plaintiffs and Binder (CA) engaged in discovery including depositions, production of documents, records and communications. On March 18, 2014, the parties to the CA Class Action participated in mediation before Jeffrey Krivis, Esq. Despite good faith attempts by both parties to resolve the matter, they could not reach a resolution. On November 6, 2014, the CA Class Action Plaintiffs filed a motion for class certification in the CA Class Action.

Upon Debtors' bankruptcy filing, the CA Class Action, including the motion for class certification, was stayed pursuant to section 362 of the Bankruptcy Code.

After the Commencement Date, the Debtors' Chief Restructuring Officer and labor counsel engaged in settlement discussions with Counsel to the CA Class Action Plaintiff. Those negotiations resulted in a global settlement of the CA Class Action.

On June 29, 2015, the CA Class Action Plaintiffs and Binder (CA) filed with the United States Bankruptcy Court, Central District of California, Santa Ana Division a joint notice of removal, removing the CA Class Action to the California Bankruptcy Court. On June 30, 2015, the CA Class Action Plaintiffs and the Debtors filed an *ex parte* "Application to Transfer Venue. Pursuant to the Application to Transfer Venue" and by Order dated July 2, 2015, venue of the CA Class Action was transferred from the California Bankruptcy Court to this Bankruptcy Court.[7]

On July 8, 2015, the Debtors filed the "Debtors' Motion Pursuant to 11 U.S.C. § 105 and Fed. R. Bank. P. 7023 and 9019 to (I) Approve a Settlement Pursuant to Fed. R. Bankr. P. 9019, (II) Certify a Class of Claimants for Settlement Purposes Only, (III) Appoint Class Counsel and Class Representative, (IV) Preliminarily Approve the Settlement Pursuant to Fed. R. Bankr. P. 7023, (V) Approve the Form and Manner of Notice to Class members of the Class Certification and Settlement, (VI) Schedule a Fairness Hearing to (A) Consider Final Approval of the Settlement and (B) Grant Final Approval of the Settlement Pursuant to Fed. R. Bankr. P. 7023 Following the Fairness Hearing, and (VII) Granting Related Relief" (the "CA Class Action Settlement Motion"). As set forth in the CA Class Action Settlement Motion, the Debtors and the CA Class Action Plaintiffs settled the CA Class Action pursuant to the terms set forth in the Settlement Agreement attached as Exhibit A to the CA Class Action Settlement Motion (the "CA Class Action Settlement Agreement"). The material terms of the CA Class Action Settlement Agreement included payment of $225,000 by the Debtors in exchange for a full release of all claims against the Debtors. On November 4, 2015, the Bankruptcy Court entered the "Final Order Pursuant to Bankruptcy Rules 7023 and 9019 and Fed. R. Civ. P. Rule 23 Approving Settlement Agreement Between the Settlement Class and Granting Related Relief" [Adv. Pro.

[7]The CA Class Action was docketed in this Court as adversary proceeding *Emmily Palomino v. Binder & Binder – The National Social Security Disability Advocates (CA), LLC*, Adv. Pro. No. 15-08336 (RDD) (Bankr. S.D.N.Y. July 8, 2015).

No. 15-08336, Docket No. 22] granting final approval of the CA Class Action Settlement Agreement.

2. Employment Discrimination

In July of 2015, the Debtors settled a prepetition employment related claim with a former employee. Pursuant to that agreement, the settlement agreement and its terms were kept confidential and filed under seal with the Bankruptcy Court and, therefore, are not disclosed in this Disclosure Statement. On June 30, 2015, the Debtors filed the Debtors' "Motion for an Order Approving Settlement Agreement with Former Employee Pursuant to Bankruptcy Rule 9019" [Docket No. 274]. On July 20, 2015, the Court entered the "Order Approving Settlement Agreement with Former Employee Pursuant to Bankruptcy Rule 9019" [Docket No. 313].

K. Pursuing Fees from the Social Security Administration by Writ of Mandamus

As previously discussed, the backlog of SSA Cases and delays in receiving SSA Fees from the SSA was critical in the Debtors' decision to file bankruptcy and need to seek postpetition financing. Since the Commencement Date, the Debtors needed additional liquidity to continue their restructuring efforts and had no other option but to seek payment of SSA Fees due and owing from the SSA.

On August 7, 2015, the Debtors' filed their "Adversary Complaint for Writ of Mandamus and Turnover" and "Memorandum of Law in Support of the Debtors' Order to Show Cause Seeking an Expedited Hearing on the Relief Requested in the Adversary Complaint" (collectively, the "Mandamus Action").[8] The Mandamus Action sought (i) that the Bankruptcy Court issue a writ of mandamus, pursuant to 28 U.S.C. §§ 1361 and 1651, compelling the SSA to fulfill and complete its obligations as mandated under the Social Security Act with respect to the fees that are due and owing to the Debtors, and (ii) an Order from the Bankruptcy Court compelling the SSA to turnover, pursuant to section 541 and 542 of the Bankruptcy Code, certain fees that are undisputedly property of the Debtors' estates. On August 25, 2015, the SSA, through the U.S. Attorney's Office for the Southern District of New York, filed Defendant's Memorandum in Opposition to Plaintiffs' Request for Emergency Relief (the "SSA Objection").

In an effort to avoid complex and potentially expensive litigation, the Debtors and SSA met and conferred on August 27, 2015, to develop a solution to the backlog of SSA Cases and SSA Fees and, ultimately, ease the Debtors' cash liquidity issues while continuing with their reorganization effort.

As a result of the efforts made by the Debtors and the SSA, the Debtors have seen an increase in cash receipts on account of SSA Cases and SSA Fees during September and October. The Mandamus Action is still pending before the Bankruptcy Court, however, because the Debtors and SSA continue to make significant gains in resolving delayed SSA Cases and

[8]The Mandamus Action is brought under adversary proceeding captioned *Binder & Binder – The National Social Security Disability Advocates (NY), LLC, et al., v. Carolyn W. Colvin, Commissioner of the Social Security Administration*, Adv. Pro. No. 15-08345 (Bankr. S.D.N.Y. Aug. 7, 2015).

payment of SSA Fees, the Mandamus Action is being carried without any hearings or action taken by either party.

L. Exclusivity Extensions

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptances of a chapter 11 plan for an initial period of 120 days from the date on which the debtor filed for voluntary relief under Chapter 11. If the debtor files a plan within this exclusive period, then the debtors has the exclusive right for 180 days from the date on which the debtor filed for voluntary relief to solicit acceptances to the plan. A bankruptcy court may extend these periods in favor of a debtor upon request of a party in interest and "for cause."

The Debtors requested and received one extension of its exclusive periods to file and solicit acceptances of a plan. On April 14, 2015, the Bankruptcy Court granted the Debtors' motion for an extension of exclusivity through December 14, 2015.

On September 29, 2015, the Alternative DIP Lender, Stellus, filed its "Motion to Terminate Exclusivity Pursuant to Section 1121(d) of the Bankruptcy Code" (the "Stellus Motion to Terminate Exclusivity") [Docket No. 350]. After the filing of the Stellus Motion to Terminate Exclusivity, the Debtors determined not to oppose the Stellus Motion to Terminate Exclusivity. On October 29, 2015, the Court entered the "Order Granting Stellus Capital Investment Corporation's Motion to Terminate Exclusivity Pursuant to Section 1121(d) of the Bankruptcy Code" [Docket No. 372]. As a result of the entry of the Exclusivity Termination Order, creditors and parties in interest are free to file plans and disclosure statements for consideration by the Bankruptcy Court.

M. Claims Process and Bar Date

1. Schedules and Statements

On February 2, 2015, each of the Debtors filed with the Bankruptcy Court a statement of financial affairs, and schedules of assets, liabilities and executory contracts and unexpired leases (collectively, the "Schedules").

2. Bar Date

By order dated August 31, 2015, the Bankruptcy Court established October 30, 2015 as the last date for filing proofs of claims in respect of prepetition Claims against the Debtors' estates.

3. Preparation of Claims Estimates and Recoveries

The Proponents' preliminary estimates of Allowed Claims are identified in the charts set forth in Section VI below and form the basis of projected recoveries in SSDI Class 4 and Subsidiary Debtor Class 4.

VI.

SUMMARY OF THE PLAN

A. Introduction

This Article provides a summary of the terms and provisions of the Plan, including the classification and treatment of Claims under the Plan and the means for implementation of the Plan. The summary is qualified in its entirety by reference to the Plan, which is submitted herewith. The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms of the Plan or the documents referred to therein; reference is made to the Plan and to such documents for the full and complete statements of such terms.

The Plan itself and the documents referred to therein control the actual treatment of Claims against the Debtors under the Plan and will, upon the Effective Date, be binding upon all holders of Claims against the Debtors, their Estates and other parties in interest.

B. Classification and Treatment of Claims and Equity Interests

Although the Chapter 11 Cases are jointly administered pursuant to an order of the Bankruptcy Court, the Plan does not contemplate substantive consolidation of the Debtors' respective Estates. Thus, although the Plan generally applies to all of the Debtors, except as otherwise provided in the Plan, (i) the Plan constitutes twenty-five distinct chapter 11 plans, one for each Debtor; (ii) for voting purposes, each holder of a Claim in a Class that is entitled to vote to accept or reject the Plan shall vote its Claim in such Class by individual Debtor; and (iii) the classification scheme set forth in Article 3 of the Plan applies to each Debtor, but to the extent that there are no Claims in a certain Class against a particular Debtor, pursuant to Section 4.7 and Section 5.7 of the Plan, that Class shall be deemed not to exist for any purpose whatsoever with respect to that Debtor.

A Claim or Equity Interest will be placed in a particular Class only to the extent that such Claim or Equity Interest falls within the description of such Class, and will be classified in other Classes to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes. For the avoidance of doubt, a Claim will be placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that the Claim is an Allowed Claim in such Class and the Claim has not been paid, released, or otherwise settled or compromised prior to the Effective Date.

The following tables summarize the treatment of Administrative Expense Claims and Priority Tax Claims, and the classification and treatment of other Claims and Equity Interests under the Plan. These tables provide only a summary of the classification, impairment and entitlement to vote of Claims and Equity Interests under the Plan. For a complete description of the classification and/or treatment of Administrative Expense Claims, Priority Tax Claims, other Claims, and Equity Interests, reference should be made to the entire Disclosure Statement and

the Plan and all exhibits thereto, to which this summary is qualified in its entirety by reference. All figures are approximate and aggregated for all Debtors.

1. SSDI Classes

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
--	Administrative Expense Claims (estimated $[__])	Except to the extent that a holder of an Allowed Administrative Expense Claim has been paid by a Debtor prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash from the Debtor obligated for the payment of such Allowed Administrative Expense Claim in an amount equal to the Allowed amount of such Administrative Expense Claim on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by a Debtor or other obligations incurred by such Debtor shall be paid in full and performed by such Debtor in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.	100%	N/A
--	Alternative DIP Facility Claims ($[__])	By agreement between the Alternative DIP Agent and the Debtors and in full and final satisfaction of all Claims of the Alternative DIP Agent under the Alternative DIP Facility, on the Effective Date, the Alternative DIP Facility shall be converted to, and replaced with, the Exit Facility, which Exit Facility shall include such terms and conditions as shall be set forth in the Exit Facility Documents.	100%	N/A
--	Professional Compensation and Reimbursement Claims (estimated $[__])	Other than a professional retained by the Debtors pursuant to the Ordinary Course Professional Order, any entity seeking an award of the Bankruptcy Court of compensation for services rendered and/or reimbursement of expenses incurred on behalf of the Debtors or the Creditors' Committee through and including the Effective Date under section 105(a), 363(b), 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code shall (i) file its final application for allowance of such compensation and/or reimbursement by no later than the date that is 30 days after the Effective Date or such other date as may be fixed by the Bankruptcy Court; and (ii) be paid by or on behalf of the Debtor in full and in Cash in the amounts Allowed upon (A) the date the order granting such award becomes a Final Order, or as soon thereafter as practicable, or (B) such other terms as may be mutually agreed upon by the claimant and the Plan Administrator (on behalf of the Debtor	100%	N/A

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		obligated for the payment of such Allowed Claim).		
--	Priority Tax Claims (estimated $[__])	Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by a Debtor prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive Cash from the Debtor obligated for the payment of such Allowed Priority Tax Claim in an amount equal to the Allowed amount of such Priority Tax Claim in accordance with sections 1129(a)(9)(C) and (D) of the Bankruptcy Code.	100%	N/A
1	Priority Non-Tax Claims	Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, each holder of an Allowed Priority Non-Tax Claim shall receive, in full settlement, satisfaction and release of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date; (ii) the date such Claim becomes Allowed; and (iii) the date for payment provided by any agreement or understanding between the Plan Administrator and the holder of such Claim.	100%	Unimpaired/ Not entitled to vote (deemed to accept)
2	First DIP Lender Secured Claims	The holders of Allowed First DIP Lender Secured Claims in SSDI Class 2 will receive different treatment depending on whether SSDI Class 2 accepts the Plan by the requisite majority under section 1126(c) of the Bankruptcy Code. In the event that SSDI Class 2 votes to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then in full and final settlement, satisfaction and release of the Allowed First DIP Lender Secured Claims, each holder of an Allowed First DIP Lender Secured Claim in SSDI Class 2 shall receive on the Effective Date the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) cash pay interest rate of 4.0% per annum; (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash; (D) a maturity date of three (3) years from the Effective Date; (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order; and (F) customary and reasonable covenants, reporting requirements, and events of default. In addition, in the event that the holders of the Allowed First DIP Lender Secured	100%	Impaired/ Entitled to vote

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		Claims in SSDI Class 2 vote to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then the First DIP Agent and the First DIP Lenders shall be deemed to be Released Parties under the Plan. In the event that SSDI Class 2 votes to reject the Plan, then on the Effective Date and in full and final settlement, satisfaction and release of the Allowed First DIP Lender Secured Claims, each holder of an Allowed U.S. Bank Secured Claim shall receive the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) an interest rate to be determined by the Bankruptcy Court pursuant to section 1129(b) of the Bankruptcy Code, (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash, (D) a maturity date of three (3) years from the Effective Date, (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order, and (F) such covenants, reporting requirements and events of default as required by the Bankruptcy Court; provided, for the avoidance of doubt, in the event that SSDI Class 2 votes to reject the Plan, the treatment provided in this Section 4.2(b)(ii) shall be subject to further modification pursuant to any Final Order entered by the Bankruptcy Court in respect of any Cause of Action asserted against the holder of the Allowed U.S. Bank Secured Claim; provided further, for the avoidance of doubt, in the event that SSDI Class 2 votes to reject the Plan, no holder of an Allowed U.S. Bank Secured Claim in SSDI Class 2 shall be or shall be deemed to be a Released Party.		
3	Other Secured Claims (estimated $[__])	Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, each holder of an Allowed Other Secured Claim (which shall be identified in a schedule in the Plan Supplement) shall receive in full settlement, satisfaction and release of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date, (ii) the date such Claim becomes Allowed, and (iii) the date for payment provided by any agreement or understanding between the Debtors or the Plan Administrator and the	100%	Unimpaired; Not entitled to vote (deemed to accept)

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		holder of such Claim.		
4	General Unsecured Claims (estimated $[__])	Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each holder of an Allowed General Unsecured Claim in SSDI Class 4 that votes to accept the Plan shall be entitled to elect on its respective Ballot either "GUC Option A" and "GUC Option B" below, and regardless of such election, shall be entitled to receive its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. **In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 votes to accept the Plan but fails to elect either GUC Option A or GUC Option B on its Ballot, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 votes to reject the Plan, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement.** GUC Option A (Cash Distribution Option). In full any final settlement, satisfaction and release of its respective Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim that elects GUC Option A in accordance with Section 4.4(b) of the Plan shall receive (A) its Pro Rata share of the Cash Distribution, with (x) one-half of such Cash Distribution to be paid by the Plan Administrator from the Debtors' cash on hand concurrently with the first Distribution to be made by the Plan Administrator under the Exit Facility pursuant to the Exit Facility Documents, and (y) the remaining one-half of such Cash Distribution to be paid by the Plan Administrator from Excess Cash after payment in full of the Exit Facility and prior to any Distribution of Excess Cash on account of Allowed Claims in SSDI Class 2, and (B) the Second Cash Distribution Installment Note. In the event that SSDI Class 4 votes to accept the Plan by the requisite majority under 1126(c) of the Bankruptcy Code (regardless of which option may be selected), then Stellus shall forego receipt of any Cash Distribution pursuant to GUC Option A on account of the Allowed Stellus Prepetition Claim. GUC Option B (Excess Cash Option). In full and final settlement, satisfaction and release of its respective Allowed General Unsecured Claim, each	20%	Impaired; Entitled to vote

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		holder of an Allowed General Unsecured Claim that elects GUC Option B in accordance with Section 4.4(b) of the Plan shall (A) retain its respective Allowed General Unsecured Claim against the applicable Debtor obligated with respect thereto, in the full Allowed amount thereof; and (B) once the New U.S. Bank Secured Term Note has been paid in full, receive its Pro Rata share of the remaining SSDI Estate Assets, the timing and amounts of such Distribution or Distributions to be determined by the Plan Administrator in its reasonable discretion. Irrespective of the vote to accept or reject the Plan, or election between GUC Option A and GUC Option B, made by a holder of an Allowed General Unsecured Claim in SSDI Class 4, each such holder shall receive its Pro Rata Distribution of proceeds of all Causes of Action realized by any Debtor from and after the Effective Date, in accordance with the Plan and the Plan Trust Agreement.		
5	Intercompany Claims (estimated $[__])	All Intercompany Claims shall be deemed cancelled and discharged as of the Effective Date, and holders of such Claims shall not receive or retain any property or interest in property on account of such Claims.	Impaired	Deemed to Reject
6	Equity Interests	Stock Exchange. On the Effective Date, all Existing Stock shall be cancelled and the Exchanged Stock shall be issued by SSDI to the Plan Trust which will hold such Exchanged Stock for the exclusive benefit of the holders of such former Existing Stock consistent with their former relative priority and economic entitlements as holders of Existing Stock. The Plan Trust shall allocate corresponding amounts of Plan Trust Interests to such holders of Existing Stock in accordance with the Plan Trust Agreement. Distributions. Each holder of an Equity Interest in SSDI (through their interest in their corresponding Plan Trust Interests or otherwise) shall neither receive nor retain any Estate Assets or any direct interest in any Estate Assets of SSDI on account of such Equity Interests; provided, however, in the event that all Allowed Claims against SSDI have been satisfied in full in accordance with the Bankruptcy Code and the Plan, each holder of a cancelled Equity Interest in SSDI may receive its Pro Rata share of any remaining assets of SSDI consistent with such holder's rights of payment existing immediately prior to the Commencement Date; provided, however, no such Distribution shall be made to the extent such holder is then subject to a Cause of Action. Unless otherwise determined by the Plan Administrator, on the date that SSDI's Chapter 11 Case is closed, the Exchanged Stock issued pursuant to subsection (b) above shall be deemed cancelled and of no further force and effect,	Impaired	Deemed to Reject

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		provided that such cancellation does not adversely impact the Debtors' Estates. The Plan Trust Interests shall be nontransferable except by operation of law.		

2. Subsidiary Debtor Classes

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
--	Administrative Expense Claims (estimated $[__])	Except to the extent that a holder of an Allowed Administrative Expense Claim has been paid by a Debtor prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash from the Debtor obligated for the payment of such Allowed Administrative Expense Claim in an amount equal to the Allowed amount of such Administrative Expense Claim on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by a Debtor or other obligations incurred by such Debtor shall be paid in full and performed by such Debtor in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.	100%	N/A
--	Alternative DIP Facility Claims ($[__])	By agreement between the Alternative DIP Agent and the Debtors and in full and final satisfaction of all Claims of the Alternative DIP Agent under the Alternative DIP Facility, on the Effective Date, the Alternative DIP Facility shall be converted to, and replaced with, the Exit Facility, which Exit Facility shall include such terms and conditions as shall be set forth in the Exit Facility Documents.	100%	N/A
--	Professional Compensation and Reimbursement Claims ($[__])	Other than a professional retained by the Debtors pursuant to the Ordinary Course Professional Order, any entity seeking an award of the Bankruptcy Court of compensation for services rendered and/or reimbursement of expenses incurred on behalf of the Debtors or the Creditors' Committee through and including the Effective Date under section 105(a), 363(b), 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code shall (i) file its final application for allowance of such compensation and/or reimbursement by no later than the date that is 30 days after the Effective Date or such other date as may be fixed by the Bankruptcy Court; and (ii) be paid by or on behalf of the Debtor in full and in Cash in the amounts Allowed upon (A) the date the order granting such	100%	N/A

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		award becomes a Final Order, or as soon thereafter as practicable, or (B) such other terms as may be mutually agreed upon by the claimant and the Plan Administrator (on behalf of the Debtor obligated for the payment of such Allowed Claim).		
--	Priority Tax Claims (estimated $[__])	Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by a Debtor prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive Cash from the Debtor obligated for the payment of such Allowed Priority Tax Claim in an amount equal to the Allowed amount of such Priority Tax Claim in accordance with sections 1129(a)(9)(C) and (D) of the Bankruptcy Code.	100%	N/A
1	Priority Non-Tax Claims	Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, each holder of an Allowed Priority Non-Tax Claim shall receive, in full settlement, satisfaction and release of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date; (ii) the date such Claim becomes Allowed; and (iii) the date for payment provided by any agreement or understanding between the Plan Administrator and the holder of such Claim.	100%	Unimpaired/ Not entitled to vote (deemed to accept)
2	First DIP Lender Secured Claims	The holders of Allowed First DIP Lender Secured Claims in Subsidiary Debtor Class 2 will receive different treatment depending on whether Subsidiary Debtor Class 2 accepts the Plan by the requisite majority under section 1126(c) of the Bankruptcy Code. In the event that Subsidiary Debtor Class 2 votes to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then in full and final settlement, satisfaction and release of the Allowed First DIP Lender Secured Claims, each holder of an Allowed First DIP Lender Secured Claim in Subsidiary Debtor Class 2 shall receive on the Effective Date the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) cash pay interest rate of 4.0% per annum; (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash; (D) a maturity date of three (3) years from the Effective Date; (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order; and (F)	100%	Impaired/ Entitled to vote

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		customary and reasonable covenants, reporting requirements, and events of default. In addition, in the event that the holders of the Allowed First DIP Lender Secured Claims in Subsidiary Debtor Class 2 vote to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then the First DIP Agent and the First DIP Lenders shall be deemed to be Released Parties under the Plan. In the event that Subsidiary Debtor Class 2 votes to reject the Plan, then on the Effective Date and in full and final settlement, satisfaction and release of the Allowed First DIP Lender Secured Claims, each holder of an Allowed U.S. Bank Secured Claim shall receive the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) an interest rate to be determined by the Bankruptcy Court pursuant to section 1129(b) of the Bankruptcy Code, (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash, (D) a maturity date of three (3) years from the Effective Date, (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order, and (F) such covenants, reporting requirements and events of default as required by the Bankruptcy Court; provided, for the avoidance of doubt, in the event that Subsidiary Debtor Class 2 votes to reject the Plan, the treatment provided in this Section 4.2(b)(ii) shall be subject to further modification pursuant to any Final Order entered by the Bankruptcy Court in respect of any Cause of Action asserted against the holder of the Allowed U.S. Bank Secured Claim; provided further, for the avoidance of doubt, in the event that SSDI Class 2 votes to reject the Plan, no holder of an Allowed U.S. Bank Secured Claim in SSDI Class 2 shall be or shall be deemed to be a Released Party.		
3	Other Secured Claims (estimated $[__])	Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, each holder of an Allowed Other Secured Claim (which shall be identified in a schedule in the Plan Supplement) shall receive in full settlement, satisfaction and release of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date, (ii) the date such Claim becomes Allowed, and (iii) the date for payment provided by any	100%	Unimpaired; Not entitled to vote (deemed to accept)

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		agreement or understanding between the Debtors or the Plan Administrator and the holder of such Claim.		
4	General Unsecured Claims (estimated $[__])	Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each holder of an Allowed General Unsecured Claim in Subsidiary Debtor Class 4 that votes to accept the Plan shall be entitled to elect on its respective Ballot either "GUC Option A" and "GUC Option B" below, and regardless of such election, shall be entitled to receive its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement**. In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 votes to accept the Plan but fails to elect either GUC Option A or GUC Option B on its Ballot, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 votes to reject the Plan, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement.** GUC Option A (Cash Distribution Option). In full any final settlement, satisfaction and release of its respective Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim that elects GUC Option A in accordance with Section 4.4(b) of the Plan shall receive (A) its Pro Rata share of the Cash Distribution, with (x) one-half of such Cash Distribution to be paid by the Plan Administrator from the Debtors' cash on hand concurrently with the first Distribution to be made by the Plan Administrator under the Exit Facility pursuant to the Exit Facility Documents, and (y) the remaining one-half of such Cash Distribution to be paid by the Plan Administrator from Excess Cash after payment in full of the Exit Facility and prior to any Distribution of Excess Cash on account of Allowed Claims in Subsidiary Debtor Class 2, and (B) the Second Cash Distribution Installment Note. In the event that Subsidiary Debtor Class 4 votes to accept the Plan by the requisite majority under 1126(c) of the Bankruptcy Code (regardless of which option may be selected), then Stellus shall forego receipt of any Cash Distribution pursuant to GUC Option A on account of the Allowed Stellus Prepetition Claim. GUC Option B (Excess Cash Option). In full and final settlement, satisfaction and release of its respective Allowed General Unsecured Claim, each holder of an	20%	Impaired; Entitled to vote

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
		Allowed General Unsecured Claim that elects GUC Option B in accordance with Section 4.4(b) of the Plan shall (A) retain its respective Allowed General Unsecured Claim against the applicable Debtor obligated with respect thereto, in the full Allowed amount thereof; and (B) once the New U.S. Bank Secured Term Note has been paid in full, receive its Pro Rata share of the remaining SSDI Estate Assets, the timing and amounts of such Distribution or Distributions to be determined by the Plan Administrator in its reasonable discretion. Irrespective of the vote to accept or reject the Plan, or election between GUC Option A and GUC Option B, made by a holder of an Allowed General Unsecured Claim in SSDI Class 4, each such holder shall receive its Pro Rata Distribution of proceeds of all Causes of Action realized by any Debtor from and after the Effective Date, in accordance with the Plan and the Plan Trust Agreement.		
5	Intercompany Claims (estimated $[__])	All Intercompany Claims shall be deemed cancelled and discharged as of the Effective Date, and holders of such Claims shall not receive or retain any property or interest in property on account of such Claims.	Impaired	Deemed to Reject
6	Equity Interests	Equity Interests in each Subsidiary Debtor shall be cancelled if and when the respective Subsidiary Debtor is dissolved in accordance with Section 6.4 of the Plan. Each holder of an Equity Interest in each Subsidiary Debtor shall neither receive nor retain any Estate Assets or direct interest in any Estate Assets of such Subsidiary Debtor on account of such Equity Interests thereafter; provided, however, that in the event that all Allowed Claims against the respective Subsidiary Debtor have been satisfied in full in accordance with the Bankruptcy Code and the Plan, each holder of an Equity Interest in such Subsidiary Debtor may receive its Pro Rata share of any remaining assets in such Subsidiary Debtor.	Impaired	Deemed to Reject

C. Means for Implementing the Plan

On the Effective Date, the Plan Trust shall be established, the Plan Administrator and the Wind-Down Team shall be appointed, and the Distributions under the Plan shall be funded, as described below.

1. Plan Administrator

On the Effective Date, the Plan Administrator shall be vested with the authority described in Section 6.1(b) of the Plan and in the Plan Trust Agreement.

The Plan Administrator shall have the authority and right on behalf of each of the Debtors, without the need for Bankruptcy Court approval (unless otherwise indicated), to carry out and implement all provisions of the Plan, including, without limitation, to:

(i) except to the extent Claims have been previously Allowed, control and effectuate the Claims reconciliation process, including to object to, comprise or settle any and all Claims against the Debtors subject to Bankruptcy Court approval;

(ii) make Distributions to holders of Allowed Claims in accordance with the Plan;

(iii) exercise its reasonable business judgment to direct and control the Wind-Down, liquidation, sale and/or abandoning of the assets of the Debtors under the Plan and in accordance with applicable law as necessary to maximize Distributions to holders of Allowed Claims;

(iv) prosecute all Causes of Action; provided, for the avoidance of doubt, any prosecution (or settlement, compromise, or other resolution) of any material Cause of Action shall require the prior approval of a majority of the Plan Trust Board, as shall be provided in the Plan Trust Agreement;

(v) assume all rights and powers of the Debtors under the Bankruptcy Code and applicable law, including, without limitation, the exclusive right to assert and waive the Debtors' attorney-client and other applicable privileges in connection with any Cause of Action or otherwise, all of which rights and powers shall be automatically vested with the Plan Administrator on the Effective Date pursuant to the Plan, the Confirmation Order, and the Plan Trust Agreement;

(vi) assist the Committee Representative in connection with its review of, and if warranted objection to, Professional Claims pursuant to Section 8.1 of the Plan;

(vii) make payments on account of any Allowed Professional Claims awarded pursuant to a Final Order of the Bankruptcy Court;

(viii) retain professionals to assist in performing its duties under the Plan;

(ix) appoint and oversee the Wind-Down Team;

(x) incur and pay reasonable and necessary expenses in connection with the performance of duties under the Plan, including the reasonable fees and expenses of professionals retained by the Plan Administrator;

(xi) maintain the books, records, and accounts of the Debtors;

(xii) oversee, and exercise exclusive control over, the Bank Accounts;

(xiii) invest Cash of the Debtors, including any Cash proceeds realized from the liquidation of any assets of the Debtors, including any Causes of Action, and any income earned thereon;

(xiv) administer each Debtor's tax obligations, including (A) filing tax returns and paying tax obligations; (B) request, if necessary, an expedited determination of any unpaid tax liability of each Debtor or its Estate under Bankruptcy Code section 505(b) for all taxable periods of such Debtor ending after the Commencement Date through the liquidation of such Debtor as determined under applicable tax laws; and (C) represent the interest and account of each Debtor or its Estate before any taxing authority in all matters including, without limitation, any action, suit, proceeding or audit;

(xv) prepare and file any and all informational returns, reports, statements, returns or disclosures relating to the Debtors that are required hereunder, by any Governmental Unit or applicable law;

(xvi) pay statutory fees in accordance with Section 13.3 of the Plan;

(xvii) subject to approval of a majority of the Plan Trustees, determine whether to create a Liquidating Trust for certain assets of a Debtor and which assets to transfer to such Liquidating Trust;

(xviii) after the Chapter 11 Case of a Debtor has been fully administered, seek authority from the Bankruptcy Court to close such Debtor's Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules; and

(xix) perform other duties and functions that are consistent with the implementation of the Plan.

The Plan Administrator shall have no liability whatsoever for any acts or omissions in its capacity as Plan Administrator to the Debtors or holders of Claims against or Equity Interests in the Debtors other than for gross negligence or willful misconduct of the Plan Administrator. Each of the Debtors shall indemnify and hold harmless the Plan Administrator for any losses incurred in such capacity, except to the extent such losses were the result of the Plan Administrator's gross negligence, willful misconduct or criminal conduct.

2. Wind-Down

By virtue of its ownership of the Exchanged Stock and pursuant to the terms and conditions of the Plan and the Plan Trust Agreement, the Plan Trust (and, the Plan Administrator on behalf thereof) shall exercise exclusive control of the Debtors' affairs and the Wind-Down, and shall enjoy and exercise such rights and powers with respect to the Debtors as set forth in the Plan and as shall be set forth in the Plan Trust Agreement. In furtherance and without limitation thereof, on and after the Effective Date, pursuant to the Plan, the Plan Administrator and the Wind-Down Team shall implement the Wind-Down, and shall sell and otherwise liquidate assets of the Debtors in accordance with the Plan and the Plan Trust Agreement. The Wind-Down, sale and liquidation of such Debtor's assets shall occur over a period of three years after the Effective Date.

3. Governance of the Plan Trust

On the Effective Date, the Plan Trust Board shall be vested with the authority set forth herein, and shall oversee the affairs of the Plan Trust, as shall be further set forth in the Plan Trust Agreement. The Plan Trust Board shall consist of three (3) Plan Trustees, two (2) of which shall be selected and appointed by Stellus, and one (1) of which shall be selected and appointed by the Committee. The terms and conditions of the governance of the Plan Trust shall be set forth in the Plan Trust Agreement, which shall be acceptable in form and substance to Stellus and the Committee (such consent of the Committee not to be unreasonably withheld).

4. Corporate Existence of Post-Effective Date Debtors

After the Effective Date, the Plan Administrator may decide to (i) maintain each Debtor as a corporation or limited liability company in good standing until such time as all aspects of the Plan pertaining to such Debtor have been completed; or (ii) at such time as the Plan Administrator considers appropriate and consistent with the implementation of the Plan pertaining to such Debtor (such as, for example, after all Distributions have been made by the Plan Administrator pursuant to the Plan pertaining to such Debtor), dissolve such Debtor and complete the winding-up of such Debtor without the necessity for any other or further actions to be taken by or on behalf of such dissolving Debtor or its shareholder or any payments to be made in connection therewith subject to the filing of a certificate of dissolution with the appropriate governmental authorities; provided, that the foregoing does not limit the Plan Administrator's ability to otherwise abandon an interest in a Debtor entity if determined by the Plan Administrator to further the Wind-Down of such Debtor's Estate.

5. Formation Documents and By-Laws

As of the Effective Date, the respective formation documents and by-laws of each Debtor shall be deemed amended to the extent necessary to carry out the provisions of the Plan. The amended formation documents and by-laws of such Debtor (if any) shall be contained in the Plan Supplement.

6. Effectuating Documents and Further Transactions

Upon entry of the Confirmation Order, each of the Debtors or the Plan Administrator (as applicable), shall be authorized and are instructed to execute, deliver, file or record such contracts, instruments, releases, consents, certificates, resolutions, programs and other agreements and documents and take such actions as may be reasonably necessary or appropriate to effectuate, implement, consummate and further evidence the terms and conditions of this Plan, including, without limitation, implementing all settlements and compromises as set forth in or contemplated by this Plan, amending and restating the Debtors' constituent documents in accordance with the terms of this Plan, and performing all obligations under this Plan. As of the Effective Date, no member, partner or equity security holder of the Debtors shall take any action that affects, alters or creates any additional or incremental liability for or imputed to the Debtors.

D. Distributions

1. Distribution Record Date

Except as otherwise provided in the Plan, as of 12:00 p.m. (prevailing Eastern time) on the Distribution Record Date, there shall be no further changes in the recordholders of any Claim against or Equity Interest in the Debtors, and the Debtors shall have no obligation to recognize any transfer of any Claim against or Equity Interest in the Debtors occurring after the Distribution Record Date.

2. Distributions by the Plan Administrator

On and after the Effective Date, the Plan Administrator shall make Distributions in accordance with the terms and provisions of the Plan. Except as otherwise provided herein or pursuant to agreement or understanding between the Debtors and the holder of an Allowed Claim as of the Effective Date, all Distributions required to be made under this Plan with respect to Claims that are Allowed as of the Effective Date shall be made by the Plan Administrator from the Debtors' cash on hand on the Effective Date, or as soon as reasonably practicable thereafter. Except as otherwise provided in this Plan or pursuant to agreement or understanding between the Plan Administrator and the holder of a Disputed Claim, if such Claim becomes Allowed after the Effective Date, the Plan Administrator shall make all Distributions with respect to such Claim on or as soon as reasonably practicable after the date on which such Claim becomes Allowed; provided, to the extent such Claim becomes Allowed after the Effective Date, no interest shall accrue or be payable with respect to such Allowed Claim or any Distributions related thereto.

3. Disputed Claims Reserve

From and after the Effective Date, the Plan Administrator shall reserve from Cash Distributions to the holders of Allowed Claims in SSDI Class 4 and Subsidiary Debtor Class 4 such amount of Cash as reasonably determined by the Plan Administrator in light of the asserted dollar amount of Disputed Claims in SSDI Class 4 and Subsidiary Debtor Class 4 that, in the reasonable determination of the Plan Administrator, may ultimately become Allowed.

No Distributions of any kind or nature shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court, and the Disputed Claim has become Allowed. Except as otherwise provided in this Plan, each holder of a Disputed Claim that becomes Allowed after the Effective Date shall receive an amount, without any interest thereon, that provides such holder with the same percentage recovery, as of the Effective Date, as holders of Claims in the same Class that were Allowed on the Effective Date, subject to the setoff rights as provided in Section 7.11 of the Plan. To the extent that a Disputed Claim is Disallowed or expunged, the holder of such Claim shall not receive or retain any property or interest in property on account of the portion of such Claim that is Disallowed or expunged.

Notwithstanding any other provision of the Plan, the Plan Administrator shall withhold any and all Distributions on account of any portion of a Claim held by an entity (i) that is a defendant in any pending contested matter or adversary proceeding being prosecuted by the Plan

Administrator or either of the Proponents; or (ii) against whom the Plan Administrator has asserted or, in its reasonable determination, may assert a Cause of Action.

4. Withholding and Reporting Requirements

All Distributions under the Plan shall be subject to federal, state, local and foreign withholding taxes or other amounts required to be withheld under any applicable law and such amounts shall be deducted and withheld from any Distributions made pursuant to this Plan. All holders of Allowed Claims shall be required to provide to the Plan Administrator any information necessary to effectuate the withholding of such taxes. Notwithstanding the foregoing, each holder of an Allowed Claim that is to receive a Distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit on account of such Distribution, including withholding tax obligations in respect of in-kind Distributions. The Plan Administrator shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, establishing any mechanisms the Plan Administrator believes is reasonable and appropriate, including, without limitation, requiring claimholders to submit appropriate tax withholding certifications. Any entity issuing an instrument or making an in-kind Distribution under this Plan has the right, but not the obligation, to refrain from making such Distribution until the entity to which the Distribution is to be made has made arrangements satisfactory to such issuing or disbursing entity for payment of any such tax obligation.

5. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated first to the principal amount (as determined for United States federal income tax purposes) of such Claim, and then to accrued but unpaid interest.

6. Postpetition Interest on Claims

To the extent that any Debtor holds remaining Cash after all Allowed Claims against that Debtor have been satisfied in full in accordance with the Plan, each holder of each such Allowed Claim shall receive its Pro Rata share of further Distributions, if any, to the fullest extent permissible under the Bankruptcy Code in satisfaction of postpetition interest on the Allowed amount of such Claims at the rate applicable in the contract or contracts on which such Allowed Claim is based (or, absent such contractual rate, at the statutory rate) until such time as all postpetition interest on all such Allowed Claims has been paid in full.

7. Timing of Deemed Release of Allowed Claims

Except as otherwise expressly provided in this Plan and notwithstanding anything herein to the contrary, each Allowed Claim that receives a Distribution under the Plan shall be deemed to be fully and finally released by the respective holder thereof on the date that all Distributions have been made by the Plan Administrator under the Plan, and the Chapter 11 Cases are closed pursuant to a final decree entered by the Bankruptcy Court.

E. Disputed Claims and Equity Interests

1. Objections to Claims and Equity Interests

As of the Effective Date, the Plan Administrator and the Committee Representative shall have the right to file and prosecute objections to, and negotiate, settle or otherwise resolve, any and all Claims (including Professional Claims) and Equity Interests; provided, the Committee Representative shall also have the authority to object to any applications for final allowance of Professional Claims on or before the Professional Claims Objection Deadline. Except as otherwise provided herein, any objection to a Claim or Equity Interest shall be filed and served upon the holder of such Claim or Equity Interest on or before the Claims Objection Deadline. The Claims Objection Deadline may be extended by order of the Bankruptcy Court upon motion of the Plan Administrator or either of the Proponents and notice and a hearing. Notwithstanding any authority to the contrary, an objection to a Claim or Equity Interest shall be deemed properly served on the holder of such Claim or Equity Interest if service is made in any of the following manners: (i) in accordance with rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) by first class mail, postage prepaid, on any counsel that has appeared on behalf of the holder of such Claim or Equity Interest in the Chapter 11 Cases and has not withdrawn such appearance; (iii) by first class mail, postage prepaid, on the signatory on the respective proof of claim or interest or other representative identified on the proof of claim or interest or any attachment thereto; or (iv) at the last known address of the holder of such Claim or Equity Interest if no proof of claim is filed or if the Plan Administrator has been notified in writing of a change of address.

2. Estimation of Claims

As of the Effective Date, the Plan Administrator and the Committee Representative shall have the right to request at any time that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, for any reason or purpose, regardless of whether an objection has been previously filed with respect 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, without limitation, during the pendency of any appeal relating to any such objection. All of the aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or otherwise resolved by any mechanism set forth in this Plan or approved by the Bankruptcy Court. Notwithstanding section 502(j) of the Bankruptcy Court, in no event shall any holder of a Claim that has been estimated be entitled to seek reconsideration of the estimation of such Claim unless the holder of such Claim has filed a motion requesting the right to seek such reconsideration on or before thirty (30) calendar days after the date such Claim is estimated by the Bankruptcy Court.

3. Settlement of Disputed Claims

Except as otherwise provided in this Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the Plan Administrator and the Committee Representative shall have the authority to compromise, settle,

or otherwise resolve all Claims, rights, Causes of Action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors' Estates may hold against any entity, without the necessity for notice to or approval by the Bankruptcy Court or any other party in interest; provided, for the avoidance of doubt, any proposed settlement or resolution of any material Cause of Action shall require the prior approval of a majority of the Plan Trust Board, in accordance with Section 6.1(b)(iv) of the Plan and as shall be provided in the Plan Trust Agreement.

F. Treatment of Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases listed on the Schedule of Assumed Contracts and Leases shall be deemed automatically assumed (and if applicable, assigned) pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code effective as of and subject to the occurrence of the Effective Date, except for those executory contracts or unexpired leases that (i) have already been assumed, assigned or rejected pursuant to a Final Order of the Bankruptcy Court; (ii) are not capable of assumption pursuant to section 365(c) of the Bankruptcy Code; or (iii) have previously expired or terminated pursuant to their own terms (and not otherwise extended).

To the extent any provision in any executory contract or unexpired lease assumed pursuant to this Plan (including, without limitation, any "change of control" provision) restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the applicable Debtor's assumption and/or assignment of such executory contract or unexpired lease, then such provision shall be deemed modified such that the transactions contemplated by this Plan shall not entitle the non-Debtor party thereto to terminate such executory contract or unexpired lease or to exercise any other default-related rights with respect thereto.

Modifications, amendments, supplements and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases and actions taken in accordance therewith, (i) do not alter in any way the prepetition nature of the executory contracts and unexpired leases, or the validity, priority or amount of any Claims against the Debtors that may arise under such executory contract or unexpired lease; (ii) are not and do not create postpetition contracts or leases; (iii) do not elevate to Administrative Expense Claims any Claims of the counterparties to the executory contracts and unexpired leases against any of the Debtors; and (iv) do not entitle any entity to a Claim under any section of the Bankruptcy Code on account of the difference between the terms of any prepetition executory contracts or unexpired leases and subsequent modifications, amendments, supplements or restatements.

2. Rejection of Remaining Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases to which any of the Debtors is a party, shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code effective as of and subject to the occurrence of the Effective Date, except for those executory contracts or unexpired leases that (i) have already been rejected pursuant to a Final Order of the

Bankruptcy Court; (ii) have previously expired or terminated pursuant to their own terms (and not otherwise extended); or (iii) are specifically designated as a contract or lease to be assumed on the Schedule of Assumed Contracts and Leases. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections and a finding that such rejected executory contracts or unexpired leases are burdensome and that the rejection thereof is in the best interests of the Debtors and their Estates.

3. The Schedule of Assumed Contracts and Leases

The Schedule of Assumed Contracts and Leases shall be included in the Plan Supplement and shall represent the Proponents' then-current good faith belief regarding the intended treatment of all executory contracts and unexpired leases listed thereon. The Proponents reserve the right, on or prior to 3:00 p.m. (prevailing Eastern time) on the Business Day immediately prior to the commencement of the Confirmation Hearing, (i) to amend the Schedule of Assumed Contracts and Leases in order to add or delete any executory contract or unexpired lease or amend a proposed assignment; and (ii) to amend the Proposed Cure with respect to any executory contract or unexpired lease previously listed as to be assumed; provided, however, that if the Confirmation Hearing is adjourned for a period of more than two consecutive calendar days, such amendment right shall be extended to 3:00 p.m. (prevailing Eastern time) on the Business Day immediately prior to the rescheduled or contingent Confirmation Hearing, and this proviso shall apply in the case of any and all subsequent adjournments of the Confirmation Hearing; provided further, however, the Plan Administrator may remove or add any executory contract or unexpired lease from or to the Schedule of Assumed Contracts and Leases until the date that is one-hundred twenty (120) days after the Effective Date, subject to the right of the Plan Administrator to seek an extension of such deadline upon motion to the Bankruptcy Court.

Unless otherwise specified in the Schedule of Assumed Contracts and Leases, each executory contract and unexpired lease listed on such schedule, shall include all (i) modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease; and (ii) easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vault, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem relating to such premises, unless any of the foregoing agreements has been rejected pursuant to a Final Order of the Bankruptcy Court.

4. Exhibits Not Admissions

The exclusion of a contract, lease or other agreement in the Schedule of Assumed Contracts and Leases shall not constitute an admission by the Debtors as to the characterization of whether any such contract, lease, or other agreement is, or is not, an executory contract or unexpired lease or whether any parties to any such contract, lease or other agreement are time-barred from asserting Claims against the Debtors or that any Debtor has any liability thereunder. The Proponents reserve all rights with respect to the characterization of any such contracts, leases or other agreements.

5. Cure of Defaults

Any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, (i) by payment of the default amount from the Debtors' cash on hand on the Effective Date or as soon as reasonably practicable thereafter; or (ii) on such other terms as agreed to by the Debtors or the Plan Administrator, upon approval by either of the Proponents, and the parties to such executory contract or unexpired lease. With the exception of such payment of a Cure, if any, the Debtors are not required to make any payment or take any other action in order to satisfy the requirements of section 365(b) of the Bankruptcy Code with regard to the executory contracts and unexpired leases being assumed under this Plan. No Cure shall be allowed with respect to a penalty rate or default rate of interest, each to the extent not allowed under the Bankruptcy Code or applicable law.

The Schedule of Assumed Contracts and Leases lists the Proposed Cure for each executory contract or unexpired lease to be assumed under this Plan. The Proposed Cures set forth on the Schedule of Assumed Contracts and Leases shall be final and binding on all non-Debtor parties to the respective executory contract or unexpired lease, and shall not be subject to further dispute or audit based on performance prior to the time of assumption, irrespective of the terms and conditions of such executory contracts or unexpired leases, unless an objection to such Proposed Cure is timely-filed and properly-served pursuant to Section 9.4 of the Plan. In the event of a dispute with respect to the assumption and/or assignment of any executory contract or unexpired lease or the amount of the respective Proposed Cure, payment of the Cure, if any, shall be made following the entry of a Final Order by the Bankruptcy Court resolving the dispute and approving assumption (and, if applicable, assignment) of such executory contract or unexpired lease. If no such objection is filed, the Proposed Cure shall be deemed to satisfy fully any obligations the Debtors might have with respect to such executory contract or unexpired lease under section 365(b) of the Bankruptcy Code.

6. Assignment

To the extent provided under the Bankruptcy Code or other applicable law, any executory contract or unexpired lease assumed and assigned pursuant to this Plan shall remain in full force and effect for the benefit of the assignee in accordance with its terms, notwithstanding any provision in such executory contract or unexpired lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts or conditions such assignment. To the extent provided under the Bankruptcy Code or other applicable law, any provision that prohibits, restricts or conditions the assignment of any such executory contract or unexpired lease or that terminates or modifies such executory contract or unexpired lease or allows the counterparty to such executory contract or unexpired lease to terminate, modify, recapture, impose any penalty, condition renewal or extension or modify any term or condition upon any such assignment constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

7. Objections to Rejection, Assumption, Assignment, or Cure

Any non-Debtor party to an executory contract or unexpired lease that wishes to object to the rejection, assumption, assignment of, or Proposed Cure related to, such executory contract or unexpired lease, must file an objection with the Bankruptcy Court by the Confirmation Objection Deadline and serve such objection on (i) counsel to each Proponent; and (ii) counsel to the Debtors. Any objection to the Proposed Cure set forth on the Schedule of Assumed Contracts and Leases shall state with specificity the Cure amount the objecting party believes is required and provide appropriate documentation in support thereof.

THE FAILURE TO PROPERLY FILE AND SERVE AN OBJECTION TO THE DEBTORS' REJECTION, ASSUMPTION, ASSIGNMENT OR PROPOSED CURE ON OR BEFORE THE CONFIRMATION OBJECTION DEADLINE SHALL RESULT IN THE NON-DEBTOR PARTY TO THE APPLICABLE EXECUTORY CONTRACT OR UNEXPIRED LEASE BEING (I) DEEMED TO CONSENT TO SUCH REJECTION, ASSUMPTION, ASSIGNMENT OR PROPOSED CURE; (II) BARRED, ESTOPPED AND PERMANENTLY ENJOINED FROM (A) OBJECTING TO SUCH REJECTION, ASSUMPTION, ASSIGNMENT OR PROPOSED CURE AND PRECLUDED FROM BEING HEARD AT THE CONFIRMATION HEARING WITH RESPECT TO SUCH OBJECTION, (B) ASSERTING AGAINST THE DEBTORS, THEIR ESTATES, ANY OF THE DEBTORS' PROPERTY, THE PLAN ADMINISTRATOR, OR ANY OF THE RELEASED PARTIES, ANY DEFAULT EXISTING AS OF THE EFFECTIVE DATE OR ANY COUNTERCLAIM, DEFENSE, SETOFF OR ANY OTHER INTEREST, AND (C) IMPOSING OR CHARGING AGAINST THE DEBTORS, THEIR ESTATES, ANY OF THE DEBTORS' PROPERTY, THE PLAN ADMINISTRATOR, OR ANY OF THE RELEASED PARTIES, ANY ACCELERATIONS, ASSIGNMENT FEES, INCREASES OR ANY OTHER FEES AS A RESULT OF ANY ASSUMPTION OR ASSIGNMENT PURSUANT TO THIS PLAN; AND (III) DEEMED TO WAIVE ANY RIGHT TO RECEIVE A CURE OTHER THAN THE PROPOSED CURE SET FORTH IN THE SCHEDULE OF ASSUMED CONTRACTS AND LEASES.

With respect to any timely-filed and properly-served objection to the Debtors' proposed rejection, assumption, assignment or Proposed Cure, the Proponents may, in their sole discretion, (i) settle or otherwise resolve such objection; (ii) respond to such objection (in which case the Bankruptcy Court shall decide such objection at the Confirmation Hearing); or (iii) remove the particular agreement from the Schedule of Assumed Contracts and Leases (if applicable).

Notwithstanding anything in the foregoing to the contrary, with respect to any contract, lease or other agreement that is subject to litigation or a proceeding in which the characterization of such contract, lease or agreement is an issue and that is pending as of the commencement of the Confirmation Hearing, the Debtors shall have thirty (30) calendar days after the entry of a Final Order by the Bankruptcy Court resolving the litigation or proceeding to assume or reject such contract, lease or agreement.

8. Rejection Damage Claims

All Rejection Damage Claims shall be treated as General Unsecured Claims and shall be classified in SSDI Class 4 or Subsidiary Debtor Class 4, as applicable, and may be objected to in accordance with the provisions of Section 8.1 of this Plan and the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. Any holder of a Rejection Damage Claim that ultimately becomes Allowed shall be entitled to receive its applicable Distribution under this Plan as an Allowed General Unsecured Claim in accordance with Section 4.4 and Section 5.4, as applicable, of the Plan.

All proofs of claim with respect to Rejection Damage Claims must be filed with the Bankruptcy Court and served on the Debtors on or before the later of (i) the deadline to file such claims set forth in the Bar Date Order; and (ii) the first business day that is thirty (30) calendar days after entry of an order authorizing the rejection of the respective executory contract or unexpired lease, including the Confirmation Order with respect to the executory contracts and unexpired leases rejected pursuant to this Plan.

THE FAILURE TO PROPERLY FILE AND SERVE A PROOF OF CLAIM WITH RESPECT TO A REJECTION DAMAGE CLAIM BY THE DEADLINES SET FORTH IN THIS ARTICLE 9, AS APPLICABLE, SHALL RESULT IN SUCH CLAIM BEING DEEMED FOREVER BARRED, DISALLOWED AND DISCHARGED AS OF THE EFFECTIVE DATE AUTOMATICALLY WITHOUT THE NEED FOR ANY OBJECTION FROM THE PROPONENTS, THE DEBTORS, OR THE PLAN ADMINISTRATOR OR ANY ACTION BY THE BANKRUPTCY COURT.

G. Effect of Confirmation of the Plan on the Debtors

1. Vesting of Assets

Upon the Effective Date, pursuant to section 1141(b) and (c) of the Bankruptcy Code, all Estate Assets of a Debtor shall automatically vest in that Debtor free and clear of all Claims, Liens, encumbrances, charges and other interests, except as expressly provided herein; provided, for the avoidance of doubt, on the Effective Date, and unless otherwise approved by a majority of the Plan Trust Board after the Effective Date pursuant to the Plan Trust Agreement, (i) the assets of the Plan Trust shall consist solely and exclusively of the Exchanged Stock; and (ii) no Liquidating Trust shall be created by the Plan Administrator. From and after the Effective Date, the Debtors, acting through the Plan Administrator, may take any action, including, without limitation, the operation of the businesses, the use, acquisition, sale, lease and disposition of property, and the entry into transactions, agreements, understandings or arrangements whether in or other than in the ordinary course of business, and execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers or otherwise in connection with any of the foregoing, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as explicitly provided in the Plan.

2. Binding Effect

Upon the Effective Date, this Plan shall be binding on, and shall inure to the benefit of, the Debtors' Estates and their respective successors and assigns. The rights, benefits and obligations of any entity named or referenced in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity, including any holder of a Claim against or Equity Interest in the Debtors, whether or not the Claim or Equity Interest of such holder is Impaired under this Plan and whether or not such holder has voted to accept this Plan.

3. Injunction

Except as otherwise provided in the Plan, on the Effective Date, all holders of Claims against and Equity Interests in the Debtors or their Estates shall be precluded and enjoined from asserting against the Debtors, their Estates, their successors and assigns, or any of their assets or property, whether in the possession of the Debtors or a transferee of such property under this Plan, (i) any such Claim against or Equity Interest in the Debtors, by any means, including, without limitation, (a) commencing or continuing, in any matter or in any place, any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their Estates with respect to such Claim or Equity Interest, (c) creating, perfecting or enforcing any lien or encumbrance of any kind against the Debtors or their Estates or against property or interests in property of the Debtors or their Estates with respect to such Claim or Equity Interest, or (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or their Estates or against the property or interests in property of the Debtors or their Estates with respect to such Claim or Equity Interest; and (ii) any other or further Claim or Equity Interest based upon any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred on or before the Effective Date, whether or not such holder has filed a proof of such Claim or Equity Interest and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date; provided, however, that nothing contained herein shall preclude such entity from exercising their rights pursuant to and consistent with the terms of this Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered under or in connection with the Plan.

4. Injunction Against Interference with the Plan

Except as otherwise provided in this Plan, upon entry of the Confirmation Order, all holders of Claims against or Equity Interests in any of the Debtors, and other parties in interest, along with any current or former officers, directors, employees, agents, representatives, partners, limited partners, members, trustees, managers, affiliates, parents, subsidiaries, attorneys, auditors, appraisers, accountants, financial advisors, investment bankers, consultants, or other professionals of any of the foregoing and any entity controlling or controlled by any of the foregoing and any predecessors, successors and assigns of any of the foregoing, shall be enjoined from seeking to oppose, delay, interfere or otherwise frustrate implementation or consummation of this Plan, including,

without limitation, taking any action whatsoever that changes, alters, modifies or expands the tax filing status of any of the Debtors, taking any action in violation of the injunction imposed pursuant to Section 10.2 of the Plan, and any such action or omission shall be void ab initio.

5. Term of Injunctions or Stays Arising Under or Entered During the Chapter 11 Cases

Unless otherwise provided in the Plan, (i) all injunctions with respect to or stays against an action against property of the Debtors' Estates arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force and effect until such property is no longer property of the Debtors' Estates; and (ii) all other injunctions and stays arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earliest of (A) the date that the Chapter 11 Cases are closed pursuant to a Final Order of the Bankruptcy Court; or (B) the date that the Chapter 11 Cases are dismissed pursuant to a Final Order of the Bankruptcy Court.

6. Exculpation

To the fullest extent permissible under applicable law, except as otherwise provided in this Plan, none of the Released Parties, or any of such parties' successors and assigns, or any of the Debtors' representatives or financial advisors acting in such capacity, shall have or incur any liability to, or be subject to any right of action by, any holder of a Claim against or Equity Interest in any of the Debtors, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or agents acting in such capacity, or any of their successors and assigns, for any act or omission in connection with, related to or arising out of, the Chapter 11 Cases, the operation of the Debtors' businesses during the Chapter 11 Cases, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of this Plan, or any other contract, instrument, release, agreement, settlement or document created, modified, amended, terminated or entered into in connection with this Plan, or any other act or omission in connection with the Debtors' bankruptcy; provided, however, that nothing in this Section 10.5 shall impact the allowance or disallowance of any Claim not expressly released under this Plan.

7. Releases

i. Release by Debtors

On the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the Debtors and any entity seeking to exercise the rights of the Debtors or their Estates, including, without limitation, any successor to the Debtors, shall completely, conclusively, absolutely, unconditionally, irrevocably, and forever release the Released Parties, from any and all Claims, Equity Interests, liens, encumbrances, obligations, damages, demands, debts, suits, Causes of Action, judgments, liabilities or rights whatsoever (other than the rights of the Debtors, through the Plan Administrator, to

enforce this Plan and contracts, instruments, releases, indentures, agreements and other documents delivered hereunder), 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 are based in whole or in part upon any act, omission, transaction, agreement, event or occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of this Plan, the business or contractual arrangements between any Debtor and any Released Party, or any other act or omission in connection with the Debtors' bankruptcy, without further notice to or action by the Bankruptcy Court, or act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any entity; provided, however, for the avoidance of doubt, that the foregoing shall not operate as a waiver or release of any Causes of Action against any of the Debtors' current or former directors, current or former officers, Charles Binder, Harry Binder, or any of the HIG Parties.

ii. Release by Holders of Claims and Equity Interests, and Released Parties

On the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the holders of Claims against and Equity Interests in the Debtors, and the Released Parties, will be deemed to completely, conclusively, absolutely, unconditionally, irrevocably, and forever release the Released Parties from any and all Claims, Equity Interests, liens, encumbrances, obligations, damages, demands, debts, suits, Causes of Action, judgments, liabilities or rights whatsoever (other than the right to enforce the Debtors' obligations under this Plan and the contracts, instruments, releases, indentures, agreements and other documents delivered hereunder), 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, based in whole or in part on any act, omission, transaction, agreement, event or occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the business or contractual arrangements with any Debtor, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of this Plan, or any other contract, instrument, release, agreement, settlement or document created, modified, amended, terminated or entered into in connection with this Plan, the restructuring of any Claims against and Equity Interests in the Debtors, the property to be distributed under this Plan, or any other act or omission in connection with the Debtors' bankruptcy, without further notice to or action by the Bankruptcy Court, or act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any entity; provided, however, for the avoidance of doubt, that the foregoing shall not operate as a waiver or release of any Causes of Action against any of the Debtors' current or former directors, current or former officers, Charles Binder, Harry Binder, or any of the HIG Parties.

VII.

CERTAIN FACTORS TO BE CONSIDERED

ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

A. Financial Information; Disclaimer

Although the Proponents have used their best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in this Disclosure Statement has not been audited and is based upon an analysis of data available to the Proponents at the time of the preparation of the Plan and Disclosure Statement, and is subject in all respects to the Global Disclaimer.

B. Failure to Confirm Plan

Even if the Impaired Classes accept or could be deemed to have accepted the Plan, the Plan may not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, (i) that the confirmation of a Plan not be followed by liquidation or a need for further financial reorganization, unless, as is the case here, the Plan provides for such liquidation or reorganization; (ii) that the value of distributions to dissenting holders not be less than the value of distributions to such holders if the Debtors were liquidated under chapter 7 of the Bankruptcy Code; and (iii) that the Plan, and the proponents of the Plan, otherwise comply with the applicable provisions of the Bankruptcy Code. Although the proponents believe that the Plan will meet all applicable tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

C. Nonconsensual Confirmation

Pursuant to the "cramdown" provisions of section 1129(b) of the Bankruptcy Code, the Bankruptcy Court can confirm a Plan notwithstanding the non-acceptance of the Plan by an Impaired Class of Claims if at least one other Impaired Class has accepted the Plan (with such acceptance being determined without including the acceptance of any insider (as defined in section 101(31) of the Bankruptcy Code) in such Class) and, as to each Impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to Impaired Classes. In accordance with section 1129(a)(8) of the Bankruptcy Code, the proponents intend to request confirmation of their respective Plan in accordance with section 1129(b) of the Bankruptcy Code.

Although the proponents believe that their respective Plan satisfy the requirements of section 1129(b), there is no guaranty that the Bankruptcy Court will reach that conclusion. Moreover, although the Proponents encourage all Creditors in an impaired Class to vote in favor of a Plan and the Proponents believe that they are likely to have at least one impaired Class vote

in favor of a Plan, there is no guaranty that this will occur. If no impaired Class votes in favor of a Plan, a Plan cannot be confirmed as written.

D. Delays of Confirmation or Effective Date

Any delays of either confirmation or effectiveness of the Plan could result in, among other things, increased administrative costs, including Professional Claims. These negative effects of delays of either confirmation or effectiveness of the Plan could endanger the ultimate approval of the Plan by the Bankruptcy Court.

E. Certain Bankruptcy Considerations

Although the Proponents believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes. In addition, although the Proponents believe that the Effective Date will occur during the first quarter of calendar year 2016, there can be no assurance as to such timing.

F. Certain Tax Considerations

There are a number of material United States federal income tax considerations, risks and uncertainties associated with consummation of the Plan. Interested parties should read carefully the discussion set forth in Section VIII of this Disclosure Statement ("Certain United States Federal Income Tax Consequences of the Plan") for a discussion of the material United States federal income tax consequences and risks for holders of Claims resulting from the transactions occurring in connection with the Plan.

G. Claims Could Be More Than Projected, Assets Could Be Less Than Projected

The Allowed amount of Claims in each Class could be greater than projected, which in turn, could cause the amount of Distributions to Creditors to be reduced substantially. Likewise, the amount of Cash available to be used for Distributions could be less than projected, which could cause the Debtors (through the Plan Administrator) to be unable to make the Distributions provided for under the Plan.

H. No Legal Or Tax Advice Is Provided To You By This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Claim or Equity Interest holder should consult his, her, or its own legal counsel and accountant as to legal, tax, and other matters concerning his, her, or its Claim or Equity Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

VIII.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain material federal income tax consequences of the implementation of the Plan to the Debtors and to certain holders of Allowed Claims. This summary does not address the federal income tax consequences to holders of Claims who are deemed to have rejected the Plan in accordance with the provisions of section 1126(g) of the Bankruptcy Code, or holders whose Claims are entitled to payment in full in Cash.

This summary is based on the Internal Revenue Code ("IRC"), existing and proposed Treasury Regulations, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service ("IRS") as in effect on the date hereof, all of which are subject to change, possibly on a retroactive basis. Any such change could significantly affect the federal income tax consequences described below.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties at this time. The Proponents have not requested an opinion of counsel with respect to any of the tax aspects of the Plan. While the Proponents might seek a ruling from the IRS concerning certain, but not all, of the federal income tax consequences of the Plan, there is no assurance that a favorable ruling, if requested, will be obtained, and the consummation of the Plan is not conditioned upon the issuance of such a ruling. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address state, local or foreign income or other tax consequences of the Plan, nor does it purport to address the federal income tax consequences of the Plan to special classes of taxpayers (such as non-U.S. persons, broker-dealers, banks, mutual funds, insurance companies, financial institutions, thrifts, small business investment companies, regulated investment companies, real estate investment trusts, tax-exempt organizations, individual retirement and other tax-deferred accounts, persons holding securities as part of a hedging, straddle, conversion or constructive sale transaction or other integrated investment, traders in securities that elect to use a mark-to-market method of accounting for their security holding, certain expatriates or former long term residents of the United States, persons whose functional currency is not the U.S. dollar, persons who received stock of SSDI as compensation, or pass-through entities or investors in pass-through entities).

The following discussion generally assumes that the Plan will be treated as a plan of liquidation of the Debtors for U.S. federal income tax purposes, and that all Distributions to holders of Claims will be taxed accordingly.

ACCORDINGLY, THE FOLLOWING SUMMARY IS FOR INFORMATIONAL PURPOSES ONLY, IS NOT TAX ADVICE AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING OR FOR ADVICE BASED UPON THE PARTICULAR CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS URGED TO CONSULT ITS OWN TAX

ADVISORS FOR THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES APPLICABLE TO IT UNDER THE PLAN.

A. Certain U.S. Federal Income Tax Consequences to SSDI and Subsidiary Debtors

1. Tax Filing Status; Tax Attributes

SSDI, on behalf of itself and the other Subsidiary Debtors (the "SSDI Group"), file a federal income tax return on a consolidated basis. All but one of the Subsidiary Debtors are single member limited liability companies directly or indirectly wholly owned by SSDI which are disregarded for federal income tax purposes as entities separate from SSDI. For the tax years ended December 31, 2013 and December 31, 2014, for federal income tax purposes, the SSDI Group reported net operating losses ("NOLs") of approximately $2.7 million (after adjustment for certain prior period adjustments the Debtors have indicated are appropriate) and $8.1 million, respectively, for an aggregate NOL carryforward of approximately $10.8 million at the end of 2014. No limitations have been reflected in the Debtors tax filings as currently applicable to such NOLs for purposes of the NOL change-in-ownership rules under section 382 of the IRC (described below in section A.3.b.). However, the Debtors have indicated that no formal historical stock ownership analysis under section 382 has been performed. The Proponents are aware of only one change in the direct ownership of SSDI equity securities since SSDI was formed in 2010 involving the issuance in 2013 of additional shares of Series B Preferred Stock. It is uncertain at this time whether such stock issuance was an "owner shift" for purposes of section 382 or whether, if considered an owner shift, would have caused an "ownership change" for purposes of section 382 which could result in a limitation with respect to a portion of the 2013 NOLs and other tax attributes available as of that time. As a result, the amount and use of any NOLs, as well as the application of any limitations, remain subject to review and adjustment, including by the IRS. The tax impact of the Plan on the NOLs and other tax attributes of the SSDI Group is discussed in Section A.3. below.

2. General Discussion of Plan

Reference is made to Section VI of this Disclosure Statement regarding a general discussion of the Plan, including Distributions thereunder. As referenced therein, the Plan does not specify the manner in which assets will be disposed of in order to satisfy Claims. However, that notwithstanding, certain assets may be disposed of or generate income over time during the pendency of the Plan that may produce taxable income. SSDI's NOL carryforward should generally be available to offset any tax gains or operating income that might be realized over time from the Debtor's business operations and disposition of certain of the Debtor's assets, subject to the potential application of section 382 of the IRC, as discussed below. See Section A.3.b.ii. "Section 382 Limitations – Possible Application to the SSDI Group."

3. Tax Impact of the Plan on the Debtors

a. Cancellation of Debt

Section 108 of the IRC provides that a debtor in a bankruptcy case must reduce certain of its tax attributes such as (and generally in the following order) current year NOLs, NOL carryforwards, tax credits, capital losses and tax basis in assets by the amount of any cancellation of debt ("COD") income incurred that arises by reason of the discharge of the debtor's indebtedness. COD income is the amount by which the adjusted issue price of indebtedness discharged exceeds the sum of the amount of cash, the "issue price" of any debt instrument and the fair market value of any other property given in exchange therefor, subject to certain statutory or judicial exceptions that can apply to limit the amount of COD income (such as where the payment of the cancelled debt would have given rise to a tax deduction). A debtor with COD income may elect pursuant to section 108(b)(5) of the IRC to first reduce the basis of its depreciable assets before reducing NOLs and other tax attributes. Any reduction in tax attributes under the COD rules does not occur until the end of the tax year after such attributes have been applied to determine the tax in the year of discharge or, in the case of asset basis reduction, the first day of the taxable year following the tax year in which the COD occurs. Any excess COD income over the amount of available tax attributes is not subject to U.S. federal income tax and has no other federal income tax impact.

Consistent with the intended treatment of the Plan as a plan of liquidation for federal income tax purposes, the Proponents do not believe that COD income (or the resulting reduction of tax attributes) should be incurred by a Debtor as a result of the implementation of the Plan prior to the disposition by such Debtor of all or substantially all of its assets other than to the extent any Allowed Claim's Distribution is subject to a maximum amount or has been or is separately settled for less than its carrying value. Nevertheless, there can be no assurance that all or a substantial amount of the COD income will not be incurred earlier due to, among other things, a lack of direct authoritative guidance as to when COD income occurs in the context of a liquidating Chapter 11 plan.

b. Limitation of NOL Carryforwards and Other Tax Attributes

(i) Section 382 Limitations – General

Under section 382 of the IRC, if a corporation (or consolidated group) undergoes an "ownership change," the amount of its pre-change losses (including NOL carryforwards from periods before the ownership change and certain losses or deductions which are "built-in" (i.e., economically accrued but unrecognized) as of the date of the ownership change) that may be utilized to offset future taxable income generally is subject to an annual limitation. Generally, an "ownership change" will occur if there is a more than 50 percent increase in the ownership of stock of the corporation by "5-percent shareholders" at any time during a rolling three year testing period. In addition, if any stock held by a "50-percent shareholder" is treated by such shareholder as becoming worthless during any taxable year of such shareholder and such stock is held by such shareholder as of the close of such taxable year, such shareholder shall be treated as having acquired such stock on the first day of the succeeding taxable year (and treated as not

owning such stock during any prior period) for purposes of determining whether an ownership change occurs after the close of such tax year.

In general, the amount of this annual limitation is equal to the product of (i) the fair market value of the stock of the corporation (or, in the case of a consolidated group, the common parent) immediately before the ownership change (with certain adjustments) multiplied by (ii) the "long-term tax-exempt rate" in effect for the month in which the ownership change occurs (for example, 2.64% for ownership changes occurring in November 2015). For a corporation (or consolidated group) in bankruptcy that undergoes the ownership change pursuant to a confirmed bankruptcy plan, the stock value generally is determined immediately after (rather than before) the ownership change by taking into account the surrender or cancellation of creditors' claims, also with certain adjustments. The annual limitation can potentially be increased by the amount of certain recognized built-in gains, as discussed below. Section 383 of the IRC applies a similar limitation to tax credits and capital loss carryforwards. Notwithstanding the general rule, if the corporation (or the consolidated group) does not continue its historic business or use a significant portion of its historic assets in a new business for two years after the ownership change, the annual limitation resulting from the ownership change is zero, thereby precluding any utilization of the corporation's pre-change losses (absent any increases due to any recognized built-in gains).

As indicated above, section 382 of the IRC also limits the deduction of certain built-in losses recognized subsequent to the date of the ownership change. If a loss corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deduction), then any built-in losses recognized during the following five years (up to the amount of the original net unrealized built-in loss) generally will be treated as pre-change losses and similarly will be subject to the annual limitation. Conversely, if the loss corporation (or consolidated group) has a net unrealized built-in gain at the time of an ownership change, any built-in gains recognized during the following five years (up to the amount of the original net unrealized built-in gain) generally will increase the annual limitation in the year recognized, such that the loss corporation (or consolidated group) would be permitted to use its pre-change losses against such built-in gain income in addition to its regular annual allowance. In general, a loss corporation's (or consolidated group's) net unrealized built-in gain or loss will be deemed to be zero unless it is greater than the lesser of (i) $10 million or (ii) 15% of the fair market value of its assets (with certain adjustments) before the ownership change.

(ii) Section 382 Limitations – <u>Possible Application to the SSDI Group</u>

In light of the foregoing the SSDI Group's ability to utilize certain NOLs (and carryforwards thereof) and certain other tax attributes would be potentially subject to limitation if SSDI were to undergo an "ownership change" within the meaning of section 382 of the IRC by reason of the implementation of the Plan or otherwise. As indicated above, no ownership change under section 382 has been reflected by the Debtors in tax filings to date that would limit the availability of the tax attributes of the SSDI Group to offset taxable income. However, the Debtors have indicated that no formal historical stock ownership analysis under section 382 has been performed. Notwithstanding the foregoing, it is uncertain whether the issuance in 2013 of

additional Series B Preferred Stock to the existing holders of all outstanding Series B Preferred Stock must be taken into account for purposes of determining ownership changes under section 382 or, if so taken into account, whether an "ownership change" for purposes of section 382 would have resulted which could result in a limitation with respect to a portion of the NOLs generated in 2013 and other tax attributes available as of that time. Such determination is subject to uncertainties with respect to the application of complex rules under section 382 regarding whether such preferred stock is disregarded as "stock" for purposes of section 382, the value of such stock and the other outstanding stock of SSDI at such time and the impact of fluctuations in the relative value of the different classes of SSDI stock.

Pursuant to the Plan, the holders of Equity Interests will maintain their economic interests in any residual assets of the Debtors after the satisfaction of all Allowed Claims, which economic interests will be nontransferable, and certain holders are expected to be subject to certain restrictions on transfers or claiming of worthless stock deductions with respect to such Equity Interests which could cause an actual or deemed ownership change. Accordingly, consistent with the intended treatment of the Plan as a plan of liquidation for federal income tax purposes, the Proponents believe that the Plan should not result in an ownership change of the SSDI Group. Nevertheless, due to a lack of direct authoritative guidance in the context of a liquidating Chapter 11 plan, there is no assurance that the IRS would not successfully assert a contrary position (including with respect to the treatment for federal income tax purposes of the holders of Claims as continuing creditors and not as effective equity holders of SSDI throughout the liquidation process). If, notwithstanding this position, an ownership change were considered to occur, the Debtors could incur a material amount of federal income tax.

c. Alternative Minimum Tax

In general, an alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income at a 20 percent tax rate to the extent such tax exceeds the corporation's regular federal income tax for the year. For purposes of computing taxable income for AMT purposes, pursuant to specific rules in the IRC, certain tax deductions are limited, modified or eliminated and certain income items may be included not generally included in determining a corporation's regular tax liability. In particular, generally only 90 percent of a corporation's alternative minimum taxable income may be offset by available alternative tax NOL carryforwards. The effect of this rule could cause the Debtors to owe tax in future years even if NOL carryforwards are otherwise available to offset that taxable income. Additionally, a corporation with a net unrealized built-in loss in its assets that undergoes and ownership change within the meaning of section 382 must adjust the tax basis of its assets for AMT purposes to their fair market values as of the change date.

4. Transfer of Liquidating Trust Assets to a Liquidating Trust

As indicated above, anytime after the Effective Date throughout the period permitted for the liquidation of the Debtors under section 6.2 of the Plan (i.e., at least three years), the Plan Administrator may, if determined to be in the best interests of a Debtor and holders of Allowed Claims against and Equity Interests in such Debtor, transfer some or all of a Debtor's assets to a Liquidating Trust on behalf of all or a portion of the respective claimants and/or holders of Equity Interests of such Debtor. The transfer of assets by the Plan Administrator to a Liquidating

Trust may result in the recognition of gain or loss by the Debtor, depending in part on the value of such assets on the date of such transfer to the Liquidating Trust relative to the Debtor's tax basis in such assets.

B. Consequences to Holders of Claims and SSDI Equity Interests

1. Realization and Recognition of Gain or Loss, In General

The federal income tax consequences of the implementation of the Plan to a holder of a Claim or SSDI Equity Interest will depend, among other things, upon the origin of the holder's Claim, when the holder receives payment in respect of such Claim or Equity Interest, whether the holder reports income using the accrual or cash method of tax accounting, whether the holder acquired its Claim at a discount, whether the holder has taken a bad debt deduction or worthless security deduction with respect to such Claim or Equity Interest, and whether (as intended and herein assumed) the Plan is treated as a plan of liquidation for federal income tax purposes. A holder of an SSDI Equity Interest should consult its tax advisor regarding the timing and amount of any potential worthless stock loss; provided, that any such holder which would constitute a "50-percent shareholder" within the meaning of Section 382(g)(4)(D) of the IRC will be prohibited under the Plan from claiming a worthless stock deduction with respect to any Equity Interest held by such shareholder for any taxable year of such shareholder ending prior to the closing of the Chapter 11 Cases.

Generally, a holder of an Allowed Claim will realize gain or loss on the exchange under the Plan of its Allowed Claim for Cash or other property (including any Liquidating Trust Interests), in an amount equal to the difference between (i) the sum of the amount of any Cash, the "issue price" of any debt instrument and the fair market value on the date of the exchange of any other property received by the holder, including, as discussed below, any beneficial interests in a Liquidating Trust (other than any consideration attributable to a Claim for accrued but unpaid interest) and (ii) the adjusted tax basis of the Allowed Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). Any debt instrument received by a holder is expected to be treated as issued for non-money property that is not publicly-traded within the meaning of applicable Treasury Regulations, and thus the "issue price" will equal its "stated principal amount" (i.e., face amount) as long as the debt instrument bears adequate stated interest (i.e., a stated yield greater than the relevant applicable federal rate). With respect to the treatment of accrued but unpaid interest and amounts allocable thereto, see Section B.3.— "Allocation of Consideration to Interest."

When gain or loss is recognized as discussed below, such gain or loss may be long-term capital gain or loss if the Claim or Equity Interest disposed of is a capital asset in the hands of the holder and has been held for more than one year. Each holder of an Allowed Claim or Equity Interest should consult its own tax advisor to determine whether gain or loss recognized by such holder will be long-term capital gain or loss and the specific tax effect thereof on such holder.

As discussed below (see Section C.1 — "Tax Treatment of a Liquidating Trust and Holders of Beneficial Interests"), each holder of an Allowed Claim that receives a beneficial interest in the Liquidating Trust (if and when established) will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the

Liquidating Trust Assets (consistent with its economic rights in the trust). If a Liquidating Trust is established pursuant to the Plan, the Liquidating Trustee will in good faith value the assets transferred to the Liquidating Trust, and all parties to the Liquidating Trust (including holders of Claims and Equity Interests receiving Liquidating Trust Interests) must consistently use such valuation for all U.S. federal income tax purposes.

A holder's share of any proceeds received by a Liquidating Trust upon the sale or other disposition of the assets of the Liquidating Trust should not be included, for federal income tax purposes, in the holder's amount realized in respect of its Allowed Claim but should be separately treated as amounts realized in respect of such holder's ownership interest in the underlying assets of the Liquidating Trust. See Section C.1— "Tax Treatment of Liquidating Trust and Holders of Beneficial Interests," below.

A holder's tax basis in its respective share of the Liquidating Trust Assets will equal the fair market value of such interest, and the holder's holding period generally will begin the day following the establishment of a Liquidating Trust.

2. Holders of Allowed General Unsecured Claims

Pursuant to the Plan, a holder of an Allowed General Unsecured Claim who does not otherwise elect pursuant to GUC Option A to receive its Pro Rata share of the Cash Distribution, will receive its Pro Rata share of Distributions from time to time (not to exceed the amount of its Allowed Claim). The holder of any such Allowed Claim generally will realize gain or loss in an amount equal to the difference, if any, between (a) the amount of Cash and the fair market value of any other property received in the exchange (other than amounts allocable to accrued but unpaid interest) and (b) the holder's adjusted tax basis in the Claim (other than in respect of accrued but unpaid interest). It is possible that any loss, or a portion of any gain, realized by a holder of a Claim may have to be deferred until all of the Distributions to such holder are received.

As discussed in the next section, the amount of Cash or other property received in respect of Claims for accrued but unpaid interest will be taxed as ordinary income, except to the extent previously included in income by a holder under his method of accounting.

3. Allocation of Consideration to Interest

Pursuant to the section 7.12 of the Plan, all Distributions in respect of Allowed Claims will be allocated first to the principal amount of the Allowed Claim (as determined for federal income tax purposes), with any excess allocated to accrued but unpaid interest. However, there is no assurance that such allocation would be respected by the IRS for federal income tax purposes. In general, to the extent any amount received (whether stock, cash, or other property) by a holder of a debt instrument is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income under the holder's normal method of accounting). Conversely, a holder generally recognizes a deductible loss to the extent any accrued interest claimed was previously included in its gross income and is not paid in full. Each holder of an Allowed Claim is urged to consult

its own tax advisor regarding the allocation of consideration and the taxation or deductibility of unpaid interest for tax purposes.

C. Tax Treatment of a Liquidating Trust and Holders of Beneficial Interests

1. Classification of the Liquidating Trust

A Liquidating Trust, if created pursuant to the Plan, is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., all income and loss is taxed directly to the liquidating trust beneficiaries). However, merely establishing a trust as a liquidating trust does not ensure that it will be treated as a grantor trust for U.S. federal income tax purposes. The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. Any such Liquidating Trust will be structured, to the extent reasonably possible, to comply with such general criteria in which case, in conformity with Revenue Procedure 94-45, all parties (including, without limitation, the Debtors, the Liquidating Trustee, holders of Allowed Claims and Equity Interests, and the Liquidating Trust beneficiaries) will be required to treat, for U.S. federal income tax purposes, the Liquidating Trust as a grantor trust of which the Liquidating Trust beneficiaries are the owners and grantors. The following discussion assumes that any such Liquidating Trust will be so respected for U.S. federal income tax purposes. However, no opinion of counsel has been requested, and the Debtors or Liquidating Trustee may or may not obtain a ruling from the IRS, concerning the tax status of the Liquidating Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position. If the IRS were to challenge successfully the classification of a Liquidating Trust, the U.S. federal income tax consequences to the Liquidating Trust, the Liquidating Trust beneficiaries and the Debtors could vary from those discussed herein (including the potential for an entity-level tax on income of the Liquidating Trust).

2. General Tax Reporting by the Liquidating Trust and Beneficiaries[9]

For all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee, holders of Allowed Claims and Equity Interests, and the Liquidating Trust beneficiaries) must treat the transfer of the Liquidating Trust Assets to the Liquidating Trust for U.S. federal income tax purposes, as having been transferred, subject to any obligations relating to those assets, directly to the holders of the respective Claims or Equity Interests receiving Liquidating Trust interests (with each holder receiving an undivided interest in such assets in accordance with their economic interests in such assets), followed by the transfer by the holders of such assets to the Liquidating Trust in exchange for the Liquidating Trust interests. Accordingly, all parties must treat the Liquidating Trust as a grantor trust of which the holders of Liquidating Trust Interests are the owners and grantors, and treat the Liquidating Trust beneficiaries as the direct owners of an undivided interest in the Liquidating

[9] For the avoidance of doubt, all references to a Liquidating Trust or Liquidating Trustee, or Liquidating Trustee Assets, are relevant only in the event that a Liquidating Trust is created pursuant to the Plan, in accordance with Section 10.1 of the Plan.

Trust Assets (other than any assets allocable to Disputed Claims), consistent with their economic interests therein, for all U.S. federal income tax purposes.

Allocations of taxable income of the Liquidating Trust (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims) among the Liquidating Trust beneficiaries shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (were such cash permitted to be distributed at such time) if, immediately prior to such deemed distribution, the Liquidating Trust had distributed all its assets (valued at their tax book value, and other than assets allocable to Disputed Claims) to the Liquidating Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Liquidating Trust. Similarly, taxable loss of the Liquidating Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Liquidating Trust Assets. The tax book value of the Liquidating Trust Assets for this purpose shall equal their fair market value on the date of the transfer of the Liquidating Trust Assets to the Liquidating Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

As soon as reasonably practicable after the transfer of the Liquidating Trust Assets to the Liquidating Trust, the Liquidating Trustee shall make a good faith valuation of the Liquidating Trust Assets. All parties to the Liquidating Trust (including, without limitation, the Debtors, holders of Allowed Claims and Equity Interests, and the Liquidating Trust beneficiaries) must consistently use such valuation for all U.S. federal income tax purposes. The valuation will be made available, from time to time, as relevant for tax reporting purposes.

Taxable income or loss allocated to a Liquidating Trust beneficiary will be treated as income or loss with respect to such Liquidating Trust beneficiary's undivided interest in the Liquidating Trust Assets, and not as income or loss with respect to its prior Allowed Claim or Equity Interest. The character of any income and the character and ability to use any loss will depend on the particular situation of the Liquidating Trust beneficiary. It is currently unknown whether and to what extent the Liquidating Trust interests will be transferable.

The U.S. federal income tax obligations of a holder with respect to its Liquidating Trust interest are not dependent on the Liquidating Trust distributing any cash or other proceeds. Thus, a holder may incur a U.S. federal income tax liability with respect to its allocable share of Liquidating Trust income even if the Liquidating Trust does not make a concurrent distribution to the holder. In general, other than in respect of cash retained on account of Disputed Claims and Distributions resulting from undeliverable Distributions (the subsequent Distribution of which still relates to a holder's Allowed Claim), a Distribution of cash by the Liquidating Trust will not be separately taxable to a Liquidating Trust beneficiary since the beneficiary is already regarded for federal income tax purposes as owning the underlying assets (and was taxed at the time the cash was earned or received by the Liquidating Trust). Holders are urged to consult their tax advisors regarding the appropriate federal income tax treatment of any subsequent Distributions of cash originally retained by the Liquidating Trust on account of Disputed Claims.

The Liquidating Trustee will comply with all applicable governmental withholding requirements (see section 7.9 of the Plan). Thus, in the case of any Liquidating Trust beneficiaries that are not U.S. persons, the Liquidating Trustee may be required to withhold up to 30% of the income or proceeds allocable to such persons, depending on the circumstances (including whether the type of income is subject to a lower treaty rate). As indicated above, the foregoing discussion of the U.S. federal income tax consequences of the Plan does not generally address the consequences to non-U.S. holders; accordingly, such holders should consult their tax advisors with respect to the U.S. federal income tax consequences of the Plan, including owning an interest in the Liquidating Trust.

The Liquidating Trustee will file with the IRS tax returns for the Liquidating Trust consistent with its classification as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). Except as discussed below with respect to any reserve for Disputed Claims, the Liquidating Trustee also will send annually to each holder of a Liquidating Trust interest a separate statement regarding the receipts and expenditures of the Liquidating Trust as relevant for U.S. federal income tax purposes and will instruct all such holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns.

3. Tax Reporting for Assets Allocable to Disputed Claims

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of an IRS private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee (A) may elect to treat any Liquidating Trust Assets allocable to, or retained on account of, Disputed Claims as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9, and (B) to the extent permitted by applicable law, will report consistently for state and local income tax purposes.

Accordingly, if a "disputed ownership fund" election is made, any amounts allocable to, or retained on account of, Disputed Claims will be subject to tax annually on a separate entity basis on any net income earned with respect to the Liquidating Trust Assets in such reserves, and all Distributions from such assets (which Distributions will be net of the expenses relating to the retention of such assets) will be treated as received by holders in respect of their Claims as if distributed by the Debtors. All parties (including, without limitation, the Debtors, the Liquidating Trustee and the Liquidating Trust beneficiaries) will be required to report for tax purposes consistently with the foregoing.

D. Withholding on Distributions, and Information Reporting

All Distributions to holders of Allowed Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate. Backup withholding generally applies if the holder (a) fails to furnish its social security number or other taxpayer

identification number, (b) furnishes an incorrect taxpayer identification number, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the tax identification number provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions. These categories are very broad; however, there are numerous exceptions. Holders of Allowed Claims are urged to consult their tax advisors regarding the Treasury Regulations governing backup withholding and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations.

In addition, a holder of an Allowed Claim or a Liquidating Trust beneficiary that is a *not* a U.S. person may be subject to up to 30% withholding, depending on, among other things, the particular type of income and whether the type of income is subject to a lower treaty rate. As to certain Claims, it is possible that withholding may be required with respect to Distributions by the Debtors even if no withholding would have been required if payment was made prior to the Chapter 11 Cases. ***A non-U.S. holder may also be subject to other adverse consequences in connection with the implementation of the Plan. As discussed above, the foregoing discussion of the U.S. federal income tax consequences of the Plan does not generally address the consequences to non-U.S. holders. Holders are urged to consult their tax advisors regarding potential withholding on Distributions by the Debtors or payments from the Liquidating Trustee.***

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these Treasury Regulations and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations and require disclosure on the holder's tax returns.

IX.

PROCESS OF VOTING AND CONFIRMATION

The following is a brief summary regarding the voting procedures and the requirements for confirmation of the Plan. Holders of Claims are encouraged to review the relevant provisions of the Bankruptcy Code or to consult their own attorneys. Additional information regarding voting procedures is set forth in the Notice accompanying this Disclosure Statement.

A. Voting Instructions

This Disclosure Statement, accompanied by a Ballot to be used for voting on the Plan, is being distributed to holders of Allowed Claims in SSDI Class 2, SSDI Class 4, Subsidiary Debtor Class 2, and Subsidiary Debtor Class 4. Only such holders of Allowed Claims are entitled to vote to accept or reject the Plan.

In addition, each holder of an Allowed Claim in SSDI Class 4 or Subsidiary Debtor Class 4 is entitled to elect to receive either GUC Option A or GUC Option B pursuant to the Plan. As such, the Ballot distributed to each such holder of an Allowed Claim in SSDI Class 4 or Subsidiary Debtor Class 4 includes a box where each such holder may indicate its election of GUC Option A or GUC Option B. **As stated, in the event that any holder of an Allowed Claim in SSDI Class 4 or Subsidiary Debtor Class 4 votes to accept the Plan but fails to elect either GUC Option A or GUC Option B on its Ballot, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan. In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 or Subsidiary Debtor Class 4 votes to reject the Plan, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan.**

Holders may return completed Ballots to the Voting Agent either:

Via Post office:
BMC Group, Inc.
Attn: [_____]
PO Box 90100
Los Angeles, CA 90009

Via overnight delivery or hand-delivery:

BMC Group Inc.
Attn: [_____]
300 N. Continental Blvd., #570
El Segundo, CA 90245

IN LIGHT OF THE BENEFITS TO BE ATTAINED UNDER THE PLAN BY THE HOLDERS IN EACH IMPAIRED CLASSES OF CLAIMS ENTITLED TO VOTE ON THE PLAN, THE PROPONENTS RECOMMEND THAT HOLDERS OF CLAIMS IN THE IMPAIRED VOTING CLASSES VOTE TO ACCEPT THE PLAN AND RETURN THEIR RESPECTIVE BALLOTS TO THE VOTING AGENT PRIOR TO THE VOTING DEADLINE REFERRED TO BELOW.

BALLOTS MUST BE RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE OF ____, 2016 AT 4:00 P.M. (PREVAILING EASTERN STANDARD TIME). ANY BALLOTS RECEIVED AFTER THE FOREGOING TIME MAY NOT BE COUNTED. ANY BALLOT WHICH IS EXECUTED BY THE HOLDER OF AN ALLOWED CLAIM BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF A PLAN SHALL NOT BE COUNTED AS AN ACCEPTANCE OR REJECTION OF THE PLAN. A BALLOT TRANSMITTED TO THE VOTING AGENT BY FACSIMILE, EMAIL OR OTHER ELECTRONIC METHOD WILL NOT BE COUNTED.

Except to the extent permitted by the Bankruptcy Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the Debtors' request for confirmation of the Plan. The Proponents expressly reserve the right to amend, at any time and from time to time, the terms of the Plan (subject to compliance with the requirements of section 1127 of the Bankruptcy Code). If the Proponents make a material change to the terms of the Plan or waive a material condition thereof, they can only do so with Bankruptcy Court approval which may require the Debtors to disseminate additional solicitation materials and extend the Voting Deadline.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other Person or Entity acting in a fiduciary or representative capacity, such person must so indicate and, unless otherwise determined by the Proponents, must submit evidence satisfactory to the Proponents of such person's authority.

Except as ordered by the Bankruptcy Court, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Proponents may, in their discretion, reject such Ballot as invalid and decline to recognize such Ballot in connection with confirmation of the Plan by the Bankruptcy Court.

In the event that a Claim is disputed or a designation is requested under section 1126(e) of the Bankruptcy Code, any vote cast to accept or reject the Plan with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Bankruptcy Court orders otherwise.

The method of delivery of Ballots to be delivered to the Voting Agent is at the election and risk of each holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when actually received by the Voting Agent. Instead of effecting delivery by mail, it is recommended that such holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery.

Any holder of Impaired Claims that has delivered a valid Ballot may withdraw its vote solely in accordance with Bankruptcy Rule 3018(a).

Subject to an order of the Bankruptcy Court, the Proponents reserve the absolute right to reject any and all Ballots not proper in form and the acceptance of which would, in the opinion of the Proponents or their respective counsel, not be in accordance with the provisions of the Bankruptcy Code, Bankruptcy Rules and applicable case law. Subject to an order of the Bankruptcy Court, the Proponents further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. Unless ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Proponents (or the Bankruptcy Court) determine. Neither the Proponents, nor any other Person or Entity, will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots and neither the Debtors, nor any other Person or Entity, will incur any liability for failure to provide such notice. Unless ordered by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots as to which any irregularities have not theretofore been cured or waived will not be counted.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing on confirmation of a plan (the "Confirmation Hearing"). Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of such plan.

The Confirmation Hearing in respect of the Plan has been scheduled for ____, 2016 at __:__ _.m. (prevailing Pacific Standard Time), or as soon thereafter as counsel may be heard, before the Honorable Robert R. Drain, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for any announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

Objections to confirmation of the Plan must be filed and served on or before _____ __ , 2016 at 4:00 p.m. (prevailing Eastern Standard Time) in accordance with the Notice accompanying this Disclosure Statement. **UNLESS OBJECTIONS TO CONFIRMATION OF THE PLAN ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE DISCLOSURE STATEMENT APPROVAL ORDER, THEY WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

C. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied. If so, the Bankruptcy Court shall enter the Confirmation Order. The Proponents believe that the Plan satisfy or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors and Proponents have complied with the applicable provisions of the Bankruptcy Code.
- The Plan have been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made under the Plan for services or for costs and expenses in or in connection with the Chapter 11 Cases has been disclosed to the Bankruptcy Court and any such payment made before the confirmation of a Plan is reasonable or if such payment is to be fixed after the confirmation of a Plan, such payment is subject to the approval of the Bankruptcy Court.
- With respect to each Class of Impaired Claims, either each holder of a Claim in such Class had accepted the Plan or each such holder will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount that such

holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code.

- Each Class of Claims that is entitled to vote on a Plan has either accepted the Plan or is not impaired under the Plan.

- Except to the extent that the holder of a particular Claim agrees to a different treatment of such Claim, the Plan provides that Allowed Administrative Allowed Non-Tax Priority Claims, and Allowed Other Secured Claims will be paid in full on the Effective Date or as soon thereafter as practicable, and also provides that Allowed Priority Tax Claims will be paid in accordance with section 1129(a)(9)(C) and (D) of the Bankruptcy Code.

- At least one Class of Impaired Claims (not including any acceptance of the Plan by any Insider (as defined in section 101(31) of the Bankruptcy Code) holding a Claim in such Class) has accepted the Plan.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

- The Debtors have no retiree benefits within the meaning of section 1129(a)(13) of the Bankruptcy Code.

- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

The Proponents believe that (1) the Plan satisfy or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (2) they have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (3) the Plan have been proposed in good faith.

D. Best Interests of Creditors Test

Before either of 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 a Claim in such Class either (i) has accepted the Plan; or (ii) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code.

In chapter 7 liquidation cases, unsecured creditors and equity interest holders of a debtor are paid from available assets generally in the following order, with no lower class receiving any payments until all amounts due to senior classes have been paid fully or payment has been provided for:

- Secured creditors (to the extent of the value of their collateral).
- Administrative creditors.
- Priority creditors.
- Unsecured creditors.
- Debt expressly subordinated by its terms or by order of the Bankruptcy Court.
- Equity interest holders.

In order to determine whether a Plan satisfies the "best interests" test, it is first necessary to determine the amount of proceeds holders in each Impaired Class of Claims would receive in the context of a chapter 7 liquidation. To establish this amount, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in a Chapter 7 liquidation case. The amount that would be available for satisfaction of Allowed Claims against each of the Debtors would consist of the proceeds resulting from the disposition of each of the Debtors' assets, augmented by the cash held by the Debtors at the commencement of the Chapter 7 case. Such amount would be reduced by the amount of any Claim secured by the Debtors' assets, the costs and expenses of the liquidation, including costs incurred during the chapter 11 case and allowed under chapter 7 of the Bankruptcy Code (such as professionals' fees and expenses), the fees payable to a chapter 7 trustee, as well as those which might be payable to attorneys, financial advisors, appraisers, accountants and other professionals that such trustee may engage to assist in the liquidation, and such additional Administrative Expense Claims and Priority Non-Tax Claims that may result from the termination of the Debtors' business.

The costs incurred as a result of the liquidation under chapter 7 would become Administrative Expense Claims with the highest priority against the proceeds of liquidation. Moreover, claims entitled to administrative priority may arise by reason of any breach or rejection of any executory contracts entered into by the Debtors during the pendency of the Chapter 11 Cases.

After satisfying Administrative Expense Claims arising in the course of the chapter 7 liquidation, the proceeds of the liquidation would then be payable to satisfy any unpaid expenses incurred during the time the Chapter 11 Cases were pending under chapter 11, including compensation for attorneys, financial advisors, appraisers, accountants and other professionals retained by the Debtors and the Committee. Only after these expenses are paid would general creditor claims be taken into consideration.

After careful review of the estimated recoveries in the proposed Plan scenario and a chapter 7 liquidation scenario, the Proponents have concluded that the recoveries to Creditors will be maximized by making Distributions pursuant to the Plan. Attached hereto as Exhibit B is

a liquidation analysis (unaudited) that demonstrates that Creditors will receive a greater distribution under the Plan than they would receive in a chapter 7 liquidation.[10]

The Proponents believe that the Debtors' Estates have value that would not be fully realized by Creditors in a chapter 7 liquidation primarily because, among other reasons, (i) the holders of Allowed General Unsecured Claims would likely receive nothing in a liquidation scenario; (ii) additional administrative expenses would be incurred in a chapter 7 liquidation, including those of a chapter 7 trustee charging statutory fees of up to 3% of disbursements, any costs of the chapter 7 trustee' professionals becoming familiar with the facts and circumstances of these cases and the costs of maintaining the Debtors' properties without generating any revenue therefrom; (iii) potentially significantly decreased recoveries from the sale of certain assets; and (iv) the additional delay in distributions that would occur if the Debtors' Chapter 11 Cases were converted to a case under chapter 7.

E. Plan Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. The Plan provide for the Wind-Down and controlled liquidation of the Debtors' Estates, and Distributions to Creditors holding Allowed Claims, to be paid from cash generated by the Wind-Down and the disposition of Estate Assets by the Plan Administrator. The ability to make the Distributions described in the Plan depends upon the effectuation of the Wind-Down, the capability of which is demonstrated based upon the forecast model attached hereto as Exhibit C.[11] Accordingly, the Proponents believe that the Plan are feasible and meet the requirements of section 1129(a)(11) of the Bankruptcy Code.

F. Section 1129(b): Unfair Discrimination and the "Fair and Equitable" Test

The Proponents will request confirmation of the Plan under section 1129(b) of the Bankruptcy Code, and they have reserved the right to modify the Plan to the extent, if any, that confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification. The Bankruptcy Court may confirm a Plan over the rejection or deemed rejection of such Plan by an Impaired Class of Claims or Equity Interests if such Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class.

1. No Unfair Discrimination

The "unfair discrimination" test applies to Impaired Classes of Claims or Equity Interests that are of equal priority and are receiving disparate treatment under a Plan. The test does not require that the treatment of such Classes be the same or equivalent, but only that the treatment be "fair." Here, the Plan does not discriminate unfairly and satisfy the "unfair discrimination" test.

[10] Exhibit B will be filed with the Bankruptcy Court no later than three (3) days prior to the Disclosure Statement Hearing.

[11] Exhibit C will be filed with the Bankruptcy Court no later than three (3) days prior to the Disclosure Statement Hearing.

2. Fair and Equitable Test: "Cramdown"

The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cramdown" tests for dissenting classes of secured creditors, unsecured creditors and equity holders. As to each dissenting class, the test prescribes different standards, depending on the type of claims or equity interests in such class:

Secured Creditors. With respect to each class of secured claims that rejects a Plan, the Plan must provide (i)(a) that each holder of a Secured Claim in the rejecting class retain the liens securing those claims, whether the property subject to those liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such secured claim and (b) that the Secured Creditor receives on account of its secured claim deferred cash payments having a value, as of the effective date of the Plan, of at least the value of the allowed amount of such secured claim; (ii) for the sale of any property that is subject to the liens securing the claims included in the rejecting class, free and clear of such liens, with such liens to attach to the proceeds of the sale, and the treatment of such liens on proceeds under clause (i) or (iii) of this subparagraph; or (iii) for the realization by the Secured Creditor of the "indubitable equivalent" of its Secured Claim.

Unsecured Creditors. With respect to each Impaired Class of unsecured Claims that rejects a Plan, the Plan must provide (A) that each holder of a claim in the rejecting class will receive or retain on account of that claim property that has a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or (B) that no holder of a claim or interest that is junior to the claims of such rejecting class will receive or retain under the Plan any property on account of such junior claim or interest.

Equity Interests. With respect to each Impaired Class of equity interests that rejects a Plan, the Plan must provide (I) that each holder of an equity interest included in the rejecting class receive or retain on account of that equity interest property that has a value, as of the effective date of the Plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such equity interest; or (II) that no holder of an equity interest that is junior to the equity interests of such rejecting class will receive or retain under the Plan any property on account of such junior interest.

The Proponents believe that the Plan may be confirmed pursuant to the above-described "cramdown" provisions, over the dissent of certain Classes of Claims in view of the treatment proposed for such Classes. Accordingly, the Proponents believe that the Plan does not discriminate unfairly against any dissenting Class (if any).

X.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Liquidation Under Chapter 7

If the Plan is not confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code in order to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. The Proponents believe that liquidation under chapter 7 would result in lower distributions being made to Creditors than those provided for in the Plan for the reasons set forth in Section IX.D. above under the section "Best Interests of Creditors Test" and the liquidation analysis attached as Exhibit B.

XI.

RECOMMENDATION

The Proponents believe the Plan satisfies the requirements for confirmation under the Bankruptcy Code and is in the best interests of the Debtors' Estates and Creditors. The Proponents strongly urge Creditors to vote to accept the Plan.

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EXHIBIT A

PLAN

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Binder & Binder – The National Social Security Disability Advocates (NY), LLC, *et al.* Debtors.	Chapter 11 Case No. 14-23728 (RDD) Jointly Administered

JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, PROPOSED BY STELLUS CAPITAL INVESTMENT CORPORATION AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

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Dated: November 18, 2015

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INTRODUCTION

Stellus Capital Investment Corporation and the Official Committee of Unsecured Creditors appointed in the above-captioned cases (the "Chapter 11 Cases"), as co-proponents within the meaning of section 1129 of title 11 of the United States Code (the "Bankruptcy Code") and pursuant to the Exclusivity Termination Order, hereby jointly propose this Chapter 11 plan of liquidation (the "Plan") for each of the debtors and debtors in possession in these Chapter 11 Cases.

Although the Chapter 11 Cases are jointly administered pursuant to an order of the Bankruptcy Court, the Plan does not contemplate substantive consolidation of the Debtors' respective Estates. Thus, although the Plan generally applies to all of the Debtors, except as otherwise provided in the Plan, (i) the Plan constitutes twenty-five (25) distinct chapter 11 plans, one for each Debtor; (ii) for voting purposes, each holder of a Claim in a Class that is entitled to vote to accept or reject the Plan shall vote its Claim in such Class by individual Debtor; and (iii) the classification scheme set forth in Article 3 of the Plan applies to each Debtor, but to the extent that there are no Claims in a certain Class against a particular Debtor, pursuant to Section 4.7 and Section 5.7 of the Plan, that Class shall be deemed not to exist for any purpose whatsoever with respect to that Debtor.

All capitalized terms used but not defined in this paragraph shall have the meaning set forth in Article 1 of the Plan.

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1 Scope of Definitions

For purposes of this Plan, except as expressly provided otherwise or unless the context requires otherwise, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Section 1.2 of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules.

Section 1.2 Definitions

"Administrative Expense Claim" means any right to payment constituting a cost or expense of administration of any of the Chapter 11 Cases under sections 503(b) and 507(a)(2) of the Bankruptcy Code, arising on or prior to the Effective Date, including, without limitation, any actual and necessary costs and expenses of preserving the Debtors' Estates, any actual and necessary expenses of operating the businesses of the Debtors, any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of their businesses from and after the Commencement Date, and all Professional Claims.

"Administrative Expense Claim Bar Date" means the date that is the first Business Day that is thirty (30) days after the Effective Date.

"Allowed" means, with respect to a Claim, (i) any Claim that has been listed by a Debtor in the Schedules, as such Schedules may be amended by such Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim or interest has been filed; (ii) any properly and timely filed, liquidated, non-contingent Claim with respect to which no objection to the allowance thereof has been filed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order of the Bankruptcy Court; (iii) any Claim that is not Disputed; or (iv) any Claim allowed pursuant to this Plan, the Confirmation Order or a Final Order of the Bankruptcy Court.

"Alternative DIP Agent" means Stellus, as agent and lender under the Alternative DIP Facility.

"Alternative DIP Collateral" means Alternative DIP Collateral as defined in the Final Alternative DIP Order.

"Alternative DIP Facility" means that certain Post-Petition Credit Agreement Between the Debtors, as borrower or guarantor (as applicable), and Stellus, as administrative agent for itself and any other financial institutions from time to time party thereto, dated as of March 23, 2015.

"Alternative DIP Liens" means the liens encumbering the Alternative DIP Collateral granted to the Alternative DIP Agent under the Final Alternative DIP Order.

"Avoidance Actions" means any actions commenced or that may be commenced before or after the Effective Date pursuant to any of sections 544, 545, 547, 548, 549, 551, 551 or 553 of the Bankruptcy Code.

"Bank Accounts" means all bank accounts in the name of the Debtors, and used by the Debtors for any purpose, as of immediately prior to the Effective Date.

"Ballot" means the ballot submitted to the Debtors by a holder of an Allowed Claim entitled to vote to accept or reject the Plan.

"Bankruptcy Code" means title 11 of the United States Code, as applicable to the Chapter 11 Cases.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as applicable to the Chapter 11 Cases, and any local rules of the Bankruptcy Court.

"Bar Date Order" means the "Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof" entered by the Bankruptcy Court in the Chapter 11 Cases on August 31, 2015 [Docket No. 344].

"Beneficiaries" means the holders of the Existing Stock.

"Business Day" means any day other than a Saturday, a Sunday, a "legal holiday" as such term is defined in Bankruptcy Rule 9006(a), or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

"Cash" means legal tender of the United States of America.

"Cash Distribution" means Cash in an amount equal to twenty percent (20%) of the aggregate dollar amount of Allowed General Unsecured Claims, the holders of which elect GUC Option A pursuant to Section 4.4 or Section 5.4, as applicable, of the Plan.

"Causes of Action" means, unless explicitly released by the Debtors pursuant to a Final Order entered by the Bankruptcy Court during the Chapter 11 Cases or pursuant to this Plan, any and all actions, proceedings, causes of action, suits, demands, rights to legal remedies, rights to equitable remedies, rights to payment and Claims, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, non-contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, and whether asserted or assertable directly or derivatively in law, equity or otherwise, of the Debtors or their Estates, existing as of the Commencement Date, including, without limitation, any Avoidance Actions, any action commenced or which could be commenced by the Creditors' Committee (or the Committee Representative, as applicable) derivatively and on behalf of the Debtors' Estates against any party including, without limitation, the First DIP Agent or any First DIP Lender, and actions for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust

enrichment, corporate waste, or otherwise, against any of the Debtors' current or former board of directors, officers, the HIG Parties, Charles Binder, or Harry Binder.

"Chapter 11 Cases" means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors in the Bankruptcy Court and styled In re Binder & Binder – The National Social Security Disability Advocates (NY), LLC, et al., Case No. 14-23728 (RDD).

"Charles Binder" means Charles Binder, an individual.

"Claim" has the meaning set forth in section 101 of the Bankruptcy Code.

"Claims Objection Deadline" means the date that is the first Business Day that is one-hundred twenty (120) days after the Effective Date, subject to extension from time to time by order of the Bankruptcy Court upon motion of the Plan Administrator.

"Class" means any group of Claims or Equity Interests classified by this Plan pursuant to section 1122(a) of the Bankruptcy Code.

"Commencement Date" means December 18, 2014.

"Committee Representative" means an individual to be appointed by the Creditors' Committee, with such appointment to become effective on the Effective Date simultaneously with the dissolution of the Creditors' Committee, and vested with such authority and for such purposes as set forth in Section 13.13 of the Plan.

"Confirmation Date" means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order.

"Confirmation Hearing" means the hearing before the Bankruptcy Court to consider the request of the Proponents for entry of an order confirming this Plan under section 1129 of the Bankruptcy Code.

"Confirmation Objection Deadline" means the deadline to be established by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order for the filing and service by any and all parties in interest of objections to confirmation of this Plan.

"Confirmation Order" means the order or orders of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code, which order or orders shall be in form and substance acceptable to the Proponents.

"Creditor" means any entity holding a Claim.

"Creditors' Committee" means the statutory committee of unsecured Creditors appointed in the Chapter 11 Cases by the United States Trustee on January 8, 2015 [Docket No. 80], and subsequently reconstituted on January 30, 2015 [Docket No. 99], and on August 14, 2015 [Docket No. 330].

"Cure" means all monetary liabilities of the Debtors that must be paid or otherwise satisfied to cure all of the Debtors' monetary defaults under any and all executory contracts or unexpired leases to be assumed, or assumed and assigned, by the Debtors pursuant to this Plan, the Confirmation Order, or Final Order of the Bankruptcy Court, pursuant to section 365 of the Bankruptcy Code.

"Debtors" means, collectively, (i) Binder & Binder - The National Social Security Disability Advocates (NY), LLC; (ii) SSDI Holdings, Inc.; (iii) Binder & Binder - The National Social Security Disability Advocates LLC; (iv) The Rep for Vets LLC; (v) National Veterans Disability Advocates LLC (dba The Rep for Vets LLC); (vi) The Social Security Express Ltd.; (vii) Binder & Binder - The National Social Security Disability Advocates (AZ), LLC; (viii) Binder & Binder - The National Social Security Disability Advocates (CA), LLC; (ix) Binder & Binder - The National Social Security Disability Advocates (CO), LLC; (x) Binder & Binder - The National Social Security Disability Advocates (CT), LLC; (xi) Binder & Binder - The National Social Security Disability Advocates (FL), LLC; (xii) Binder & Binder - The National Social Security Disability Advocates (GA), LLC; (xiii) Binder & Binder - The National Social Security Disability Advocates (IL), LLC; (xiv) Binder & Binder - The National Social Security Disability Advocates (MD), LLC; (xv) Binder & Binder - The National Social Security Disability Advocates (MO), LLC; (xvi) Binder & Binder - The National Social Security Disability Advocates (NJ), LLC; (xvii) Binder & Binder - The National Social Security Disability Advocates (NC), LLC; (xviii) Binder & Binder - The National Social Security Disability Advocates (OH), LLC; (xix) Binder & Binder - The National Social Security Disability Advocates (PA), LLC; (xx) Binder & Binder - The National Social Security Disability Advocates (TX), LLC; (xxi) Binder & Binder - The National Social Security Disability Advocates (VA), LLC; (xxii) Binder & Binder - The National Social Security Disability Advocates (WA), LLC; (xxiii) Binder & Binder - The National Social Security Disability Advocates (LA), LLC; (xxiv) Binder & Binder - The National Social Security Disability Advocates (MI), LLC; and (xv) Binder & Binder - The National Social Security Disability Advocates (DC), LLC.

"Disclosure Statement Approval Order" means the order to be entered by the Bankruptcy Court, in form and substance acceptable to the Proponents, (i) scheduling the Confirmation Hearing; (ii) establishing the Distribution Record Date; (iii) establishing the Voting Deadline; and (iv) establishing the Confirmation Objection Deadline.

"Distribution" means any initial or subsequent payment or transfer made under the Plan.

"Distribution Record Date" means the date to be established by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order as the date on which recordholders of any Claim against or Equity Interest in the Debtors are fixed for purposes of Distributions.

"Disallowed" means, with respect to a Claim or Equity Interest, any Claim or Equity Interest that has been disallowed by this Plan, the Confirmation Order or Final Order of the Bankruptcy Court.

"Disputed" means, with respect to a Claim or Equity Interest, any Claim or Equity Interest that is not Allowed or Disallowed.

"Effective Date" means the first Business Day on which all conditions to effectiveness of this Plan set forth in Article 11 of this Plan are satisfied, or waived in writing by a party entitled to waive such condition.

"Equity Interest" means the legal, equitable, contractual and other rights of a holder of an ownership interest in any of the Debtors, including, without limitation, any interest evidenced by common or preferred stock, membership interests and options or other rights to purchase or otherwise receive any ownership interest in any of the Debtors.

"Estate" means as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

"Estate Assets" means all property of the Debtors' Estates pursuant to section 541 of the Bankruptcy Code including, without limitation, all Causes of Action and all proceeds thereof.

"Excess Cash" means, as tested by the Plan Administrator on a monthly basis, the Debtors' aggregate cash on hand less the next payroll due to the Wind-Down Team and the Debtors' employees pursuant to the Plan, but only to the extent such difference exceeds three million dollars ($3,000,000).

"Excess Cash Account" means a bank account that may in the discretion of the Plan Administrator be established on or after the Effective Date, for the purpose of the depositing all Excess Cash and making Distributions from Excess Cash in accordance with the terms and conditions of the Plan and the Plan Trust Agreement.

"**Exchanged Common Stock"** means the common stock to be authorized and issued by SSDI to the Plan Trust, upon cancellation of the Existing Common Stock, in accordance with Section 4.6 of the Plan.

"Exchanged Preferred Stock" means the preferred stock to be authorized and issued by SSDI to the Plan Trust, upon cancellation of the Existing Preferred Stock, in accordance with Section 4.6 of the Plan.

"Exchanged Stock" means the Exchanged Common Stock and the Exchanged Preferred Stock.

"Exclusivity Termination Order" means the "Order Granting Stellus Capital Investment Corporation's Motion to Terminate Exclusivity Pursuant to Section 1121(d) of the Bankruptcy Code," entered by the Bankruptcy Court on October 29, 2015 [Docket No. 372].

"Existing Common Stock" means all authorized, issued, and outstanding common shares of SSDI, of which 1,687.5 shares are held by Charles Binder, and 5,062.5 shares are held by Harry Binder.

"Existing Preferred Stock" means the Series A Preferred Stock and the Series B Preferred Stock.

"Existing Stock" means the Existing Common Stock and the Existing Preferred Stock.

"Exit Facility" means that certain senior secured facility to be entered into on the Effective Date by and between Stellus, as agent and lender, and the post-Effective Date Debtors, on such terms and conditions as shall be set forth in the Exit Facility Documents, and which terms shall include, but not be limited to, (i) a maturity date of one year from the Effective Date; (ii) scheduled amortization payments in the amount of $400,000 per month; (iii) in addition to such scheduled amortization payments identified in (ii) immediately above, additional principal payments made from 100% of Excess Cash (until such time as the Exit Facility is repaid in full); (iv) 10.0% cash pay interest rate, payable monthly; (v) customary covenants, reporting requirements, and events of default; and (vi) in lieu of any extension fee in connection with the conversion of the Alternative DIP Facility to the Exit Facility, and as a condition to consummation of the Exit Facility and the Plan, payment by the Debtors of all fees and expenses of Stellus in connection with the Chapter 11 Cases to the extent any such fees and expenses have not previously been paid by the Debtors to Stellus pursuant to the Final Alternative DIP Order, and whether related to the Alternative DIP Facility, the Stellus Prepetition Claim, Stellus' preparation and prosecution of the Plan, or otherwise.

"Exit Facility Documents" means all agreements and documents to be entered into by the Exit Facility Lender and the post-Effective Date Debtors in connection with the Exit Facility.

"Exit Facility Lender" means Stellus, as agent and lender under the Exit Facility.

"Exit Facility Liens" means the liens granted to the Exit Facility Lender pursuant to the Exit Facility Documents.

"Final Alternative DIP Order" means the "Final Order (I) Approving Alternative Postpetition Financing on a First Priority Priming Basis; (II) Authorizing Use of Cash Collateral; (III) Granting Adequate Protection; and (IV) Modifying the Automatic Stay" entered by the Bankruptcy Court in the Chapter 11 Cases on March 20, 2015, entered by the Bankruptcy Court on March 20, 2015 [Docket No. 211].

"Final Fee Application" means an application for final allowance of compensation and reimbursement for expenses filed by the holder of a Professional Claim.

"Final Order" means an order or judgment, the operation or effect of which has not been reversed, vacated, stayed, modified, or amended, and as to which order or judgment (or any reversal, vacation, stay, modification, or amendment thereof) (i) the time to appeal, seek certiorari, or request reargument or further review or rehearing has expired and no appeal, petition for certiorari, or request for reargument or further review or rehearing has been timely filed; or (ii) any appeal that has been or may be taken or any petition for certiorari or request for reargument or further review or rehearing that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed, from which certiorari was sought, or to which the request was made, and no further appeal or petition for certiorari or request for reargument or further review or rehearing has been or can be taken for granted; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to section 502(j) of the Bankruptcy Code, rule 59 or rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such order.

"First DIP Agent" means US Bank National Association as agent under the First DIP Credit Agreement.

"First DIP Credit Agreement" means that certain Post-Petition Revolving Credit and Security Agreement, between the Debtors, as borrower, Capital One N.A. as a lender, US Bank National Association, as a lender and as agent, and the lenders from time to time party thereto, dated as of December 23, 2014.

"First DIP Collateral" means the First DIP Collateral as defined in the First Interim DIP Order.

"First DIP Lender" means U.S. Bank National Association, Capital One, N.A. and the other lenders from time to time party to the First DIP Credit Agreement.

"First DIP Lender Secured Claims" means the Secured Claims of the First DIP Lender under the First DIP Credit Agreement, which are subject to treatment under section 1129(b) of the Bankruptcy Code pursuant to the Final Alternative DIP Order, and therefore are addressed in Article 4 of the Plan.

"First DIP Liens" means the liens on the First DIP Collateral granted to the First DIP Agent under the Final Alternative DIP Order.

"First Interim DIP Order" means the "Interim Order (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Granting Liens, Security Interests and Superpriority Status; (III) Authorizing Use of Cash Collateral; (IV) Affording Adequate Protection; (V) Scheduling a Final Hearing; and (VI) Modifying the Automatic Stay," entered by the Bankruptcy Court on December 24, 2014 [Docket No. 50, and as subsequently extended and amended by Docket Nos. 122 and 175].

"General Unsecured Claim" means any Claim that is not an Administrative Expense Claim, a Priority Tax Claim, a Priority Non-Tax Claim, a Secured Claim, or an Intercompany Claim.

"Harry Binder" means Harry Binder, an individual.

"HIG Parties" means H.I.G. Capital, LLC, H.I.G. Binder LLC, and any and all affiliates, subsidiaries, officers, directors, employees, shareholders, committees, agents, and representatives of the foregoing.

"Impaired" means, with respect to a Claim or Equity Interest, any Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

"Intercompany Claim" means any Claim held by a Debtor or Non-Debtor Affiliate against a Debtor.

"Liquidating Trust" means a trust that may be created after the Effective Date in accordance with the provisions of Section 6.1(b)(xvii) of the Plan as determined by the Plan

Administrator, subject to the prior approval of a majority of the Plan Trustees in accordance with the Plan Trust Agreement.

"Liquidating Trust Agreement" means an agreement evidencing the terms and provisions governing a Liquidating Trust that shall be entered into prior to the establishment of such Liquidating Trust and pursuant to which the Liquidating Trustee shall manage and administer Liquidating Trust Assets.

"Liquidating Trust Assets" means the assets of a Debtor to be transferred to a Liquidating Trust as may be determined by the Plan Administrator subject to prior approval of a majority of the Plan Trustees pursuant to the Plan Trust Agreement, which Liquidating Trust Assets, if any, shall be described in a Liquidating Trust Agreement.

"Liquidating Trustee" means the person or entity selected by the Plan Trust Board and appointed by the Plan Administrator prior to the creation of a Liquidating Trust, to administer such Liquidating Trust in accordance with the Plan and a Liquidating Trust Agreement.

"New U.S. Bank Secured Term Note" means the secured term note to be delivered by the Debtors to the holder of the Allowed First DIP Lender Secured Claims pursuant to Section 4.2(b) and Section 5.2(b) of the Plan.

"New U.S. Bank Secured Term Note Documents" means the agreements and other definitive documents evidencing treatment afforded to the holders of the Allowed U.S. Bank Secured Claims pursuant to Section 4.2(b) and Section 5.2(b) of the Plan.

"New U.S. Bank Secured Term Note Liens" means the liens granted to the holders of the Allowed U.S. Bank Secured Claims pursuant to the New U.S. Bank Secured Term Note Documents.

"Non-Debtor Affiliate" means any affiliate, parent or subsidiary of any of the Debtors that is not, itself, a Debtor.

"Ordinary Course Professional Order" means the "Order Authorizing the Debtors to Employ and Compensate Professionals Utilized in the Ordinary Course of Business," entered by the Bankruptcy Court on January 30, 2015 [Docket No. 102].

"Other Secured Claim" means any Secured Claim against a Debtor that is not the US Bank Secured Claim.

"Plan" means this joint and consolidated Chapter 11 plan of liquidation, including the schedules, exhibits and supplements hereto including, without limitation, the Plan Supplement, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

"Plan Administrator" means SSDI.

"Plan Supplement" means those certain schedules and other documents to be filed with the Bankruptcy Court on or before the date that is five (5) calendar days prior to the Voting

Deadline, in support of confirmation of this Plan, or otherwise attendant or incidental to the transactions contemplated under this Plan, which schedules and other documents shall be considered a part of this Plan for all purposes.

"Plan Trust" means the trust established under New York law to hold the Exchanged Stock on and after the Effective Date.

"Plan Trust Agreement" means the agreement contained in the Plan Supplement creating and setting forth the terms and conditions that shall govern the Plan Trust, which shall be acceptable in form and substance to Stellus and the Committee (such consent of the Committee not to be unreasonably withheld).

"Plan Trust Board" means three (3) Plan Trustees, two (2) of which shall be selected and appointed by Stellus, and one (1) of which shall be selected and appointed by the Committee.

"Plan Trust Interests" means the beneficial interests in the Plan Trust allocated to the holders of Existing Common Stock and Existing Preferred Stock in accordance with Section 4.6 of the Plan and the Plan Trust Agreement.

"Plan Trustee" means one or more persons selected to serve as trustee of the Plan Trust pursuant to the Plan Trust Agreement.

"Priority Claims" means, collectively, Priority Non-Tax Claims and Priority Tax Claims.

"Priority Non-Tax Claim" means any Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code other than Administrative Expense Claims and Priority Tax Claims.

"Priority Tax Claim" means any Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

"Pro Rata" means, with respect to an Allowed Claim, the ratio of the amount of the Allowed Claim to the total amount of all Allowed Claims in the same Class.

"Professional Claim" means a Claim of any professional retained in these Chapter 11 Cases pursuant to the Bankruptcy Code, Bankruptcy Rules, or a Final Order of the Bankruptcy Court, for compensation for services rendered, and reimbursement of expenses incurred, by such professional after the Commencement Date and prior to and including the Effective Date.

"Professional Claims Objection Deadline" means the date that is the first Business Day that is forty-five (45) days after the Effective Date, subject to extension from time to time by order of the Bankruptcy Court upon motion of the Committee Representative in accordance with Section 13.13 of the Plan.

"Proponents" means Stellus and the Creditors' Committee.

"Proposed Cure" means the Cure amounts identified on the Schedule of Assumed Contracts and Leases under the heading "In arrears".

"Rejection Damage Claim" means a Claim for damages arising from the rejection by any Debtor of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

"Released Claims" means any and all Claims or Equity Interests released pursuant to Section 10.6 of this Plan.

"Released Parties" means, collectively, and in each case, solely in such capacity, (i) Stellus; (ii) the Creditors' Committee; (iii) each current and former member of the Creditors' Committee; (iv) subject to acceptance of the Plan by the holders of the Allowed First DIP Lender Secured Claims, the First DIP Agent and the First DIP Lenders; (v) SSDI solely in its capacity as Plan Administrator; (vi) the Wind-Down Team; (vii) the Plan Trustees; (viii) the Committee Representative; and (ix) with respect to each of the foregoing, their respective officers, directors, managers, members, accountants, financial advisors, investment bankers, agents, restructuring advisors, attorneys, representatives, or other professionals serving during the pendency of the Chapter 11 Cases (solely in their capacity as officers, directors, managers, members, accountants, financial advisors, investment bankers, agents, restructuring advisors, attorneys, representatives, or other professionals serving during the pendency of the Chapter 11 Cases); provided, for the avoidance of doubt, the Released Parties do not and shall not be deemed to include any of the Debtors, the Debtors' current or former officers, directors, or shareholders, Charles Binder, Harry Binder, or any of the HIG Parties.

"Schedules" means, collectively, the schedules of the Debtors' assets and liabilities, the statement of the Debtors' financial affairs and any other schedules and statements filed with the Bankruptcy Court pursuant to sections 521 or 1106 of the Bankruptcy Code or Bankruptcy Rule 1007, as such schedules and statements have been or may be amended and supplemented from time to time in accordance with Bankruptcy Rule 1009.

"Schedule of Assumed Contracts and Leases" means that certain schedule to be included in the Plan Supplement that identifies certain executory contracts and unexpired leases to be deemed assumed by the Debtors pursuant to this Plan.

"Second Cash Distribution Deposit Account" means a bank account to be established by the Plan Administrator on or after the Effective Date, for the purpose of depositing such amount of the Debtors' cash on hand as is required under the Second Cash Distribution Installment Note.

"Second Cash Distribution Installment" means the Cash Distribution to be made to the holders of Allowed General Unsecured Claims pursuant to the Second Cash Distribution Installment Note.

"Second Cash Distribution Installment Note" means that certain secured promissory note to be issued on the Effective Date by the respective Debtor (through the Plan Administrator) on a joint and several basis with all other Debtors, in favor of the Committee Representative on behalf of each holder of each Allowed General Unsecured Claim against such Debtor that elects

to receive GUC Option A, for the purpose of memorializing such Debtor's obligation to pay the Second Cash Distribution Installment on account of such holder's Allowed General Unsecured Claim, the form of which Second Cash Distribution Installment Note shall be included in the Plan Supplement, and the terms of which Second Cash Distribution Installment Note shall include, without limitation, (i) a maturity date of the earlier of (A) the eighteen (18) month anniversary of the Effective Date, and (B) the date that is six (6) months after payment in full of the Exit Facility pursuant to Section 2.2 of the Plan; (ii) grant by the Debtors to such holder (by and through the Committee Representative) of a cross-collateralized security interest in all personal property of the Debtors (which holder, by and through the Committee Representative, shall be authorized to file with the appropriate agencies such UCC-1 financing statements as are necessary to perfect such security interest pursuant to applicable law), and which security interest shall at all times (unless otherwise contested to by the holder thereof) be senior to any other security interest in any personal property of the Debtors (other than the Exit Facility Liens, the New U.S. Bank Secured Term Note Liens, and any liens existing as of the Effective Date), and which shall terminate automatically upon payment in full of the Second Cash Distribution Installment Note; and (iii) reporting in favor of the Plan Trust (and the Plan Administrator), as collateral agent.

"Secured Claim" means a Claim (i) that is secured by a valid, duly perfected, enforceable, and non-avoidable lien on property in which any of the Debtors' Estates has an interest, to the extent of the value, as of the Effective Date or such other date as is established by the Bankruptcy Court, of such Creditor's interest in the applicable Debtor's Estate's interest in such property, as determined by a Final Order of the Bankruptcy Court or as otherwise agreed upon in this Plan by the Debtors and such Creditor; or (ii) that is secured by the amount of any valid non-avoidable right of setoff of the Creditor thereof pursuant to section 553 of the Bankruptcy Code.

"Securities Act" means the Securities Act of 1933, as amended, 15 U.S.C. § 77a, et seq., and all rules or regulations promulgated thereunder.

"Series A Preferred Stock" means those certain authorized, issued, and outstanding preferred shares of SSDI, of which 15,000 shares are held by HIG Binder, LLC, and 750 shares are held by one or more affiliates of D.E. Shaw Direct Capital Portfolios, L.L.C.

"Series B Preferred Stock" means those certain authorized, issued, and outstanding preferred shares of SSDI, of which 3,983.11 shares are held by Charles Binder, and 11,348.82 shares are held by Harry Binder.

"SSDI" means SSDI Holdings, Inc., a privately held Delaware corporation, which is the sole (100%) member of SSDA.

"Stellus" means Stellus Capital Investment Corporation.

"Stellus Prepetition Claim" means any and all Claims of Stellus against the Debtors arising under or related to (i) that certain Investment Agreement dated as of August 27, 2010 by and among Binder & Binder – The National Social Security Disability Advocates LLC, a Delaware limited liability company, SSDI Holdings, Inc. a Delaware corporation, the other

guarantors from time to time party thereto, the lenders party thereto and Stellus Capital Investment Corporation (as successor in interest to D. E. Shaw Direct Capital Portfolios, L.L.C.), in its capacity as administrative agent; (ii) that certain Note dated as of August 27, 2010 in the original principal amount of $13,000,000, made by Binder & Binder – The National Social Security Disability Advocates LLC and made payable to Stellus Capital Investment Corporation (successor by assignment and allonge to DC Funding SPV, L.L.C., successor by assignment and allonge to D. E. Shaw Direct Capital Portfolios, L.L.C.), and any other documents executed in connection therewith.

"Subsidiary Debtor" means each of the Debtors other than SSDI.

"Unclaimed Property" means any Cash, checks and other property to be distributed in respect of an Allowed Claim pursuant to this Plan, which was deemed unclaimed (i) on the date such property would have been distributed by Plan Administrator but such Distribution did not occur because the current address of such holder could not reasonably be determined by the Plan Administrator; or (ii) on the date such property was returned to the Plan Administrator as undeliverable without a proper forwarding address after having been properly distributed by the Plan Administrator.

"United States Trustee" means the Office of the United States Trustee for the Southern District of New York.

"**Voting Deadline"** means the date fixed by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order as the last date upon which holders of Claims may vote to accept or reject the Plan.

"Wind-Down" means the wind-down of the Debtors' Estates and businesses pursuant to the Plan.

"Wind-Down Team" means certain professionals and employees to be appointed by the Plan Administrator, with specific wind-down experience acceptable to Stellus and the Committee (such consent of the Committee not to be unreasonably withheld), to be engaged by the Plan Administrator on the Effective Date for the purpose of implementing the Wind-Down.

Section 1.3 Rules of Interpretation

For purposes of this Plan, unless otherwise provided herein:

(i) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural;

(ii) each pronoun stated in the masculine, feminine, or neuter includes the masculine, feminine, and neuter;

(iii) any reference in this Plan to an existing document filed or to be filed means such document, as it may have been or may be amended, modified, or supplemented;

(iv) any reference in this Plan to a contract, instrument, release, indenture 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;

(v) any reference in this Plan to an entity as a holder of a Claim or Equity Interest includes that entity's successors and assigns;

(vi) all references in this Plan to articles, sections, schedules, exhibits and supplements are references to the respective articles, sections, schedules, exhibits and supplements of or to this Plan, as the same may be amended, waived, or modified from time to time;

(vii) the words "herein", "hereunder", "hereof", "hereto" and other words of similar import refer to this Plan in its entirety rather than to a particular article, section, subsection, or clause of this Plan;

(viii) captions and headings in this Plan are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan;

(ix) subject to the provisions of any contract, certificate of incorporation, by-laws, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules;

(x) whenever the words "include", "includes", or "including" are used in this Plan, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of similar import;

(xi) references in this Plan from or through any date mean from and including or through and including, respectively;

(xii) in the event that a particular term of the definitive documentation required to be implemented pursuant to the terms of this Plan or any settlement or other agreement contemplated hereunder is inconsistent with a particular term of this Plan, the definitive documentation shall govern and shall be binding on the parties thereto;

(xiii) to the extent that any schedule, exhibit or supplement to this Plan is inconsistent with the terms of this Plan, and unless otherwise provided herein or in the Confirmation Order, the terms of the schedule, exhibit or supplement shall govern;

(xiv) to the extent that the Confirmation Order is inconsistent with this Plan, the provisions of the Confirmation Order shall govern;

(xv) to the extent that the Confirmation Order is inconsistent with any schedule, exhibit or supplement to this Plan, the provisions of the Confirmation Order shall govern;

(xvi) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to this Plan;

(xvii) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006 shall apply;

(xviii) in the event that any payment, Distribution, act or deadline under this Plan is required to be made or performed or occurs on a day that is not a Business Day, then the making of such payment or Distribution, the performance of such act or the occurrence of such deadline shall be deemed to be on the next succeeding Business Day, but shall be deemed to have been completed or have occurred as of the required date;

(xix) all references in this Plan to monetary figures shall refer to currency of the United States of America; and

(xx) because this Plan is the product of extensive negotiations between Stellus and the Committee, who were each represented by counsel who (i) participated in the formulation and documentation of this Plan; and (ii) were afforded the opportunity to review and provide comments on this Plan and the documents ancillary thereto, the general rule of contract construction known as contra preferentem shall not apply to the construction or interpretation of any provision of this Plan, or any contract, instrument, release, indenture, exhibit, or other agreement or document generated in connection therewith.

ARTICLE 2

ADMINISTRATIVE EXPENSE AND PRIORITY TAX CLAIMS

Section 2.1 Administrative Expense Claims

Except to the extent that a holder of an Allowed Administrative Expense Claim has been paid by a Debtor prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash from the Debtor obligated for the payment of such Allowed Administrative Expense Claim in an amount equal to the Allowed amount of such Administrative Expense Claim on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by a Debtor or other obligations incurred by such Debtor shall be paid in full and performed by such Debtor in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

Section 2.2 Alternative DIP Facility Claims

By agreement between the Alternative DIP Agent and the Debtors and in full and final satisfaction of all Claims of the Alternative DIP Agent under the Alternative DIP Facility, on the Effective Date, the Alternative DIP Facility shall be converted to, and replaced with, the Exit Facility, which Exit Facility shall include such terms and conditions as shall be set forth in the Exit Facility Documents.

Section 2.3 Professional Compensation and Reimbursement Claims

Other than a professional retained by the Debtors pursuant to the Ordinary Course Professional Order, any entity seeking an award of the Bankruptcy Court of compensation for services rendered and/or reimbursement of expenses incurred on behalf of the Debtors or the Creditors' Committee through and including the Effective Date under section 105(a), 363(b), 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code shall (i) file its final application for allowance of such compensation and/or reimbursement by no later than the date that is 30 days after the Effective Date or such other date as may be fixed by the Bankruptcy Court; and (ii) be paid by or on behalf of the Debtor in full and in Cash in the amounts Allowed upon (A) the date the order granting such award becomes a Final Order, or as soon thereafter as practicable, or (B) such other terms as may be mutually agreed upon by the claimant and the Plan Administrator (on behalf of the Debtor obligated for the payment of such Allowed Claim). Subject to the Plan Trust Agreement, the Plan Administrator is authorized to pay compensation for professional services rendered and reimburse expenses incurred on behalf of the Debtors and the Creditors' Committee (or the Committee Representative, as applicable) after the Effective Date in the ordinary course and without Bankruptcy Court approval.

Section 2.4 Priority Tax Claims

Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by a Debtor prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive Cash from the Debtor obligated for the payment of such Allowed Priority Tax Claim in an amount equal to the Allowed amount of such Priority Tax Claim in accordance with sections 1129(a)(9)(C) and (D) of the Bankruptcy Code.

ARTICLE 3

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Section 3.1 Classification

Pursuant to sections 1122 and 1123 of the Bankruptcy Code, set forth below is a designation of Classes of Claims against and Equity Interests in the Debtors that specifies whether each Class is Impaired under the Plan.

Class	Designation	Impairment	Voting Rights
1	Priority Non-Tax Claims	Not Impaired	Deemed to Accept
2	First DIP Lender Secured Claims	Impaired	Entitled to Vote
3	Other Secured Claims	Not Impaired	Deemed to Accept
4	General Unsecured Claims	Impaired	Entitled to Vote
5	Intercompany Claims	Impaired	Deemed to Reject
6	Equity Interests	Impaired	Deemed to Reject

ARTICLE 4

TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN SSDI

Section 4.1 SSDI Class 1 (Priority Non-Tax Claims)

(a) Impairment and Voting. SSDI Class 1 is not Impaired. The holders of Allowed Claims in SSDI Class 1 are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote to accept or reject the Plan.

(b) Treatment. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, each holder of an Allowed Priority Non-Tax Claim shall receive, in full settlement, satisfaction, release and discharge of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date; (ii) the date such Claim becomes Allowed; and (iii) the date for payment provided by any agreement or understanding between the Plan Administrator and the holder of such Claim.

Section 4.2 SSDI Class 2 (First DIP Lender Secured Claims)

(a) Impairment and Voting. Pursuant to the Final Alternative DIP Order, the First DIP Lender Secured Claims in SSDI Class 2 are subject to treatment under section 1129(b) of the Bankruptcy Code. SSDI Class 2 is Impaired. Each holder of an Allowed First DIP Lender Secured Claim in SSDI Class 2 is entitled to vote to accept or reject the Plan.

(b) Treatment.

(i) In the event that SSDI Class 2 votes to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then in full and final settlement, satisfaction, and discharge of the Allowed First DIP Lender Secured Claims, each holder of an Allowed First DIP Lender Secured Claim in SSDI Class 2 shall receive on the Effective Date the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) cash pay interest rate of 4.0% per annum; (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the

Second Cash Distribution Installment, receipt of 100% of Excess Cash; (D) a maturity date of three (3) years from the Effective Date; (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order; and (F) customary and reasonable covenants, reporting requirements, and events of default. In addition, in the event that the holders of the Allowed First DIP Lender Secured Claims in SSDI Class 2 vote to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then the First DIP Agent and the First DIP Lenders shall be deemed to be Released Parties under the Plan.

(ii) In the event that SSDI Class 2 votes to reject the Plan, then on the Effective Date and in full and final settlement, satisfaction, and discharge of the Allowed First DIP Lender Secured Claims, each holder of an Allowed U.S. Bank Secured Claim shall receive the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) an interest rate to be determined by the Bankruptcy Court pursuant to section 1129(b) of the Bankruptcy Code, (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash, (D) a maturity date of three (3) years from the Effective Date, (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order, and (F) such covenants, reporting requirements and events of default as required by the Bankruptcy Court; provided, for the avoidance of doubt, in the event that SSDI Class 2 votes to reject the Plan, the treatment provided in this Section 4.2(b)(ii) shall be subject to further modification pursuant to any Final Order entered by the Bankruptcy Court in respect of any Cause of Action asserted against the holder of the Allowed U.S. Bank Secured Claim; provided further, for the avoidance of doubt, in the event that SSDI Class 2 votes to reject the Plan, no holder of an Allowed U.S. Bank Secured Claim in SSDI Class 2 shall be or shall be deemed to be a Released Party.

Section 4.3 SSDI Class 3 (Other Secured Claims)

(a) Impairment and Voting. SSDI Class 3 is not Impaired by the Plan. The holders of Allowed Claims in SSDI Class 3 are not entitled to vote to accept or reject the Plan.

(b) Treatment. Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, each holder of an Allowed Other Secured Claim (which shall be identified in a schedule in the Plan Supplement) shall receive in full settlement, satisfaction, release and discharge of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date, (ii) the date such Claim becomes Allowed, and (iii) the date for payment provided by any agreement or understanding between the Debtors or the Plan Administrator and the holder of such Claim.

Section 4.4 SSDI Class 4 (General Unsecured Claims)

(a) Impairment and Voting. SSDI Class 4 is Impaired by the Plan. Each holder of an Allowed Claim in SSDI Class 4 is entitled to vote to accept or reject the Plan.

(b) Treatment. Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each holder of an Allowed General Unsecured Claim in SSDI Class 4 that votes to accept the Plan shall be entitled to elect on its respective Ballot either "GUC Option A" and "GUC Option B" below, and regardless of such election, shall be entitled to receive its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. **In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 votes to accept the Plan but fails to elect either GUC Option A or GUC Option B on its Ballot, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. In the event that any holder of an Allowed General Unsecured Claim in SSDI Class 4 votes to reject the Plan, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement.**

(i) GUC Option A (Cash Distribution Option). In full any final settlement, satisfaction, and discharge of its respective Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim that elects GUC Option A in accordance with Section 4.4(b) of the Plan shall receive (A) its Pro Rata share of the Cash Distribution, with (x) one-half of such Cash Distribution to be paid by the Plan Administrator from the Debtors' cash on hand concurrently with the first Distribution to be made by the Plan Administrator under the Exit Facility pursuant to the Exit Facility Documents, and (y) the remaining one-half of such Cash Distribution to be paid by the Plan Administrator from Excess Cash after payment in full of the Exit Facility and prior to any Distribution of Excess Cash on account of Allowed Claims in SSDI Class 2, and (B) the Second Cash Distribution Installment Note. In the event that SSDI Class 4 votes to accept the Plan by the requisite majority under 1126(c) of the Bankruptcy Code (regardless of which option may be selected), then Stellus shall forego receipt of any Cash Distribution pursuant to GUC Option A on account of the Allowed Stellus Prepetition Claim.

(ii) GUC Option B (Excess Cash Option). In full and final settlement, satisfaction, and discharge of its respective Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim that elects GUC Option B in accordance with Section 4.4(b) of the Plan shall (A) retain its respective Allowed General Unsecured Claim against the applicable Debtor obligated with respect thereto, in the full Allowed amount thereof; and (B) once the New U.S. Bank Secured Term Note has been paid in full, receive its Pro Rata share of the remaining SSDI Estate Assets, the timing and amounts of such Distribution or Distributions to be determined by the Plan Administrator in its reasonable discretion.

(iii) Irrespective of the vote to accept or reject the Plan, or election between GUC Option A and GUC Option B, made by a holder of an Allowed General Unsecured

Claim in SSDI Class 4, each such holder shall receive its Pro Rata Distribution of proceeds of all Causes of Action realized by any Debtor from and after the Effective Date, in accordance with the Plan and the Plan Trust Agreement.

Section 4.5 SSDI Class 5 (Intercompany Claims)

(a) Impairment and Voting. Class 5 is Impaired by the Plan. Each holder of an Allowed Claim in Class 5 is not entitled to vote to accept or reject the Plan and is conclusively deemed to have rejected the Plan.

(b) Treatment. All Intercompany Claims shall be deemed cancelled and discharged as of the Effective Date, and holders of such Claims shall not receive or retain any property or interest in property on account of such Claims.

Section 4.6 SSDI Class 6 (Equity Interests)

(a) Impairment and Voting. SSDI Class 6 is Impaired by the Plan. Each holder of an Equity Interest in SSDI Class 6 is not entitled to vote to accept or reject the Plan and is conclusively deemed to have rejected the Plan.

(b) Stock Exchange. On the Effective Date, all Existing Stock shall be cancelled and the Exchanged Stock shall be issued by SSDI to the Plan Trust which will hold such Exchanged Stock for the exclusive benefit of the holders of such former Existing Stock consistent with their former relative priority and economic entitlements as holders of Existing Stock. The Plan Trust shall allocate corresponding amounts of Plan Trust Interests to such holders of Existing Stock in accordance with the Plan Trust Agreement.

(c) Distributions. Each holder of an Equity Interest in SSDI (through their interest in their corresponding Plan Trust Interests or otherwise) shall neither receive nor retain any Estate Assets or any direct interest in any Estate Assets of SSDI on account of such Equity Interests; provided, however, in the event that all Allowed Claims against SSDI have been satisfied in full in accordance with the Bankruptcy Code and the Plan, each holder of a cancelled Equity Interest in SSDI may receive its Pro Rata share of any remaining assets of SSDI consistent with such holder's rights of payment existing immediately prior to the Commencement Date; provided, however, no such Distribution shall be made to the extent such holder is then subject to a Cause of Action. Unless otherwise determined by the Plan Administrator, on the date that SSDI's Chapter 11 Case is closed, the Exchanged Stock issued pursuant to subsection (b) above shall be deemed cancelled and of no further force and effect, provided that such cancellation does not adversely impact the Debtors' Estates.

(d) Non-Transferable. The Plan Trust Interests shall be nontransferable except by operation of law.

Section 4.7 Elimination of Vacant Classes

Any Class of Claims or Equity Interests in SSDI that is not populated as of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018, or as to which no vote is cast, shall be deemed eliminated

from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining the acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

ARTICLE 5

TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN SUBSIDIARY DEBTORS

Section 5.1 Subsidiary Debtor Class 1 (Priority Non-Tax Claims)

(a) Impairment and Voting. Subsidiary Debtor Class 1 is not Impaired by the Plan. The holders of Allowed Claims in Subsidiary Debtor Class 1 are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote to accept or reject the Plan.

(b) Treatment. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, each holder of an Allowed Priority Non-Tax Claim shall receive, in full settlement, satisfaction, release and discharge of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date, (ii) the date such Claim becomes Allowed, and (iii) the date for payment provided by any agreement or understanding between the Plan Administrator and the holder of such Claim.

Section 5.2 Subsidiary Debtor Class 2 (First DIP Lender Secured Claims)

(a) Impairment and Voting. Pursuant to the Final Alternative DIP Order, the First DIP Lender Secured Claims in Subsidiary Debtor Class 2 are subject to treatment under section 1129(b) of the Bankruptcy Code. Subsidiary Debtor Class 2 is Impaired by the Plan. The holders of Allowed Claims in Subsidiary Debtor Class 2 are entitled to vote to accept or reject the Plan.

(b) Treatment.

(i) In the event that Subsidiary Debtor Class 2 votes to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then in full and final settlement, satisfaction, and discharge of the Allowed First DIP Lender Secured Claims, each holder of an Allowed First DIP Lender Secured Claim in Subsidiary Debtor Class 2 shall receive on the Effective Date the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) cash pay interest rate of 4.0% per annum; (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash; (D) a maturity date of three (3) years from the Effective Date; (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order; and (F) customary and reasonable covenants, reporting requirements, and events

of default. In addition, in the event that the holders of the Allowed First DIP Lender Secured Claims in Subsidiary Debtor Class 2 vote to accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, then the First DIP Agent and the First DIP Lenders shall be deemed to be Released Parties under the Plan.

(ii) In the event that Subsidiary Debtor Class 2 votes to reject the Plan, then on the Effective Date and in full and final settlement, satisfaction, and discharge of the Allowed First DIP Lender Secured Claims, each holder of an Allowed U.S. Bank Secured Claim shall receive the New U.S. Bank Secured Term Note, the terms of which shall be set forth in the New U.S. Bank Secured Term Note Documents, and which shall include, without limitation, (A) an interest rate to be determined by the Bankruptcy Court pursuant to section 1129(b) of the Bankruptcy Code; (B) scheduled amortization payments in an amount to be determined; (C) upon the Debtors' (through the Plan Administrator's) repayment of the Exit Facility in full and completion of the Second Cash Distribution Installment, receipt of 100% of Excess Cash; (D) a maturity date of three (3) years from the Effective Date; (E) retention of the First DIP Liens, which First DIP Liens shall be junior to the priority of the Exit Facility Liens consistent with the relative priority of the First DIP Liens and the Alternative DIP Liens pursuant to the Final Alternative DIP Order, as shall be set forth in the Confirmation Order; and (F) such covenants, reporting requirements and events of default as required by the Bankruptcy Court; provided, for the avoidance of doubt, in the event that Subsidiary Debtor Class 2 votes to reject the Plan, the treatment provided in this Section 5.2(b)(ii) shall be subject to further modification pursuant to any Final Order entered by the Bankruptcy Court in respect of any Cause of Action asserted against the holder of the Allowed U.S. Bank Secured Claim; provided further, for the avoidance of doubt, in the event that Subsidiary Debtor Class 2 votes to reject the Plan, no holder of an Allowed U.S. Bank Secured Claim in Subsidiary Debtor Class 2 shall be or shall be deemed to be a Released Party.

Section 5.3 Subsidiary Debtor Class 3 (Other Secured Claims)

(a) Impairment and Voting. Subsidiary Debtor Class 3 is not Impaired by the Plan. The holders of Allowed Claims in Subsidiary Debtor Class 3 are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote to accept or reject the Plan.

(b) Treatment. Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, each holder of an Allowed Other Secured Claim (which shall be identified in a schedule in the Plan Supplement) shall receive in full settlement, satisfaction, release and discharge of such Claim, Cash in an amount equal to the Allowed but unpaid portion of such Claim, on or as soon as reasonably practicable after, the later of (i) the Effective Date; (ii) the date such Claim becomes Allowed; and (iii) the date for payment provided by any agreement or understanding between the Debtors or the Plan Administrator and the holder of such Claim.

Section 5.4 Subsidiary Debtor Class 4 (General Unsecured Claims)

(a) Impairment and Voting. Subsidiary Debtor Class 4 is Impaired by the Plan. Each holder of an Allowed Claims in Subsidiary Debtor Class 4 is entitled to vote to accept or reject the Plan.

(b) Treatment. Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each holder of an Allowed General Unsecured Claim in Subsidiary Debtor Class 4 that votes to accept the Plan shall be entitled to elect on its respective Ballot either "GUC Option A" and "GUC Option B" below, and regardless of such election, shall be entitled to receive its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. **In the event that any holder of an Allowed General Unsecured Claim in Subsidiary Debtor Class 4 votes to accept the Plan but fails to elect either GUC Option A or GUC Option B on its Ballot, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement. In the event that any holder of an Allowed General Unsecured Claim in Subsidiary Debtor Class 4 votes to reject the Plan, such holder shall be entitled to receive only GUC Option B under the Plan, and its Pro Rata Distribution of the proceeds of all Causes of Action in accordance with the Plan Trust Agreement.**

(i) GUC Option A (Cash Distribution Option). In full and final settlement, satisfaction, and discharge of its respective Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim that elects GUC Option A in accordance with Section 5.4(b) of the Plan shall receive (A) its Pro Rata share of the Cash Distribution, with (x) one-half of such Cash Distribution to be paid by the Plan Administrator from the Debtors' cash on hand concurrently with the first Distribution to be made by the Plan Administrator under the Exit Facility pursuant to the Exit Facility Documents, and (y) the remaining one-half of such Cash Distribution to be paid by the Plan Administrator from Excess Cash after payment in full of the Exit Facility and prior to any Distribution of Excess Cash on account of Allowed Claims in Subsidiary Debtor Class 2, and (B) the Second Cash Distribution Installment Note. In the event that Subsidiary Debtor Class 4 votes to accept the Plan by the requisite majority under 1126(c) of the Bankruptcy Code (regardless of which option may be selected), then Stellus shall forego receipt of any Cash Distribution pursuant to GUC Option A on account of the Allowed Stellus Prepetition Claim.

(ii) GUC Option B (Excess Cash Option). In full and final settlement, satisfaction, and discharge of its respective Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim that elects GUC Option B in accordance with Section 5.4(b) of the Plan shall (A) retain its respective Allowed General Unsecured Claim against the applicable Debtor obligated with respect thereto, in the full Allowed amount thereof; and (B) once the New U.S. Bank Secured Term Note has been paid in full, receive its Pro Rata share of the remaining Subsidiary Debtor Estate Assets, the timing and amounts of such Distribution or Distributions to be determined by the Plan Administrator in its reasonable discretion.

(iii) Irrespective of the vote to accept or reject the Plan, or election between GUC Option A and GUC Option B, made by a holder of an Allowed General Unsecured Claim in Subsidiary Debtor Class 4, each such holder shall receive its Pro Rata Distribution of proceeds of all Causes of Action realized by any Debtor from and after the Effective Date, in accordance with the Plan.

Section 5.5 Subsidiary Debtor Class 5 (Intercompany Claims)

(a) Impairment and Voting. Subsidiary Debtor Class 5 is Impaired by the Plan. Each holder of an Allowed Claim in Subsidiary Debtor Class 5 is not entitled to vote to accept or reject the Plan and is conclusively presumed to have rejected the Plan.

(b) Treatment. All Intercompany Claims shall be deemed cancelled and discharged as of the Effective Date, and holders of such Claims shall not receive or retain any property or interest in property on account of such Claims.

Section 5.6 Subsidiary Debtor Class 6 (Equity Interests)

(a) Impairment and Voting. Subsidiary Debtor Class 6 is Impaired by the Plan. Each holder of an Equity Interest in Subsidiary Debtor Class 6 is not entitled to vote to accept or reject the Plan and is conclusively deemed to have rejected the Plan.

(b) Treatment. Equity Interests in each Subsidiary Debtor shall be cancelled if and when the respective Subsidiary Debtor is dissolved in accordance with Section 6.4 of the Plan. Each holder of an Equity Interest in each Subsidiary Debtor shall neither receive nor retain any Estate Assets or direct interest in any Estate Assets of such Subsidiary Debtor on account of such Equity Interests thereafter; provided, however, that in the event that all Allowed Claims against the respective Subsidiary Debtor have been satisfied in full in accordance with the Bankruptcy Code and the Plan, each holder of an Equity Interest in such Subsidiary Debtor may receive its Pro Rata share of any remaining assets in such Subsidiary Debtor.

Section 5.7 Elimination of Vacant Classes Any Class of Claims or Equity Interests in a Subsidiary Debtor that is not populated as of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018, or as to which no vote is cast, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining the acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

ARTICLE 6

IMPLEMENTATION OF THE PLAN

Section 6.1 Plan Administrator

(a) Appointment. On the Effective Date, the Plan Administrator shall be vested with the authority described in Section 6.1(b) of the Plan and in the Plan Trust Agreement.

(b) Authority. The Plan Administrator shall have the authority and right on behalf of each of the Debtors, without the need for Bankruptcy Court approval (unless otherwise indicated), to carry out and implement all provisions of the Plan, including, without limitation, to:

(i) except to the extent Claims have been previously Allowed, control and effectuate the Claims reconciliation process, including to object to, comprise or settle any and all Claims against the Debtors subject to Bankruptcy Court approval;

(ii) make Distributions to holders of Allowed Claims in accordance with the Plan;

(iii) exercise its reasonable business judgment to direct and control the Wind-Down, liquidation, sale and/or abandoning of the assets of the Debtors under the Plan and in accordance with applicable law as necessary to maximize Distributions to holders of Allowed Claims;

(iv) prosecute all Causes of Action; provided, for the avoidance of doubt, any prosecution (or settlement, compromise, or other resolution) of any material Cause of Action shall require the prior approval of a majority of the Plan Trust Board, as shall be provided in the Plan Trust Agreement;

(v) assume all rights and powers of the Debtors under the Bankruptcy Code and applicable law, including, without limitation, the exclusive right to assert and waive the Debtors' attorney-client and other applicable privileges in connection with any Cause of Action or otherwise, all of which rights and powers shall be automatically vested with the Plan Administrator on the Effective Date pursuant to the Plan, the Confirmation Order, and the Plan Trust Agreement;

(vi) assist the Committee Representative in connection with its review of, and if warranted objection to, Professional Claims pursuant to Section 8.1 of the Plan;

(vii) make payments on account of any Allowed Professional Claims awarded pursuant to a Final Order of the Bankruptcy Court;

(viii) retain professionals to assist in performing its duties under the Plan;

(ix) appoint and oversee the Wind-Down Team;

(x) incur and pay reasonable and necessary expenses in connection with the performance of duties under the Plan, including the reasonable fees and expenses of professionals retained by the Plan Administrator;

(xi) maintain the books, records, and accounts of the Debtors;

(xii) oversee, and exercise exclusive control over, the Bank Accounts;

(xiii) invest Cash of the Debtors, including any Cash proceeds realized from the liquidation of any assets of the Debtors, including any Causes of Action, and any income earned thereon;

(xiv) administer each Debtor's tax obligations, including (A) filing tax returns and paying tax obligations; (B) request, if necessary, an expedited determination of any unpaid tax liability of each Debtor or its Estate under Bankruptcy Code section 505(b) for all taxable periods of such Debtor ending after the Commencement Date through the liquidation of such Debtor as determined under applicable tax laws; and (C) represent the interest and account of each Debtor or its Estate before any taxing authority in all matters including, without limitation, any action, suit, proceeding or audit;

(xv) prepare and file any and all informational returns, reports, statements, returns or disclosures relating to the Debtors that are required hereunder, by any Governmental Unit or applicable law;

(xvi) pay statutory fees in accordance with Section 13.3 of the Plan;

(xvii) subject to approval of a majority of the Plan Trustees, determine whether to create a Liquidating Trust for certain assets of a Debtor and which assets to transfer to such Liquidating Trust;

(xviii) after the Chapter 11 Case of a Debtor has been fully administered, seek authority from the Bankruptcy Court to close such Debtor's Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules; and

(xix) perform other duties and functions that are consistent with the implementation of the Plan.

(c) No Liability. The Plan Administrator shall have no liability whatsoever for any acts or omissions in its capacity as Plan Administrator to the Debtors or holders of Claims against or Equity Interests in the Debtors other than for gross negligence or willful misconduct of the Plan Administrator. Each of the Debtors shall indemnify and hold harmless the Plan Administrator for any losses incurred in such capacity, except to the extent such losses were the result of the Plan Administrator's gross negligence, willful misconduct or criminal conduct.

Section 6.2 Wind-Down By virtue of its ownership of the Exchanged Stock and pursuant to the terms and conditions of the Plan and the Plan Trust Agreement, the Plan Trust (and, the Plan Administrator on behalf thereof) shall exercise exclusive control of the Debtors' affairs and the Wind-Down, and shall enjoy and exercise such rights and powers with respect to the Debtors as set forth in the Plan and as shall be set forth in the Plan Trust Agreement. In furtherance and without limitation thereof, on and after the Effective Date, pursuant to the Plan, the Plan Administrator and the Wind-Down Team shall implement the Wind-Down, and shall sell and otherwise liquidate assets of the Debtors in accordance with the Plan and the Plan Trust Agreement. The Wind-Down, sale and liquidation of such Debtor's assets shall occur over a period of three years after the Effective Date.

Section 6.3 Governance of the Plan Trust On the Effective Date, the Plan Trust Board shall be vested with the authority set forth herein, and shall oversee the affairs of the Plan Trust, as shall be further set forth in the Plan Trust Agreement.

Section 6.4 Corporate Existence of Post-Effective Date Debtors After the Effective Date, the Plan Administrator may decide to (i) maintain each Debtor as a corporation or limited liability company in good standing until such time as all aspects of the Plan pertaining to such Debtor have been completed; or (ii) at such time as the Plan Administrator considers appropriate and consistent with the implementation of the Plan pertaining to such Debtor (such as, for example, after all Distributions have been made by the Plan Administrator pursuant to the Plan pertaining to such Debtor), dissolve such Debtor and complete the winding-up of such Debtor without the necessity for any other or further actions to be taken by or on behalf of such dissolving Debtor or its shareholder or any payments to be made in connection therewith subject to the filing of a certificate of dissolution with the appropriate governmental authorities; provided, that the foregoing does not limit the Plan Administrator's ability to otherwise abandon an interest in a Debtor entity if determined by the Plan Administrator to further the Wind-Down of such Debtor's Estate.

Section 6.5 Formation Documents and By-Laws As of the Effective Date, the respective formation documents and by-laws of each Debtor shall be deemed amended to the extent necessary to carry out the provisions of the Plan. The amended formation documents and by-laws of such Debtor (if any) shall be contained in the Plan Supplement.

Section 6.6 Effectuating Documents and Further Transactions Upon entry of the Confirmation Order, each of the Debtors or the Plan Administrator (as applicable), shall be authorized and are instructed to execute, deliver, file or record such contracts, instruments, releases, consents, certificates, resolutions, programs and other agreements and documents and take such actions as may be reasonably necessary or appropriate to effectuate, implement, consummate and further evidence the terms and conditions of this Plan, including, without limitation, implementing all settlements and compromises as set forth in or contemplated by this Plan, amending and restating the Debtors' constituent documents in accordance with the terms of this Plan, and performing all obligations under this Plan. As of the Effective Date, no member, partner or equity security holder of the Debtors shall take any action that affects, alters or creates any additional or incremental liability for or imputed to the Debtors.

ARTICLE 7

PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE PLAN

Section 7.1 Voting of Claims Each holder of an Allowed Claim in an Impaired Class of Claims that is entitled to vote on the Plan shall be entitled to vote separately to accept or reject the Plan as provided in the Disclosure Statement Approval Order.

Section 7.2 Nonconsensual Confirmation If any Impaired Class of Claims entitled to vote on the Plan does not accept the Plan by the requisite majority provided in section 1126(c) of the Bankruptcy Code, the Proponents reserve the right to amend the Plan in accordance with Section 13.10 of the Plan or undertake to have the Bankruptcy Court confirm the Plan under

section 1129(b) of the Bankruptcy Code or both. With respect to Impaired Classes of Claims or Equity Interests that are deemed to reject the Plan, the Proponents shall request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code.

Section 7.3 Distribution Record Date Except as otherwise provided in this Plan, as of 12:00 p.m. (prevailing Eastern time) on the Distribution Record Date, there shall be no further changes in the recordholders of any Claim against or Equity Interest in the Debtors, and the Debtors shall have no obligation to recognize any transfer of any Claim against or Equity Interest in the Debtors occurring after the Distribution Record Date.

Section 7.4 Distributions by the Plan Administrator On and after the Effective Date, the Plan Administrator shall make Distributions in accordance with the terms and provisions of the Plan. Except as otherwise provided herein or pursuant to agreement or understanding between the Debtors and the holder of an Allowed Claim as of the Effective Date, all Distributions required to be made under this Plan with respect to Claims that are Allowed as of the Effective Date shall be made by the Plan Administrator from the Debtors' cash on hand on the Effective Date, or as soon as reasonably practicable thereafter. Except as otherwise provided in this Plan or pursuant to agreement or understanding between the Plan Administrator and the holder of a Disputed Claim, if such Claim becomes Allowed after the Effective Date, the Plan Administrator shall make all Distributions with respect to such Claim on or as soon as reasonably practicable after the date on which such Claim becomes Allowed; provided, to the extent such Claim becomes Allowed after the Effective Date, no interest shall accrue or be payable with respect to such Allowed Claim or any Distributions related thereto.

Section 7.5 Disputed Claims Reserve From and after the Effective Date, the Plan Administrator shall reserve from Cash Distributions to the holders of Allowed Claims in SSDI Class 4 and Subsidiary Debtor Class 4 such amount of Cash as reasonably determined by the Plan Administrator in light of the asserted dollar amount of Disputed Claims in SSDI Class 4 and Subsidiary Debtor Class 4 that, in the reasonable determination of the Plan Administrator, may ultimately become Allowed.

Section 7.6 Minimum Distribution and Manner of Payment No payment of Cash of less than one-hundred dollars ($100) shall be made by any Debtor to any holder of an Allowed Claim against such Debtor unless a request therefor is made in writing to the Plan Administrator. Any payment of Cash made pursuant to the Plan may be made at the option of the Plan Administrator either by check or by wire transfer.

Section 7.7 Distributions Free and Clear Except as otherwise provided herein, any Distributions under the Plan shall be free and clear of any Liens, Claims and encumbrances, and no other entity, including the Debtors or the Plan Administrator, shall have any interest, legal, beneficial or otherwise, in assets transferred pursuant to the Plan.

Section 7.8 Delivery of Distributions and Undeliverable Distributions

Subject to Bankruptcy Rule 9010, all Distributions to any holder of an Allowed Claim shall be made at the address of such holder as set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Debtors or their agents or in a letter of

transmittal unless the Plan Administrator has been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim or interest by such holder that contains an address for such holder different from the address reflected on such Schedules for such holder.

The Plan Administrator shall hold all Unclaimed Property for the benefit of the holders of Claims entitled thereto under the terms of this Plan. The Plan Administrator shall use reasonable efforts to determine the current address of the holders of Claims entitled to Unclaimed Property, but no Distribution to such holders shall be made unless and until the Plan Administrator has determined the then current address of such holders, at which time such Distribution shall be made to such holders without any interest thereon whatsoever, except as otherwise provided in this Plan.

Upon the conclusion of one hundred and twenty (120) calendar days following the date that any Cash or other property becomes Unclaimed Property, the holders of Allowed Claims theretofore entitled to such Unclaimed Property shall be deemed to have forfeited such property, whereupon (i) all rights and title to and interest in such Unclaimed Property shall immediately and irrevocably re-vest in the applicable Debtor for the benefit of holders of Allowed, but as yet not fully paid, Claims in the Class in which the applicable Claim was classified; (ii) such holders shall cease to be entitled to such Unclaimed Property or any further Distributions on account of such Claims; (iii) such Claims shall be deemed to be Disallowed and expunged to the extent of such forfeiture; and (iv) such Unclaimed Property shall be redistributed by the Plan Administrator Pro Rata to any Allowed Claims that remain unpaid, either in whole or in part, in the Class in which the applicable Claim was classified.

Section 7.9 Withholding and Reporting Requirements

All Distributions under this Plan shall be subject to federal, state, local and foreign withholding taxes or other amounts required to be withheld under any applicable law and such amounts shall be deducted and withheld from any Distributions made pursuant to this Plan. All holders of Allowed Claims shall be required to provide to the Plan Administrator any information necessary to effectuate the withholding of such taxes. Notwithstanding the foregoing, each holder of an Allowed Claim that is to receive a Distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit on account of such Distribution, including withholding tax obligations in respect of in-kind Distributions. The Plan Administrator shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, establishing any mechanisms the Plan Administrator believes is reasonable and appropriate, including, without limitation, requiring claimholders to submit appropriate tax withholding certifications. Any entity issuing an instrument or making an in-kind Distribution under this Plan has the right, but not the obligation, to refrain from making such Distribution until the entity to which the Distribution is to be made has made arrangements satisfactory to such issuing or disbursing entity for payment of any such tax obligation.

Section 7.10 Time Bar to Cash Payment Rights

Checks issued by the Plan Administrator in respect of Allowed Claims shall be null and void if not presented for payment within one-hundred twenty (120) calendar days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Plan Administrator (as applicable) by the holder of the Allowed Claim to whom such check originally was issued on or before thirty (30) calendar days after the expiration of the one-hundred twenty (120) calendar day period following the date of issuance of such check. After such date, all funds held on account of such voided check shall be redistributed by the Plan Administrator as soon as reasonably practicable thereafter.

Section 7.11 Setoffs and Recoupment

Except as otherwise provided in this Plan, or in an agreement approved by a Final Order of the Bankruptcy Court, the Plan Administrator may, pursuant to applicable law (including section 553 of the Bankruptcy Code), set off against any Distribution amounts related to any Claim before such Distribution is made on account of such Claim, any and all of the Claims (other than the Released Claims), rights and Causes of Action of any nature that the Debtors, their Estates may hold against the holder of such Claim; provided, however, that neither the failure to effect such a setoff, the allowance of any Claim hereunder, or any other act or omission of the Plan Administrator, nor any provision of this Plan, shall constitute a waiver or release by any Debtor, any Estate, or the Plan Administrator of any such Claims, rights and Causes of Action that the Debtor, any Estate, or the Plan Administrator, as applicable, may possess against such holder. To the extent that the Plan Administrator sets off a Claim of the Debtors' Estates against a holder of a Claim against the Debtors before a Distribution is made to the holder of such Claim against the Debtors pursuant to this Plan, the Plan Administrator shall be entitled to full recovery on the Debtors' Claim against such holder.

Section 7.12 Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under this Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated first to the principal amount (as determined for United States federal income tax purposes) of such Claim, and then to accrued but unpaid interest.

Section 7.13 No Distribution in Excess of Allowed Amount of Claim

Notwithstanding any other provision of this Plan, no holder of an Allowed Claim shall receive in respect of such Claim any Distribution in excess of the Allowed amount of such Claim.

Section 7.14 Distributions with Respect to Disputed Claims

Notwithstanding any other provision of this Plan, no Distributions of any kind or nature shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court, and the Disputed Claim has become Allowed. Except as otherwise provided in this Plan, each holder of a Disputed Claim that becomes Allowed after the Effective Date shall

receive an amount, without any interest thereon, that provides such holder with the same percentage recovery, as of the Effective Date, as holders of Claims in the same Class that were Allowed on the Effective Date, subject to the setoff rights as provided in Section 7.11 of this Plan. To the extent that a Disputed Claim is Disallowed or expunged, the holder of such Claim shall not receive or retain any property or interest in property on account of the portion of such Claim that is Disallowed or expunged.

Section 7.15 Distributions with Respect to Defendants

Notwithstanding any other provision of the Plan, the Plan Administrator shall withhold any and all Distributions on account of any portion of a Claim held by an entity (i) that is a defendant in any pending contested matter or adversary proceeding being prosecuted by the Plan Administrator or either of the Proponents; or (ii) against whom the Plan Administrator has asserted or, in its reasonable determination, may assert a Cause of Action.

Section 7.16 Disputed Payments

If any dispute arises as to the identity of a holder of an Allowed Claim that is to receive any Distribution under this Plan, the Plan Administrator may, in lieu of making such Distribution to such entity, make such Distribution into an escrow account until such dispute is resolved by Final Order of the Bankruptcy Court or by written agreement among the interested parties to such dispute, which written agreement is reasonably acceptable to the Plan Administrator.

Section 7.17 Postpetition Interest on Claims

To the extent that any Debtor holds remaining Cash after all Allowed Claims against that Debtor have been satisfied in full in accordance with the Plan, each holder of each such Allowed Claim shall receive its Pro Rata share of further Distributions, if any, to the fullest extent permissible under the Bankruptcy Code in satisfaction of postpetition interest on the Allowed amount of such Claims at the rate applicable in the contract or contracts on which such Allowed Claim is based (or, absent such contractual rate, at the statutory rate) until such time as all postpetition interest on all such Allowed Claims has been paid in full.

Section 7.18 Timing of Deemed Release of Allowed Claims

Except as otherwise expressly provided in this Plan and notwithstanding anything herein to the contrary, each Allowed Claim that receives a Distribution under the Plan shall be deemed to be fully and finally released by the respective holder thereof on the date that all Distributions have been made by the Plan Administrator under the Plan, and the Chapter 11 Cases are closed pursuant to a final decree entered by the Bankruptcy Court.

ARTICLE 8

DISPUTED CLAIMS AND EQUITY INTERESTS

Section 8.1 Objections to Claims and Equity Interests

As of the Effective Date, the Plan Administrator and the Committee Representative shall have the right to file and prosecute objections to, and negotiate, settle or otherwise resolve, any and all Claims (including Professional Claims) and Equity Interests; provided, the Committee Representative shall also have the authority to object to any applications for final allowance of Professional Claims on or before the Professional Claims Objection Deadline. Except as otherwise provided herein, any objection to a Claim or Equity Interest shall be filed and served upon the holder of such Claim or Equity Interest on or before the Claims Objection Deadline. The Claims Objection Deadline may be extended by order of the Bankruptcy Court upon motion of the Plan Administrator or either of the Proponents and notice and a hearing. Notwithstanding any authority to the contrary, an objection to a Claim or Equity Interest shall be deemed properly served on the holder of such Claim or Equity Interest if service is made in any of the following manners: (i) in accordance with rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) by first class mail, postage prepaid, on any counsel that has appeared on behalf of the holder of such Claim or Equity Interest in the Chapter 11 Cases and has not withdrawn such appearance; (iii) by first class mail, postage prepaid, on the signatory on the respective proof of claim or interest or other representative identified on the proof of claim or interest or any attachment thereto; or (iv) at the last known address of the holder of such Claim or Equity Interest if no proof of claim is filed or if the Plan Administrator has been notified in writing of a change of address.

Section 8.2 Estimation of Claims

As of the Effective Date, the Plan Administrator and the Committee Representative shall have the right to request at any time that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, for any reason or purpose, regardless of whether an objection has been previously filed with respect 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, without limitation, during the pendency of any appeal relating to any such objection. All of the aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or otherwise resolved by any mechanism set forth in this Plan or approved by the Bankruptcy Court. Notwithstanding section 502(j) of the Bankruptcy Court, in no event shall any holder of a Claim that has been estimated be entitled to seek reconsideration of the estimation of such Claim unless the holder of such Claim has filed a motion requesting the right to seek such reconsideration on or before thirty (30) calendar days after the date such Claim is estimated by the Bankruptcy Court.

Section 8.3 Late-Filed Claims and Amendments to Claims

Pursuant to section 502(b)(9) of the Bankruptcy Code, any Claim that is not filed on or before the applicable deadline to file such Claim shall be Disallowed and expunged in full as of the Effective Date without any action required of the Plan Administrator, either of the Proponents, or the Bankruptcy Court.

On or after the applicable deadline to file a Claim, the holder of such Claim must obtain prior authorization from the Bankruptcy Court to file or amend such Claim. Any new or amended Claim filed after the applicable deadline to file such Claim without such prior authorization will not appear on the register of claims and will be deemed Disallowed and expunged in full without any action required of the Plan Administrator, either of the Proponents, or the Bankruptcy Court.

Section 8.4 Settlement of Disputed Claims

Except as otherwise provided in this Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the Plan Administrator and the Committee Representative shall have the authority to compromise, settle, or otherwise resolve all Claims, rights, Causes of Action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors' Estates may hold against any entity, without the necessity for notice to or approval by the Bankruptcy Court or any other party in interest; provided, for the avoidance of doubt, any proposed settlement or resolution of any material Cause of Action shall require the prior approval of a majority of the Plan Trust Board, in accordance with Section 6.1(b)(iv) of the Plan and as shall be provided in the Plan Trust Agreement.

ARTICLE 9

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 9.1 Assumption and Rejection of Executory Contracts and Unexpired Leases

(a) Assumption of Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases listed on the Schedule of Assumed Contracts and Leases shall be deemed automatically assumed (and if applicable, assigned) pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code effective as of and subject to the occurrence of the Effective Date, except for those executory contracts or unexpired leases that (i) have already been assumed, assigned or rejected pursuant to a Final Order of the Bankruptcy Court; (ii) are not capable of assumption pursuant to section 365(c) of the Bankruptcy Code; or (iii) have previously expired or terminated pursuant to their own terms (and not otherwise extended).

To the extent any provision in any executory contract or unexpired lease assumed pursuant to this Plan (including, without limitation, any "change of control" provision) restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the

applicable Debtor's assumption and/or assignment of such executory contract or unexpired lease, then such provision shall be deemed modified such that the transactions contemplated by this Plan shall not entitle the non-Debtor party thereto to terminate such executory contract or unexpired lease or to exercise any other default-related rights with respect thereto.

Modifications, amendments, supplements and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases and actions taken in accordance therewith, (i) do not alter in any way the prepetition nature of the executory contracts and unexpired leases, or the validity, priority or amount of any Claims against the Debtors that may arise under such executory contract or unexpired lease; (ii) are not and do not create postpetition contracts or leases; (iii) do not elevate to Administrative Expense Claims any Claims of the counterparties to the executory contracts and unexpired leases against any of the Debtors; and (iv) do not entitle any entity to a Claim under any section of the Bankruptcy Code on account of the difference between the terms of any prepetition executory contracts or unexpired leases and subsequent modifications, amendments, supplements or restatements.

(b) Rejection of Remaining Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases to which any of the Debtors is a party, shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code effective as of and subject to the occurrence of the Effective Date, except for those executory contracts or unexpired leases that (i) have already been rejected pursuant to a Final Order of the Bankruptcy Court; (ii) have previously expired or terminated pursuant to their own terms (and not otherwise extended); or (iii) are specifically designated as a contract or lease to be assumed on the Schedule of Assumed Contracts and Leases. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections and a finding that such rejected executory contracts or unexpired leases are burdensome and that the rejection thereof is in the best interests of the Debtors and their Estates.

(c) The Schedule of Assumed Contracts and Leases

The Schedule of Assumed Contracts and Leases shall be included in the Plan Supplement and shall represent the Proponents' then-current good faith belief regarding the intended treatment of all executory contracts and unexpired leases listed thereon. The Proponents reserve the right, on or prior to 3:00 p.m. (prevailing Eastern time) on the Business Day immediately prior to the commencement of the Confirmation Hearing, (i) to amend the Schedule of Assumed Contracts and Leases in order to add or delete any executory contract or unexpired lease or amend a proposed assignment; and (ii) to amend the Proposed Cure with respect to any executory contract or unexpired lease previously listed as to be assumed; provided, however, that if the Confirmation Hearing is adjourned for a period of more than two consecutive calendar days, such amendment right shall be extended to 3:00 p.m. (prevailing Eastern time) on the Business Day immediately prior to the rescheduled or contingent Confirmation Hearing, and this proviso shall apply in the case of any and all subsequent adjournments of the Confirmation Hearing; provided further, however, the Plan Administrator may remove or add any executory contract or unexpired lease from or to the Schedule of Assumed Contracts and Leases until the

date that is one-hundred twenty (120) days after the Effective Date, subject to the right of the Plan Administrator to seek an extension of such deadline upon motion to the Bankruptcy Court.

Unless otherwise specified in the Schedule of Assumed Contracts and Leases, each executory contract and unexpired lease listed on such schedule, shall include all (i) modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease; and (ii) easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vault, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem relating to such premises, unless any of the foregoing agreements has been rejected pursuant to a Final Order of the Bankruptcy Court.

(d) Exhibits Not Admissions

The exclusion of a contract, lease or other agreement in the Schedule of Assumed Contracts and Leases shall not constitute an admission by the Debtors as to the characterization of whether any such contract, lease, or other agreement is, or is not, an executory contract or unexpired lease or whether any parties to any such contract, lease or other agreement are time-barred from asserting Claims against the Debtors or that any Debtor has any liability thereunder. The Proponents reserve all rights with respect to the characterization of any such contracts, leases or other agreements.

Section 9.2 Cure of Defaults

Any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, (i) by payment of the default amount from the Debtors' cash on hand on the Effective Date or as soon as reasonably practicable thereafter; or (ii) on such other terms as agreed to by the Debtors or the Plan Administrator, upon approval by either of the Proponents, and the parties to such executory contract or unexpired lease. With the exception of such payment of a Cure, if any, the Debtors are not required to make any payment or take any other action in order to satisfy the requirements of section 365(b) of the Bankruptcy Code with regard to the executory contracts and unexpired leases being assumed under this Plan. No Cure shall be allowed with respect to a penalty rate or default rate of interest, each to the extent not allowed under the Bankruptcy Code or applicable law.

The Schedule of Assumed Contracts and Leases lists the Proposed Cure for each executory contract or unexpired lease to be assumed under this Plan. The Proposed Cures set forth on the Schedule of Assumed Contracts and Leases shall be final and binding on all non-Debtor parties to the respective executory contract or unexpired lease, and shall not be subject to further dispute or audit based on performance prior to the time of assumption, irrespective of the terms and conditions of such executory contracts or unexpired leases, unless an objection to such Proposed Cure is timely-filed and properly-served pursuant to Section 9.4 below. In the event of a dispute with respect to the assumption and/or assignment of any executory contract or unexpired lease or the amount of the respective Proposed Cure, payment of the Cure, if any, shall be made following the entry of a Final Order by the Bankruptcy Court resolving the dispute and

approving assumption (and, if applicable, assignment) of such executory contract or unexpired lease. If no such objection is filed, the Proposed Cure shall be deemed to satisfy fully any obligations the Debtors might have with respect to such executory contract or unexpired lease under section 365(b) of the Bankruptcy Code.

Section 9.3 Assignment

To the extent provided under the Bankruptcy Code or other applicable law, any executory contract or unexpired lease assumed and assigned pursuant to this Plan shall remain in full force and effect for the benefit of the assignee in accordance with its terms, notwithstanding any provision in such executory contract or unexpired lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts or conditions such assignment. To the extent provided under the Bankruptcy Code or other applicable law, any provision that prohibits, restricts or conditions the assignment of any such executory contract or unexpired lease or that terminates or modifies such executory contract or unexpired lease or allows the counterparty to such executory contract or unexpired lease to terminate, modify, recapture, impose any penalty, condition renewal or extension or modify any term or condition upon any such assignment constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

Section 9.4 Objections to Rejection, Assumption, Assignment or Cure

Any non-Debtor party to an executory contract or unexpired lease that wishes to object to the rejection, assumption, assignment of, or Proposed Cure related to, such executory contract or unexpired lease, must file an objection with the Bankruptcy Court by the Confirmation Objection Deadline and serve such objection on (i) counsel to each Proponent; and (ii) counsel to the Debtors. Any objection to the Proposed Cure set forth on the Schedule of Assumed Contracts and Leases shall state with specificity the Cure amount the objecting party believes is required and provide appropriate documentation in support thereof.

THE FAILURE TO PROPERLY FILE AND SERVE AN OBJECTION TO THE DEBTORS' REJECTION, ASSUMPTION, ASSIGNMENT OR PROPOSED CURE ON OR BEFORE THE CONFIRMATION OBJECTION DEADLINE SHALL RESULT IN THE NON-DEBTOR PARTY TO THE APPLICABLE EXECUTORY CONTRACT OR UNEXPIRED LEASE BEING (A) DEEMED TO CONSENT TO SUCH REJECTION, ASSUMPTION, ASSIGNMENT OR PROPOSED CURE; (B) BARRED, ESTOPPED AND PERMANENTLY ENJOINED FROM (I) OBJECTING TO SUCH REJECTION, ASSUMPTION, ASSIGNMENT OR PROPOSED CURE AND PRECLUDED FROM BEING HEARD AT THE CONFIRMATION HEARING WITH RESPECT TO SUCH OBJECTION, (II) ASSERTING AGAINST THE DEBTORS, THEIR ESTATES, ANY OF THE DEBTORS' PROPERTY, THE PLAN ADMINISTRATOR, OR ANY OF THE RELEASED PARTIES, ANY DEFAULT EXISTING AS OF THE EFFECTIVE DATE OR ANY COUNTERCLAIM, DEFENSE, SETOFF OR ANY OTHER INTEREST, AND (III) IMPOSING OR CHARGING AGAINST THE DEBTORS, THEIR ESTATES, ANY OF THE DEBTORS' PROPERTY, THE PLAN ADMINISTRATOR, OR ANY OF THE RELEASED PARTIES, ANY ACCELERATIONS, ASSIGNMENT FEES, INCREASES OR ANY OTHER FEES AS A RESULT OF ANY ASSUMPTION OR ASSIGNMENT

PURSUANT TO THIS PLAN; AND (C) DEEMED TO WAIVE ANY RIGHT TO RECEIVE A CURE OTHER THAN THE PROPOSED CURE SET FORTH IN THE SCHEDULE OF ASSUMED CONTRACTS AND LEASES.

With respect to any timely-filed and properly-served objection to the Debtors' proposed rejection, assumption, assignment or Proposed Cure, the Proponents may, in their sole discretion, (i) settle or otherwise resolve such objection; (ii) respond to such objection (in which case the Bankruptcy Court shall decide such objection at the Confirmation Hearing); or (iii) remove the particular agreement from the Schedule of Assumed Contracts and Leases (if applicable).

Notwithstanding anything in the foregoing to the contrary, with respect to any contract, lease or other agreement that is subject to litigation or a proceeding in which the characterization of such contract, lease or agreement is an issue and that is pending as of the commencement of the Confirmation Hearing, the Debtors shall have thirty (30) calendar days after the entry of a Final Order by the Bankruptcy Court resolving the litigation or proceeding to assume or reject such contract, lease or agreement.

Section 9.5 Rejection Damage Claims

All Rejection Damage Claims shall be treated as General Unsecured Claims and shall be classified in SSDI Class 4 or Subsidiary Debtor Class 4, as applicable, and may be objected to in accordance with the provisions of Section 8.1 of this Plan and the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. Any holder of a Rejection Damage Claim that ultimately becomes Allowed shall be entitled to receive its applicable Distribution under this Plan as an Allowed General Unsecured Claim in accordance with Section 4.4 and Section 5.4, as applicable, of the Plan.

All proofs of claim with respect to Rejection Damage Claims must be filed with the Bankruptcy Court and served on the Debtors on or before the later of (i) the deadline to file such claims set forth in the Bar Date Order; and (ii) the first business day that is thirty (30) calendar days after entry of an order authorizing the rejection of the respective executory contract or unexpired lease, including the Confirmation Order with respect to the executory contracts and unexpired leases rejected pursuant to this Plan.

THE FAILURE TO PROPERLY FILE AND SERVE A PROOF OF CLAIM WITH RESPECT TO A REJECTION DAMAGE CLAIM BY THE DEADLINES SET FORTH IN THIS ARTICLE 9, AS APPLICABLE, SHALL RESULT IN SUCH CLAIM BEING DEEMED FOREVER BARRED, DISALLOWED AND DISCHARGED AS OF THE EFFECTIVE DATE AUTOMATICALLY WITHOUT THE NEED FOR ANY OBJECTION FROM THE PROPONENTS, THE DEBTORS, OR THE PLAN ADMINISTRATOR OR ANY ACTION BY THE BANKRUPTCY COURT.

ARTICLE 10

EFFECT OF CONFIRMATION

Section 10.1 Vesting of Assets

Upon the Effective Date, pursuant to section 1141(b) and (c) of the Bankruptcy Code, all Estate Assets of a Debtor shall automatically vest in that Debtor free and clear of all Claims, Liens, encumbrances, charges and other interests, except as expressly provided herein; provided, for the avoidance of doubt, on the Effective Date, and unless otherwise approved by a majority of the Plan Trust Board after the Effective Date pursuant to the Plan Trust Agreement, (i) the assets of the Plan Trust shall consist solely and exclusively of the Exchanged Stock; and (ii) no Liquidating Trust shall be created by the Plan Administrator. From and after the Effective Date, the Debtors, acting through the Plan Administrator, may take any action, including, without limitation, the operation of the businesses, the use, acquisition, sale, lease and disposition of property, and the entry into transactions, agreements, understandings or arrangements whether in or other than in the ordinary course of business, and execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers or otherwise in connection with any of the foregoing, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as explicitly provided herein.

Section 10.2 Injunction

Except as otherwise provided in this Plan, on the Effective Date, all holders of Claims against and Equity Interests in the Debtors or their Estates shall be precluded and enjoined from asserting against the Debtors, their Estates, their successors and assigns, or any of their assets or property, whether in the possession of the Debtors or a transferee of such property under this Plan, (i) any such Claim against or Equity Interest in the Debtors, by any means, including, without limitation, (a) commencing or continuing, in any matter or in any place, any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their Estates with respect to such Claim or Equity Interest, (c) creating, perfecting or enforcing any lien or encumbrance of any kind against the Debtors or their Estates or against property or interests in property of the Debtors or their Estates with respect to such Claim or Equity Interest, or (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or their Estates or against the property or interests in property of the Debtors or their Estates with respect to such Claim or Equity Interest; and (ii) any other or further Claim or Equity Interest based upon any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred on or before the Effective Date, whether or not such holder has filed a proof of such Claim or Equity Interest and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date; provided, however, that nothing contained herein shall preclude such entity from exercising their rights pursuant to and consistent with the terms of this Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered under or in connection with this Plan.

Section 10.3 Injunction Against Interference with Plan

Except as otherwise provided in this Plan, upon entry of the Confirmation Order, all holders of Claims against or Equity Interests in any of the Debtors, and other parties in interest, along with any current or former officers, directors, employees, agents, representatives, partners, limited partners, members, trustees, managers, affiliates, parents, subsidiaries, attorneys, auditors, appraisers, accountants, financial advisors, investment bankers, consultants, or other professionals of any of the foregoing and any entity controlling or controlled by any of the foregoing and any predecessors, successors and assigns of any of the foregoing, shall be enjoined from seeking to oppose, delay, interfere or otherwise frustrate implementation or consummation of this Plan, including, without limitation, taking any action whatsoever that changes, alters, modifies or expands the tax filing status of any of the Debtors, taking any action in violation of the injunction imposed pursuant to Section 10.2 of the Plan, and any such action or omission shall be void ab initio.

Section 10.4 Term of Injunctions or Stays Arising Under or Entered During the Chapter 11 Cases

Unless otherwise provided in the Plan, (i) all injunctions with respect to or stays against an action against property of the Debtors' Estates arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force and effect until such property is no longer property of the Debtors' Estates; and (ii) all other injunctions and stays arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earliest of (A) the date that the Chapter 11 Cases are closed pursuant to a Final Order of the Bankruptcy Court; or (B) the date that the Chapter 11 Cases are dismissed pursuant to a Final Order of the Bankruptcy Court.

Section 10.5 Exculpation

To the fullest extent permissible under applicable law, except as otherwise provided in this Plan, none of the Released Parties, or any of such parties' successors and assigns, or any of the Debtors' representatives or financial advisors acting in such capacity, shall have or incur any liability to, or be subject to any right of action by, any holder of a Claim against or Equity Interest in any of the Debtors, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or agents acting in such capacity, or any of their successors and assigns, for any act or omission in connection with, related to or arising out of, the Chapter 11 Cases, the operation of the Debtors' businesses during the Chapter 11 Cases, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of this Plan, or any other contract, instrument, release, agreement, settlement or document created, modified, amended, terminated or entered into in connection with this Plan, or any other act or omission in connection with the Debtors' bankruptcy; provided, however, that nothing in this Section 10.5 shall impact the allowance or disallowance of any Claim not expressly released under this Plan.

Section 10.6 Releases

(a) **Release by Debtors**

On the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the Debtors and any entity seeking to exercise the rights of the Debtors or their Estates, including, without limitation, any successor to the Debtors, shall completely, conclusively, absolutely, unconditionally, irrevocably, and forever release the Released Parties, from any and all Claims, Equity Interests, liens, encumbrances, obligations, damages, demands, debts, suits, Causes of Action, judgments, liabilities or rights whatsoever (other than the rights of the Debtors, through the Plan Administrator, to enforce this Plan and contracts, instruments, releases, indentures, agreements and other documents delivered hereunder), 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 are based in whole or in part upon any act, omission, transaction, agreement, event or occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of this Plan, the business or contractual arrangements between any Debtor and any Released Party, or any other act or omission in connection with the Debtors' bankruptcy, without further notice to or action by the Bankruptcy Court, or act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any entity; provided, however, for the avoidance of doubt, that the foregoing shall not operate as a waiver or release of any Causes of Action against any of the Debtors' current or former directors, current or former officers, Charles Binder, Harry Binder, or any of the HIG Parties.

(b) **Release by Holders of Claims and Equity Interests, and Released Parties**

On the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the holders of Claims against and Equity Interests in the Debtors, and the Released Parties, will be deemed to completely, conclusively, absolutely, unconditionally, irrevocably, and forever release the Released Parties from any and all Claims, Equity Interests, liens, encumbrances, obligations, damages, demands, debts, suits, Causes of Action, judgments, liabilities or rights whatsoever (other than the right to enforce the Debtors' obligations under this Plan and the contracts, instruments, releases, indentures, agreements and other documents delivered hereunder), 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, based in whole or in part on any act, omission, transaction, agreement, event or occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the business or contractual arrangements with any Debtor, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of this Plan, or any other contract, instrument, release, agreement, settlement or document created, modified, amended, terminated or entered into in connection with this Plan, the restructuring of any Claims against and Equity Interests in the Debtors, the property to be distributed under this Plan, or any other act or omission in

connection with the Debtors' bankruptcy, without further notice to or action by the Bankruptcy Court, or act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any entity; provided, however, for the avoidance of doubt, that the foregoing shall not operate as a waiver or release of any Causes of Action against any of the Debtors' current or former directors, current or former officers, Charles Binder, Harry Binder, or any of the HIG Parties.

Section 10.7 Binding Effect

Upon the Effective Date, this Plan shall be binding on, and shall inure to the benefit of, the Debtors' Estates and their respective successors and assigns. The rights, benefits and obligations of any entity named or referenced in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity, including any holder of a Claim against or Equity Interest in the Debtors, whether or not the Claim or Equity Interest of such holder is Impaired under this Plan and whether or not such holder has voted to accept this Plan.

ARTICLE 11

CONDITIONS PRECEDENT TO EFFECTIVE DATE

Section 11.1 Conditions Precedent to Confirmation of the Plan

The following are conditions precedent to the confirmation of the Plan with respect to each Debtor:

(i) The Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the Proponents, and the Confirmation Order shall be a Final Order.

Section 11.2 Conditions to Effectiveness of Plan

The following are conditions precedent to the effectiveness of this Plan and the occurrence of the Effective Date, each of which must be satisfied, or waived in accordance with Section 11.3 of this Plan:

(i) All actions, documents, instruments and agreements necessary to implement this Plan (each in form and substance satisfactory to the Proponents) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived, in writing, by the parties benefited thereby;

(ii) The appointment of the Plan Administrator shall have been approved by the Bankruptcy Court, the Plan Administrator shall have accepted such appointment, and the Plan Administrator shall have been vested with the authority set forth in Section 6.1(b) of the Plan and in the Plan Trust Agreement;

(iii) The Plan Trust Agreement shall have been executed and delivered by the parties thereto;

(iv) The Exit Facility Documents shall have been executed and delivered by the parties thereto, and the Exit Facility shall have been consummated; and.

(v) All consents, authorizations and approvals necessary to implement this Plan shall have been obtained and not revoked.

Section 11.3 Waiver of Conditions

The Proponents may waive any of the conditions to effectiveness of this Plan without leave of or notice to the Bankruptcy Court or any party in interest and without any formal action other than proceeding with confirmation and consummation of this Plan. The failure to satisfy or waive a condition to effectiveness of this Plan may be asserted by the Proponents regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Proponents to exercise any of the foregoing rights shall not be deemed a waiver of any other rights hereunder and each right shall be deemed an ongoing right that may be asserted at any time.

ARTICLE 12

RETENTION OF JURISDICTION

On and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, to the fullest extent permissible under law, over all matters arising in, arising under, or related to the Chapter 11 Cases and this Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(i) To hear and determine any motions for the assumption, assumption and assignment, or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

(ii) To hear and determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date including, without limitation, with respect to any Cause of Action;

(iii) To ensure that Distributions to holders of Allowed Claims are accomplished as provided herein;

(iv) To hear and determine all matters related to the allowance, disallowance, liquidation, classification, priority, compromise, estimation or payment of any Claim or Equity Interest, including any objections to, or requests for estimation of, Claims or Equity Interests, whether filed, asserted or made before or after the Confirmation Date;

(v) To enter, implement or enforce such orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

(vi) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any entity

with the consummation, implementation or enforcement of this Plan, the Confirmation Order or any other order of the Bankruptcy Court;

(vii) To hear and determine any application to modify this Plan to cure any defect or omission or reconcile any inconsistency in this Plan, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(viii) To hear and determine any application for compensation for services rendered and reimbursement of expenses incurred to the extent authorized to be paid or reimbursed under this Plan or the Bankruptcy Code;

(ix) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of this Plan, the Confirmation Order, any transactions, Distributions or payments contemplated hereby, or any agreement, instrument, or other document governing or relating to any of the foregoing;

(x) To hear and determine disputes arising in connection with statements for fees and expenses incurred by counsel or any other professional retained by the Plan Administrator;

(xi) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate this Plan or to maintain the integrity of this Plan following consummation;

(xii) To determine any other matters that may arise in connection with or are related to this Plan, the Confirmation Order, or any other contract, instrument, release or other agreement or document related to this Plan;

(xiii) To hear and determine all disputes involving the existence, nature or scope of the discharges, injunctions and releases granted under this Plan, the Confirmation Order or the Bankruptcy Code;

(xiv) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code);

(xv) To enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;

(xvi) To consider and act on the compromise and settlement of any Claim, Equity Interest or Cause of Action by, on behalf of, or against the Debtors' Estates, to the extent that Bankruptcy Court approval is required;

(xvii) To hear and determine any action in respect of any and all rights, Claims, Exchanged Stock, or Causes of Action, as applicable, held by or accruing to the Debtors, the Committee, the Plan Administrator, or the Plan Trust pursuant to this Plan, the

Bankruptcy Code or any federal or state law, irrespective of whether any such action is commenced before or after the Confirmation Date;

(xviii) To resolve any matter relating to the sale of property of the Debtors' Estates;

(xix) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code;

(xx) To recover all assets of any of the Debtors and property of the applicable Debtor's Estate, wherever located, and to hear and determine all adversary proceedings or other litigations related thereto; and

(xxi) To enter a final decree closing the Chapter 11 Cases.

ARTICLE 13

MISCELLANEOUS PROVISIONS

Section 13.1 Operations Between the Confirmation Date and the Effective Date

During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to operate their businesses as debtors in possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Bankruptcy Court that are then in full force and effect.

Section 13.2 Transition of the Affairs of the Debtors' Estates After the Effective Date

Through and including the date that is the first Business Day that is five (5) Business Days after the Effective Date, the Debtors shall use their best efforts to ensure that the affairs of the Debtors' Estates are smoothly transitioned to the Plan Administrator, and shall cooperate with the Plan Administrator in respect of such transition.

Section 13.3 Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code that are due and payable as of the Effective Date shall be paid by the Plan Administrator from the Debtors' cash on hand on the Effective Date. All such fees that become due and payable after the Effective Date shall be paid by the Plan Administrator from the Debtors' cash on hand when such fees become due and payable.

Section 13.4 Substantial Consummation

On the Effective Date, this Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

Section 13.5 Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, (i) the issuance, transfer or exchange of any security under, in furtherance of, or in connection with, this Plan; or (ii) the assignment or surrender of any lease or sublease, or the delivery of any instrument of transfer under, in furtherance of, or in connection with, this Plan, including, without limitation, any deed, asset purchase agreement, bill of sale, assignment, mortgage, deed of trust or similar document executed in connection with any disposition of assets contemplated by this Plan (including real and personal property), shall not be subject to any stamp tax, real estate transfer tax, recording tax, sales tax, personal property tax, mortgage tax, use tax, or other similar tax, or any Uniform Commercial Code filing or recording fee or similar or other government assessment. The Confirmation Order shall direct the appropriate state or local government officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Section 13.6 Tax Treatment of the Plan Trust

The Plan Trust shall be established on the Effective Date and shall continue in existence until the closing of all the Chapter 11 Cases. The Plan Trust shall be established for the sole purpose of (i) holding the Exchanged Stock in accordance with the Plan and with no objective or authority to continue or engage in the conduct of a trade or business; (ii) aiding in the implementation of the Plan; and (iii) receiving and distributing any proceeds with respect to the Exchanged Stock pursuant to the Plan, in each case, for the exclusive benefit of the Beneficiaries consistent with the relative priority and economic entitlements of their former holdings of Existing Stock immediately prior to the Commencement Date. The Plan Trust Interests shall not be certificated and shall not be transferable by the holder thereof except under laws of descent and distribution.

The Plan Trust is intended to qualify as a liquidating trust within the meaning of Treasury Regulation Section 301.7701-4(d). For all purposes, including U.S. federal income taxes, all parties (including, without limitation, the Debtors, the Plan Trustees and the Beneficiaries) shall be deemed to treat the issuance of the Exchanged Stock to the Plan Trust in accordance with the terms of the Plan, as an issuance of such Exchanged Stock to the applicable Beneficiaries followed by a transfer by such Beneficiaries to the Plan Trust of such Exchanged Stock in exchange for the Plan Trust Interests. Accordingly, the Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective shares of the Exchanged Stock and any Distributions made in respect thereof.

Section 13.7 Determination of Tax Liabilities

The Plan Administrator shall, pursuant to section 505(b) of the Bankruptcy Code and consistent with Section 6.1(b)(xiv) of the Plan, have the right to request an expedited determination of any unpaid liability of the Debtors' Estates or the Plan Trust for any tax incurred during the administration of the Chapter 11 Cases. The Plan Administrator also shall be responsible for preparing and filing any tax forms or returns on behalf of the Debtors' Estates; provided, however, that the Plan Administrator shall not be responsible for preparing or filing

any tax forms for holders of Equity Interests in SSDI, but shall provide such holders with any information they reasonably require to prepare such forms.

Section 13.8 Fifty Percent Shareholder

On and after the Confirmation Date and pursuant to Section 10.2, Section 10.3, and Section 13.8 of the Plan, the Confirmation Order, and any other applicable interim order or Final Order of the Bankruptcy Court, any "Fifty Percent Shareholder" within the meaning of section 382(g)(4)(D) of the Internal Revenue Code of 1986, as amended, shall be enjoined from claiming a worthless stock deduction with respect to any Equity Interest held by such shareholder for any taxable year of such shareholder ending prior to the closing of the Chapter 11 Cases.

Section 13.9 Exemption from Securities Laws

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance and distribution of any securities contemplated by this Plan and any and all settlement agreements incorporated therein shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any state or local law requiring registration prior to the offering, issuance, distribution or sale of securities. In addition, under section 1145 of the Bankruptcy Code, any securities contemplated by this Plan will be freely tradable by the recipients thereof, subject to (i) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (ii) the restrictions, if any, on the transferability of such securities and instruments; and (iii) applicable regulatory approval.

Section 13.10 Modification and Amendment

The Proponents may alter, amend, modify or supplement this Plan pursuant to section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of this Plan, the Proponents may, upon order of the Bankruptcy Court, amend or modify this Plan in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan as may be necessary to carry out the purpose and effects of this Plan. A holder of a Claim against or Equity Interest in the Debtors that has accepted this Plan shall be deemed to have accepted this Plan as altered, amended or modified if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

Section 13.11 Revocation or Withdrawal of the Plan

Each Proponent reserves the right to revoke or withdraw this Plan or the Confirmation Order in each party's sole and absolute discretion prior to the Effective Date as to any or all of the Debtors. If this Plan or the Confirmation Order is revoked or withdrawn, then (i) this Plan; (ii) all settlements and compromises set forth in this Plan and not otherwise approved by a separate Final Order of the Bankruptcy Court; (iii) any assumption or rejection of an executory contract or unexpired lease effected by this Plan; and (iv) any document or agreement executed

pursuant to this Plan, shall be deemed null and void with respect to the applicable Debtors without further notice to or order by the Bankruptcy Court.

In the event that this Plan or the Confirmation Order is revoked or withdrawn, nothing in this Plan, and no actions taken in preparation for consummation of this Plan shall (i) constitute a waiver or release of any Claim by or against or Equity Interest in the applicable Debtors; (ii) prejudice in any manner the rights of the Proponents or the Debtors; (iii) constitute an admission, acknowledgment, offer or undertaking by the Proponents or any other entity or party in interest; or (iv) constitute a waiver or release of the rights of the Proponents to move to dismiss any of the Chapter 11 Cases or convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code.

Section 13.12 Fiduciary Withdrawal Option as Plan Co-Proponent

Notwithstanding anything to the contrary contained herein, prior to confirmation of the Plan, the Creditors' Committee reserves the right to withdraw as co-proponent of this Plan and support an alternative plan in the event that the Creditors' Committee, in the exercise of its fiduciary responsibilities, should determine that a superior plan is more advantageous for creditors of the Debtors.

Section 13.13 Dissolution of Creditors' Committee; Role of Committee Representative

On the Effective Date, the Creditors' Committee shall be dissolved for all purposes, and the members of the Creditors' Committee shall be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention or employment of the Creditors' Committee's attorneys, accountants, and other agents shall terminate; provided, the Creditors' Committee shall remain in existence following the Effective Date for the sole and limited purpose of reviewing and approving the Final Fee Applications of its professionals during the Chapter 11 Cases and, upon entry of a Final Order with respect to such Final Fee Applications, such limited role shall terminate. Simultaneously with the dissolution of the Creditors' Committee on the Effective Date, the Committee Representative shall be appointed and such appointment shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. The Committee Representative shall be authorized to oversee the implementation of the Plan for the collective benefit of the holders of Allowed General Unsecured Claims in SSDI Class 4 and Subsidiary Debtor Class 4 including, without limitation, (i) to enforce the obligations in favor of the holders of Allowed General Unsecured Claims (by and through the Committee Representative) under the Second Cash Distribution Installment Note; and (ii) to review and object to Claims (including Professional Claims); provided, the Committee Representative shall be required to coordinate and cooperate with the Plan Administrator in connection with any such objections to Claims. In addition, on the Effective Date, the Committee Representative shall be deemed to succeed to the rights and powers of the Creditors' Committee under the Final Alternative DIP Order to the extent any such rights and powers continue in existence from and after the Effective Date (including, without limitation, with respect to any Cause of Action commenced or that may be commenced against the First DIP Agent or the First DIP Lenders), to the same extent such rights and powers were held by and vested with the Creditors' Committee

as of immediately prior to its dissolution on the Effective Date. The appointment of the Committee Representative shall terminate automatically upon the completion of all Distributions to the holders of Allowed General Unsecured Claims in SSDI Class 4 and Subsidiary Debtor Class 4 pursuant to the Plan unless the Committee Representative is then presently prosecuting a Cause of Action as contemplated herein, in which case the appointment of the Committee Representative shall terminate upon entry of a Final Order resolving such Cause of Action. The Committee Representative may hire professionals he or she deems necessary to carry out its responsibilities as set forth herein, including, without limitation, the professionals retained by the Creditors' Committee. The reasonable fees and expenses of professionals retained by the Committee Representative shall be paid promptly by the post-Effective Date Debtors. Professionals retained by the Committee Representative are not required to be approved by the Bankruptcy Court, and approval of fees and expenses incurred by the Committee Representative are not subject to approval of the Bankruptcy Court pursuant to section 330 of the Bankruptcy Code; provided, however, that in the event of a dispute regarding the fees and expenses incurred by professionals retained by the Committee Representative, the Bankruptcy Court may hear and determine such dispute upon application to the Bankruptcy Court.

Section 13.14 Reservation of Rights

Except as expressly set forth herein, this Plan shall have no force or effect unless the Bankruptcy Court shall have entered the Confirmation Order and the Effective Date has occurred. Prior to the Effective Date, none of the filing of this Plan, any statement or provision contained herein or the taking of any action by the Proponents with respect to this Plan, shall be or shall be deemed to be (i) an admission or waiver of any rights of the Debtors or the Proponents, including with respect to the holders of Claims or Equity Interests or as to any treatment or classification of any contract or lease; or (ii) a waiver or release of the rights of the Proponents to move to dismiss any of the Chapter 11 Cases or convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code.

No entity may rely on the absence of a specific reference in this Plan to any Cause of Action against them as an indication that the Plan Administrator or either Proponent will not pursue any and all available Causes of Action against them. The Plan Administrator and each Proponent expressly reserve all rights to prosecute any and all Causes of Action against any entity except as otherwise provided in this Plan. Unless any Causes of Action against an entity are expressly waived, relinquished, exculpated, released, compromised or settled in this Plan, the Confirmation Order or other Final Order of the Bankruptcy Court, the Plan expressly reserves all Causes of Action for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon or after the confirmation or consummation of this Plan.

Section 13.15 Severability

In the event that prior to the entry of the Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Proponents, 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 shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and in no way will be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination 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.

Section 13.16 Notice of Entry of Confirmation Order and Relevant Dates

As soon as reasonably practicable after entry of the Confirmation Order, the Debtors shall, as directed by the Bankruptcy Court, publish and serve on all known parties in interest and holders of Claims against and Equity Interests in the Debtors, notice of the entry of the Confirmation Order and all relevant deadlines and dates under this Plan, including, without limitation, the deadline for filing Administrative Expense Claims and Rejection Damage Claims.

Section 13.17 Courts of Competent Jurisdiction

In the event that the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases or this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Section 13.18 No Admissions

As to contested matters, adversary proceedings and any Causes of Action, this Plan shall not constitute or be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations. This Plan shall not be admissible in any non-bankruptcy proceeding nor shall it be construed to be conclusive advice on the tax and other legal effects of this Plan as to holders of Claims against and Equity Interests in the Debtors.

Section 13.19 Closing of the Chapter 11 Cases

When a Debtor's Estate is fully administered, the Plan Administrator may request that the Bankruptcy Court enter a final decree closing the applicable Debtor's Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

Section 13.20 Rates

This Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date. Where a Claim has been denominated in foreign currency on a proof of claim, the Allowed amount of such Claim shall be calculated in currency of the United States of America based upon the conversion rate in place as of the Commencement Date and in accordance with section 502(b) of the Bankruptcy Code.

Section 13.21 Governing Law

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit, schedule or supplement hereto provides otherwise, the rights, duties and obligations arising under this Plan and any agreements, documents and instruments executed in connection with this Plan (except as otherwise expressly provided in such agreements, documents and instruments) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws of such jurisdiction.

Section 13.22 Schedules, Exhibits and Supplements

All schedules, exhibits and supplements to this Plan are incorporated into and are a part of this Plan as if set forth in full herein. Copies of the schedules, exhibits and supplements to this Plan can be obtained by downloading such documents from the Bankruptcy Court's website (located at www.nysb.uscourts.gov).

Section 13.23 Notices

To be effective, all notices, requests and demands to or upon the Proponents 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:

If to Stellus:

Stellus Capital Investment Corporation
c/o Stellus Capital Management
4400 Post Oak Parkway
Suite 2200
Houston, TX 77027
Attn: Robert R. Collins, Managing Director
Telephone: 713-292-5400

with copies to:

MOORE & VAN ALLEN, PLLC
Stephen E. Gruendel
Zachary H. Smith
100 North Tryon Street
Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: 704-331-1000

Counsel to Stellus

If to the Creditors' Committee:

Official Committee of Unsecured Creditors of Binder & Binder – The National Social Security Disability Advocates (NY), LLC, *et al.*

c/o KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP
Tracy L. Klestadt
Sean C. Southard
Fred Stevens
Joseph C. Corneau
200 West 41st Street, 17th Floor
New York, New York 10036-7203
Telephone: (212) 972-3000

with copies to:

KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP
Tracy L. Klestadt
Sean C. Southard
Fred Stevens
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Counsel to the Creditors' Committee

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As of November 18, 2015

/s/ Stephen E. Gruendel
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Stephen E. Gruendel *(admitted pro hac vice)*
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Counsel to Stellus Capital Investment Corporation

/s/ Sean C. Southard
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Tracy L. Klestadt
Sean C. Southard
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Joseph C. Corneau
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New York, New York 10036-7203
Telephone: (212) 972-3000

Counsel to the Official Committee of Unsecured Creditors

EXHIBIT B

LIQUIDATION ANALYSIS

TO BE PROVIDED

EXHIBIT C

FEASIBILITY ANALYSIS

TO BE PROVIDED