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

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

In re:	§	**Chapter 11**
	§	
CCNG ENERGY PARTNERS, LP	§	**Case No. 15-70136**
CCNG ENERGY PARTNERS GP, LLC	§	**Case No. 15-70141**
MOSS BLUFF PROPERTY, LLC	§	**Case No. 15-70137**
TRINITY ENVIRONMENTAL	§	
CATARINA SWD, LLC	§	**Case No. 15-70138**
TRINITY ENVIRONMENTAL SERVICES, LLC	§	**Case No. 15-70139**
TRINITY ENVIRONMENTAL SWD, LLC	§	**Case No. 15-70135**
TRINITY ENVIRONMENTAL	§	
TITAN TRUCKING, LLC	§	**Case No. 15-70140**
	§	
Debtors.	§	**Jointly Administered under**
	§	**Case No. 15-70136**
	§	

DISCLOSURE STATEMENT IN SUPPORT OF JOINT PLAN OF LIQUIDATION OF OPERATING SUBSIDIARY DEBTORS

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Dated: July 29, 2016

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DISCLAIMER

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN OF LIQUIDATION OF THE DEBTORS AND DEBTORS-IN-POSSESSION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE (THE "**PLAN**"), A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT A, PROPOSED BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, GUGGENHEIM CORPORATE FUNDING, LLC AND THE DEBTORS (TOGETHER, THE "**PROPONENTS**") IN THESE CHAPTER 11 CASES. THIS DISCLOSURE STATEMENT ALSO CONTAINS SUMMARIES OF CERTAIN OTHER DOCUMENTS RELATING TO THE CONSUMMATION OF THE PLAN OR THE TREATMENT OF CLAIMS AND INTERESTS AND CERTAIN FINANCIAL INFORMATION RELATING THERETO.

THE DISCLOSURE STATEMENT INCLUDES CERTAIN EXHIBITS, EACH OF WHICH ARE INCORPORATED INTO AND MADE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN. THE STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT WERE MADE AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DATE SET FORTH ON THE COVER PAGE HEREOF. HOLDERS OF CLAIMS AND INTERESTS MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO ACCEPT OR REJECT THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS CITED HEREIN AND THE PLAN ATTACHED HERETO, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE PROPONENTS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT SOLELY FOR PURPOSES OF SOLICITING HOLDERS OF CLAIMS AND INTERESTS TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON FOR ANY OTHER PURPOSE. THE CONTENTS OF THIS DISCLOSURE STATEMENT SHALL NOT BE DEEMED AS PROVIDING ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE. THE PROPONENTS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN. MOREOVER, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE SUMMARY OF THE PLAN AND OTHER DOCUMENTS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE ACTUAL DOCUMENTS THEMSELVES AND THE EXHIBITS THERETO.

THE PROPONENTS BELIEVE THAT THE INFORMATION HEREIN IS ACCURATE BUT ARE UNABLE TO WARRANT THAT IT IS WITHOUT ANY INACCURACY OR OMISSION. THE DEBTORS HAVE NOT AUTHORIZED ANY PARTY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OR THE DEBTORS OR THE VALUE OF THEIR PROPERTY, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY OTHER INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OR REJECTION OF THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN. NEITHER THIS DISCLOSURE STATEMENT NOR THE PLAN HAS BEEN FILED WITH OR REVIEWED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES LAW, THIS DISCLOSURE STATEMENT AND THE PLAN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN OR THEREIN. NEITHER THE OFFER NOR THE SALE OF ANY SECURITIES PURSUANT TO THE PLAN HAS BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY SIMILAR STATE SECURITIES OR "BLUE SKY" LAWS. ANY SUCH OFFER OR SALE IS BEING MADE IN RELIANCE ON THE EXEMPTIONS FROM REGISTRATION THEREUNDER SPECIFIED IN SECTION 1145 OF THE BANKRUPTCY CODE.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, CERTAIN OTHER DOCUMENTS, AND CERTAIN FINANCIAL INFORMATION. THE PROPONENTS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS OR FINANCIAL INFORMATION INCORPORATED HEREIN BY REFERENCE, THE PLAN, OR SUCH OTHER DOCUMENTS, AS APPLICABLE, SHALL GOVERN FOR ALL PURPOSES.

EACH HOLDER OF AN IMPAIRED CLAIM OR AN IMPAIRED INTEREST THAT IS ALLOWED TO VOTE SHOULD REVIEW THE ENTIRE PLAN BEFORE CASTING A BALLOT. NO PARTY IS AUTHORIZED BY THE BANKRUPTCY COURT TO PROVIDE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT.

INFORMATION INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT SPEAKS AS OF THE DATE OF SUCH INFORMATION OR THE DATE OF THE REPORT OR DOCUMENT IN WHICH SUCH INFORMATION IS CONTAINED OR AS OF A PRIOR DATE AS MAY BE SPECIFIED IN SUCH REPORT OR DOCUMENT. ANY STATEMENT CONTAINED IN A DOCUMENT INCORPORATED BY REFERENCE HEREIN SHALL BE DEEMED TO BE MODIFIED OR SUPERSEDED FOR ALL

PURPOSES TO THE EXTENT THAT A STATEMENT CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT WHICH IS ALSO INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE, MODIFIES OR SUPERSEDES SUCH STATEMENT. ANY STATEMENT SO MODIFIED OR SUPERSEDED SHALL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS DISCLOSURE STATEMENT.

SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

****

FOR A VOTE ON THE PLAN TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY THE COMMITTEE NO LATER THAN __________ CENTRAL TIME, ON _______, 2016. SUCH BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN THE DISCLOSURE STATEMENT AND APPROVED BY THE BANKRUPTCY COURT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL NOT BE COUNTED UNLESS OTHERWISE DETERMINED BY THE PROPONENTS IN THEIR SOLE AND ABSOLUTE DISCRETION. THE CONFIRMATION HEARING WILL COMMENCE AT __________ CENTRAL TIME, ON _______, 20, BEFORE THE HONORABLE RONALD B. KING, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF TEXAS, MIDLAND DIVISION, HIPOLITO F. GARCIA FEDERAL BUILDING AND UNITED STATES COURTHOUSE 615 EAST HOUSTON STREET, SAN ANTONIO, TEXAS 78205. THE PROPONENTS MAY CONTINUE THE CONFIRMATION HEARING FROM TIME TO TIME WITHOUT FURTHER NOTICE OTHER THAN AN ADJOURNMENT ANNOUNCED IN OPEN COURT OR A NOTICE OF ADJOURNMENT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE MASTER SERVICE LIST AND THE ENTITIES WHO HAVE FILED AN OBJECTION TO THE PLAN, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST. THE BANKRUPTCY COURT, IN ITS DISCRETION AND BEFORE THE CONFIRMATION HEARING, MAY PUT IN PLACE ADDITIONAL PROCEDURES GOVERNING THE CONFIRMATION HEARING. THE PLAN MAY BE MODIFIED, IF NECESSARY, PRIOR TO, DURING, OR AS A RESULT OF THE CONFIRMATION HEARING, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST.

THE PLAN OBJECTION DEADLINE IS ____________, AT _________ CENTRAL TIME. ANY OBJECTION TO CONFIRMATION OF THE PLAN MUST BE IN WRITING AND (A) MUST STATE THE NAME AND ADDRESS OF THE OBJECTING PARTY AND THE AMOUNT OF ITS CLAIM OR THE NATURE OF ITS EQUITY INTEREST AND (B) MUST

STATE WITH PARTICULARITY THE NATURE OF ITS OBJECTION. ANY CONFIRMATION OBJECTION NOT TIMELY FILED AND SERVED AS SET FORTH HEREIN SHALL BE DEEMED WAIVED AND SHALL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

Disclosure Regarding Forward-Looking Statements

This Disclosure Statement contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical facts, included in this Disclosure Statement that address activities, events or developments that the Proponents expect, project, believe or anticipate will or may occur in the future are forward-looking statements. These statements can be identified by the use of forward-looking terminology including "may," "believe," "anticipate," "estimate," "continue," "foresee," "project," "could," or other similar words. These forward-looking statements may include, but are not limited to, references to procedures in connection with the Debtors' bankruptcy cases and the distribution of the Debtors' assets pursuant to the Plan, the Debtors' financial projections and liquidation analysis, and the Debtors' future operating results. Forward-looking statements are not guarantees of performance. The Proponents have based these statements on the Proponents' assumptions and analyses in light of the Proponents' experience and perception of historical trends, current conditions, expected future developments and other factors the Proponents believe are appropriate in the circumstances. No assurance can be given that these assumptions are accurate. Moreover, these statements are subject to a number of risks and uncertainties.

All subsequent written and oral forward looking information attributable to the Debtors or to the Committee are expressly qualified in their entirety by the foregoing. In light of these risks, uncertainties and assumptions, the events anticipated by the Proponents' forward-looking statements may not occur, and you should not place any undue reliance on any of the Proponents' forward-looking statements. The Proponents' forward-looking statements speak only as of the date made and the Proponents undertake no obligation to update or revise their forward-looking statements, whether as a result of new information, future events or otherwise.

ARTICLE I.
INTRODUCTION

A. Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the United States Bankruptcy Code. Under chapter 11, a person or entity attempts to reorganize its business and financial affairs for the benefit of its creditors, shareholders and other interested parties.

The commencement of a chapter 11 case creates an estate comprising all of a debtor's legal and equitable interests in property as of the date the petition is filed. Unless the bankruptcy court orders the appointment of a chapter 11 trustee, Bankruptcy Code sections 1101, 1107 and 1108 provide that a chapter 11 debtor may continue to operate its business and control the assets of its estate as a "debtor-in-possession" as the Debtors have done in these Chapter 11 Cases since the Petition Date.

The filing of a chapter 11 petition also triggers the automatic stay under section 362 of the Bankruptcy Code. The automatic stay is an injunction that halts essentially all attempts to collect pre-petition claims from the Debtors or to otherwise interfere with a Debtors' business or their estates.

Formulation of a plan of reorganization is the principal purpose of a chapter 11 bankruptcy case. The plan sets forth the means for satisfying the claims of creditors against, and interests of equity security holders in, the Debtors. Unless a trustee is appointed, only the Debtors may file a plan during the first 120 days of a chapter 11 case (the "**Exclusive Period**"). Only after the Exclusive Period has expired or is terminated by the Bankruptcy Court, a creditor or any other interested party may file a plan, unless the Debtors file a plan within the Exclusive Period or receives an extension of such period by order of the Bankruptcy Court. If the Debtors file a plan within the Exclusive Period, the Debtors are given sixty (60) additional days (the "**Solicitation Period**") to solicit acceptances of its plan. Bankruptcy Code section 1121(d) permits the Bankruptcy Court to extend or reduce the Exclusive Period and the Solicitation Period upon a showing of adequate "cause."

Although usually referred to as a plan of reorganization, a plan may also provide for a liquidation of assets.

After the plan has been filed, the holders of impaired claims against, or interests in, a debtor are permitted to vote on whether to accept or reject the plan. Chapter 11 does not require that each holder of a claim against, or interest in, a debtor vote in favor of a plan in order for the plan to be confirmed. At a minimum, however, a plan must be accepted by a majority in number (i.e., more than 50%) and at least two-thirds (2/3) in amount of those claims actually voting, from at least one class of impaired claims under the plan, to the extent that there are any impaired classes. The Bankruptcy Code also defines acceptance of a plan by a class of interests (equity securities) as acceptance by holders of at least two-thirds of the number of interests that actually voted.

Classes of claims or interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan, and therefore are not entitled to vote. A class is "impaired" if the plan modifies the legal, equitable, or contractual rights attaching to the claims or interests of that class. Modification for purposes of impairment does not include curing defaults and reinstating maturity or payment in full in cash. Conversely, classes of claims or interests that receive or retain no property under a plan of reorganization are conclusively presumed to have rejected the plan, and therefore are not entitled to vote.

Even if all classes of claims and interests accept a plan of reorganization, a bankruptcy court may nonetheless still deny confirmation. Bankruptcy Code section 1129 sets forth the requirements for confirmation and, among other things, requires that a plan be in the "best interests" of impaired and dissenting creditors and interest holders and that the plan be feasible. The "best interests" test generally requires that the value of the consideration to be distributed to impaired and dissenting creditors and interest holders under a plan may not be less than those parties would receive if the debtor were liquidated under a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. A plan must also be determined to be "feasible," which generally requires a finding that there is a reasonable probability that the debtor will be able to

perform the obligations incurred under the plan and that the debtor will be able to continue operations without the need for further financial reorganization.

A bankruptcy court may confirm a plan of reorganization even though fewer than all of the classes of impaired claims and interests vote to accept such plan. A bankruptcy court may do so under the "cramdown" provisions of section 1129(b) of the Bankruptcy Code. In order for a plan to be confirmed under the "cramdown" provisions, despite the rejection of a class of impaired claims or interests, the plan proponent must show, among other things, that the plan does not discriminate unfairly and that it is "fair and equitable" with respect to impaired classes of claims or interests that have not accepted the plan.

A bankruptcy court must further find that the economic terms of the plan meet the specific requirements of Bankruptcy Code section 1129(b) with respect to the subject objecting class(es). If the plan proponent proposes to seek confirmation of the plan under the provisions of Bankruptcy Code section 1129(b), the plan proponent must also meet all applicable requirements of Bankruptcy Code section 1129(a) (except section 1129(a)(8)). Those requirements include, among other things, that (i) the plan complies with applicable Bankruptcy Code provisions and other applicable law, and that (ii) the plan be proposed in good faith.

B. The Chapter 11 Plan and Disclosure Statement

i. The Joint Plan of Liquidation

The Official Committee of Unsecured Creditors and Trinity Environmental Services, LLC; Trinity Environmental SWD, LLC, Moss Bluff Property, LLC, Trinity Environmental Titan Trucking, LLC; and Trinity Environmental Services Catarina SWD, LLC, as debtors and debtors-in-possession in the Chapter 11 Cases under §§ 1107 and 1108 (the "**Debtors**") submit this Disclosure Statement pursuant to Bankruptcy Code section 1125 for use in the solicitation of votes on their Joint Plan of Liquidation of the Operating Subsidiary Debtors under Chapter 11 of the United States Bankruptcy Code.

ii. The Disclosure Statement

This Disclosure Statement is submitted in accordance with section 1125 of the Bankruptcy Code for the purpose of soliciting acceptances of the Plan from holders of certain Classes of Claims against and Interests in the Debtors. The only holders of Claims and Interests whose acceptances of the Plan are sought are those whose Claims are "impaired" (as that term is defined in Bankruptcy Code section 1124) by the Plan and who are receiving distributions under the Plan. Holders of Claims that are not "impaired" are deemed to have accepted the Plan.

The Proponents have prepared this Disclosure Statement pursuant to Bankruptcy Code section 1125, which requires that a copy of the Plan, or a summary thereof, be submitted to all holders of Claims against and Interests in the Debtors that are entitled to vote, along with a written disclosure statement containing adequate information about the Debtors of a kind, and in sufficient detail, as far as is reasonably practicable, that would enable a hypothetical, reasonable investor typical of the holders of claims and interests to make an informed judgment in exercising their right to vote on the Plan.

This Disclosure Statement sets forth certain relevant information regarding the Debtors' pre-petition operations and financial history, the need to seek chapter 11 protection and significant events that have occurred during the chapter 11 case. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. Additionally, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of impaired Claims and Interests must follow for their votes to be counted.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE CASES, AND FINANCIAL INFORMATION. ALTHOUGH THE PROPONENTS BELIEVE THAT THE SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF THE PLAN OR CERTAIN DOCUMENTS (AND HOLDERS OF CLAIMS AND INTERESTS SHOULD REFER TO THE PLAN AND SPECIFIED DOCUMENTS IN THEIR ENTIRETY AS ATTACHED HERETO), STATUTORY PROVISIONS, EVENTS, OR INFORMATION. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO REVIEW THE ENTIRE PLAN, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT A AND THE ATTACHMENTS TO THE PLAN AND THIS DISCLOSURE STATEMENT. IN THE EVENT ANY PROVISION OF THIS DISCLOSURE STATEMENT IS FOUND TO BE INCONSISTENT WITH A PROVISION OF THE PLAN, THE PROVISION OF THE PLAN SHALL CONTROL.

The Proponents have sought expedited conditional approval of this Disclosure Statement by the Bankruptcy Court pursuant to 11 U.S.C. § 105 and a combined hearing on confirmation of the Plan and approval of the Disclosure Statement in order to expedite the process as much as possible. Such approval would not constitute a judgment by the Bankruptcy Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereunder. Such approval does indicate, however, that the Bankruptcy Court has determined that the Disclosure Statement meets the requirements of Bankruptcy Code section 1125 and contains adequate information to permit the Claimholders whose acceptance of the Plan is solicited, to make an informed judgment regarding acceptance or rejection of the Plan.

SHOULD THE BANKRUPTCY COURT APPROVE THIS DISCLOSURE STATEMENT, SUCH APPROVAL DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN. THE MATERIAL CONTAINED HEREIN IS INTENDED SOLELY FOR THE USE OF CREDITORS WITH CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTORS IN EVALUATING THE PLAN AND VOTING TO ACCEPT OR REJECT THE PLAN AND, ACCORDINGLY, MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF HOW TO VOTE ON, OR WHETHER TO OBJECT TO, THE PLAN.

iii. Sources of Information

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtors, their business, properties and management, and the Plan have been prepared from publicly-available information regarding the Debtors and other information supplied by the Debtors. Certain of the materials contained in this Disclosure Statement are taken directly from other readily-accessible documents filed with the Bankruptcy Court or elsewhere or are digests of other documents. Certain information contained in this Disclosure Statement regarding the Purchaser has been taken from publicly-available information regarding the Purchaser. The Proponents have not independently verified the information regarding the Purchaser and cannot assure you of its accuracy or completeness. The Proponents make no representation or guarantee regarding the accuracy or completeness of the information regarding the Purchaser. In the event of a discrepancy between this Disclosure Statement and the actual terms of a document, the actual terms of such document shall govern and apply.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified, and neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change in the facts set forth herein since the date of this Disclosure Statement.

Information incorporated by reference into this Disclosure Statement speaks as of the date of such information or the date of the report or document in which such information is contained or as of a prior date as may be specified in such report or document. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this Disclosure Statement or in any other subsequently filed document which is also incorporated or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this disclosure statement.

C. Rules of Interpretation

The following rules for interpretation and construction shall apply to the Disclosure Statement:

i. all terms defined in the Plan shall carry the same definitions in the Disclosure Statement unless otherwise defined herein;

ii. 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, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

iii. unless otherwise specified, any reference in the Disclosure Statement to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

iv. unless otherwise specified, any reference in the Disclosure Statement to an existing document, schedule, or exhibit, whether or not filed, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented;

v. any reference to a person or entity as a holder of a Claim or Interest includes that person or entity's successors and assigns;

vi. unless otherwise specified, all references in the Disclosure Statement to Articles are references to Articles of the Disclosure Statement;

vii. unless otherwise specified, all references in the Disclosure Statement to exhibits are references to exhibits to the Disclosure Statement;

viii. the words "herein," "hereof," and "hereto" refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement;

ix. captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Disclosure Statement;

x. unless otherwise set forth in the Disclosure Statement, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply;

xi. any term used in capitalized form in the Disclosure Statement that is not otherwise defined in the Disclosure Statement, Plan, or exhibits to the Disclosure Statement Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable;

xii. all references to docket numbers of documents filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system;

xiii. all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, unless otherwise stated;

xiv. in computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply, and if the date on which a transaction may occur pursuant to the Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day; and,

xv. unless otherwise specified, all references in the Disclosure Statement to monetary figures shall refer to currency of the United States of America.

D. Recommendation of the Proponents to Approve the Plan

The Proponents approved the solicitation of acceptances of the Plan and all of the transactions contemplated thereunder. In light of the benefits to be attained by the holders of Claims and Interests contemplated under the Plan, the Proponents recommends that such holders of Claims and Interests vote to accept the Plan. The Proponents reached this decision after considering the alternatives to the Plan that are available to the Debtors. These alternatives include liquidation under chapter 7 of the Bankruptcy Code or liquidation under chapter 11 of the Bankruptcy Code with an alternative plan of liquidation. The Proponents determined, after consulting with their advisors, that the transactions contemplated in the Plan would likely result in a distribution of greater value to creditors and stockholders than the alternatives.

THE PROPONENTS BELIEVE THAT THE PLAN AND THE TREATMENT OF CLAIMS AND INTERESTS THEREUNDER IS IN THE BEST INTERESTS OF HOLDERS OF CLAIMS AND INTERESTS.

ARTICLE II.
SUMMARY

A. Overview.

On October 12, 2015, CCNG Energy Partners, LP and CCNG Energy Partners GP, LLC (the "**Parent Debtors**") and the Debtors, as debtors and debtors-in-possession, filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Western District of Texas, Midland Division. The Debtors' bankruptcy cases are being jointly administered under with the bankruptcy cases of the Parent Debtors under Case No. 15-70136. The Proponents submit this disclosure statement pursuant to Section 1125 of the Bankruptcy Code for use in the solicitation of votes on the Plan of Liquidation proposed by the Proponents. The following introduction and summary is a general overview only and is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information and financial statements appearing elsewhere in this Disclosure Statement and the Plan. All capitalized terms not defined in this Disclosure Statement have the meanings given to them in the Plan. A copy of the Plan, separately filed in the Chapter 11 Cases, is **Appendix 1** to this Disclosure Statement.

This Disclosure Statement sets forth certain information regarding the Debtors' prepetition operating and financial history, the need to seek Chapter 11 protection, significant events that have occurred during the Chapter 11 Cases, and the anticipated liquidating of the Estate Assets, certain operating and financial information and a description of the securities to be issued under the Plan. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Creditors in voting classes must follow for their votes to be counted. Certain provisions of the Plan, and thus the descriptions and summaries contained in this Disclosure Statement, may be the subject of continuing negotiations among the Proponents and various parties, may not have been finally agreed upon, and may be modified. Such

modifications, however, will not have a material effect on the distributions contemplated by the Plan.

The Debtors and the Committee are the proponents of the Plan within the meaning of Section 1129 of the Bankruptcy Code. The Plan contains separate Classes and proposes recoveries for holders of Claims against and Interests in the Debtors. After careful review of the Debtors' current business operations following the Sales Transaction and estimated recoveries in a liquidation scenario under Chapter 7 of the Bankruptcy Code, the Proponents have concluded that the recovery to Creditors will be maximized by the liquidation of the Debtors as contemplated by the Plan.

B. Summary Of Treatment Of Claims And Equity Interests Under The Plan.

The Plan constitutes a joint plan of liquidation for the Debtors and the substantive consolidation of the Debtors' Estates only for distribution purposes under the Plan. The Parent Debtors are not parties to the Plan. The Plan contains definitions and rules of interpretation and provides the treatment of separate classes for holders of Claims against, and Equity Interests in, the Debtors. As required by the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified.

The table below summarizes the classification and treatment of the principal prepetition Claims and Interests under the Plan. The classification and treatment for all Classes are described in more detail in Articles 4 and 5 of the Plan.

Class	Class Description	Treatment Under Plan
1	Operating Subsidiary Claims **(Impaired; Entitled to Vote)**	Class 1 shall receive *pro rata* beneficial interests in the Liquidating Trust. The purpose of the Plan is for all holders of Claims 1 and 2 to share *pro rata* in the Trust Assets through the Liquidating Trust.
2	Guggenheim Reimbursement Claim **(Impaired; Entitled to Vote)**	Class 2 shall receive *pro rata* beneficial interests in the Liquidating Trust. The purpose of the Plan is for all holders of Claims 1 and 2 to share *pro rata* in the Trust Assets through the Liquidating Trust.
3	Insider/Intercompany Claims. **(Impaired; Deemed to Reject)**	Class 3 shall receive no distribution under the Plan. The holders of Insider/Intercompany Claims shall receive no beneficial interests in the Liquidating Trust.
4	Equity Interest Holders **(Impaired; Deemed to Reject)**	All Equity Interests in the Debtors shall be extinguished pursuant to this Plan.

C. General Voting Procedures, Ballots, and Voting Deadline.

Accompanying this Disclosure Statement are, among other things, copies of (1) the Plan (**Appendix 1** and separately filed in these Chapter 11 Cases); (2) the 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 the confirmation of the Plan and related matters, and the time for filing objections to the confirmation of the Plan (the "Confirmation Hearing Notice"), a copy of which is attached to this Disclosure Statement as **Appendix 4**; and (3) if you are entitled to vote, one or more Ballots (and return envelopes along with detailed instructions accompanying the Ballots) to be used in voting to accept or to reject the Plan. As indicated above, the Proponents shall seek expedited conditional approval of this Disclosure Statement by the Bankruptcy Court pursuant to 11 U.S.C. § 105. The Proponents shall also seek a combined hearing on confirmation of the Plan and approval of the Disclosure Statement in order to expedite the process as much as possible.

After carefully reviewing the Plan, this Disclosure Statement, and (if you are entitled to vote) the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by checking the appropriate box on the enclosed Ballot. Please complete and sign your original Ballot (copies will not be accepted) and return it in the envelope provided. You must provide all of the information requested by the appropriate Ballot. Failure to do so may result in the disqualification of your vote. Each Ballot has been reflects the Class of Claims it represents. Accordingly, in voting to accept or reject the Plan, you must use only the Ballot or Ballots sent to you with this Disclosure Statement.

In order for your vote to be counted, your Ballot must be properly completed as set forth above and in accordance with the voting instructions on the Ballot and **ACTUALLY RECEIVED** no later than _________________, 2016 at __:00 __.m. (Central time) (the "Voting Deadline") by Gardere Wynne Sewell LLP, the Committee's counsel. Your Ballot contains the contact information for the Committee's counsel. The contact information for Committee's counsel is also listed below.

Ballots received after the voting deadline will not be counted.

Questions About Voting Procedures

If: (1) you have any questions about (a) the procedure for voting your Claim, (b) the packet of materials that you have received, or (c) the amount of your Claim(s); or (2) you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact:

GARDERE WYNNE SEWELL LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201-4761
Telephone: 214.999.3000
Facsimile: 214.999.4667
Attn: Mark C. Moore

AND/OR

WALLER LANSDEN DORTCH & DAVIS LLP
100 Congress Ave., Suite 1800
Austin, Texas 78701
Telephone: (512) 685-6400
Facsimile: (512) 685-6417
Attn: Mark C. Taylor

AND/OR

GREENBERG TRAURIG, LLP
1000 Louisiana Street, Ste. 1700
Houston, Texas 77002
Telephone: (713) 374-3612
Facsimile: (713) 374-3505
Attn: Karl D. Burrer

D. Confirmation Hearing and Deadline for Objections to Confirmation.

The Bankruptcy Court has scheduled the Confirmation Hearing to begin on _______________, 2016, at __:00 __.m. (Central time) before the Honorable Ronald B. King, United States Bankruptcy Judge, at the Hipolito F. Garcia Federal Building and United States Courthouse, 615 East Houston Street, Room 597, San Antonio, Texas 78205. 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. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed with the Clerk of the Bankruptcy Court and served so that they are **ACTUALLY RECEIVED** on or before ____________________, 2016, at __:00 __.m. (Central time) by:

Counsel to the Committee:
GARDERE WYNNE SEWELL LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201-4761
Telephone: 214.999.3000
Facsimile: 214.999.4667
Attn: Mark C. Moore

AND

Counsel to the Debtors:
WALLER LANSDEN DORTCH & DAVIS LLP
100 Congress Ave., Suite 1800
Austin, Texas 78701
Telephone: (512) 685-6400
Facsimile: (512) 685-6417
Attn: Mark C. Taylor

AND

Counsel to Guggenheim
GREENBERG TRAURIG, LLP
1000 Louisiana Street, Ste. 1700
Houston, Texas 77002
Telephone: (713) 374-3612
Facsimile: (713) 374-3505
Attn: Karl D. Burrer

ARTICLE III.
BACKGROUND REGARDING THE DEBTORS

A. Debtors' Businesses and Financial Information.

1. Formation and Corporate Structure

The Parent Debtors are CCNG Energy Partners GP, LLC ("**CCNG GP**") and CCNG Energy Partners, LP ("**CCNG**"). Their affiliates include the Debtors, which are Trinity Environmental Services, L.L.C. ("**TES**"), Trinity Environmental SWD, L.L.C. ("**TESWD**"), Moss Bluff Property, L.L.C. ("**MB**" or "**Moss Bluff**"), Trinity Environmental Titan Trucking, L.L.C. ("**Titan**"), and Trinity Environmental Services Catarina SWD, L.L.C. ("**Catarina**").

CCNG was formed in April 2013 as a Delaware limited partnership to act as the holding Company for two wholly-owned subsidiaries, TES and MB. In May 2013, 100% of the membership interests of TES and MB were transferred to CCNG by their owners in exchange for partnership units of CCNG, under a transaction between businesses under common control. TES was originally formed in June 1999 as a Texas limited partnership and was converted to a Texas limited liability company in October 2012. MB was originally formed in March 2006 as a Texas limited partnership and was converted to a limited liability company in October 2012.

CCNG Energy Partners GP, L.L.C. became the General Partner of CCNG upon its creation in April 2013.

TESWD, a wholly-owned subsidiary of CCNG, is a Delaware limited liability company formed in April 2013 to complete the acquisition of the assets acquired in the CJ Acquisition. Catarina and Titan are wholly-owned subsidiaries of CCNG, and both are Delaware limited liability companies formed in January 2014 to complete the acquisition certain assets located in South Texas.

2. The Debtors' Businesses

Taken as a whole, on a prepetition basis the Parent Debtors and Debtors earned service revenue from the disposal of non-hazardous oil and gas exploration and production waste, such as mud cuttings and other solid oilfield waste along with waste water produced during the hydraulic fracturing and production processes, in addition to truck and oilfield equipment cleaning services. The Debtors earned product sales revenue from the sale of recovered oil and brine. The Debtors provided services to oil and natural gas drilling and production companies in natural resource producing areas of Texas, New Mexico and Louisiana. The Debtors' facilities serviced the Eagle Ford shale region in South Texas, the Permian Basin region in West Texas and Eastern New Mexico, the Haynesville shale region in East Texas and

Louisiana, the Barnett shale region in Central Texas and others. The Debtors' two salt cavern facilities were located at the Moss Bluff salt dome in Liberty County, Texas and at the Palangana salt dome in Duval County, Texas (the "**Palangana Facility**"), and the Debtors' twenty-nine saltwater disposal wells and two freshwater stations located in the Permian Basin, the Barnett shale, the Eagle Ford shale, and South Texas. Additionally, the Debtors were the facility operator and owner of saltwater disposal wells, including the aboveground assets such as tanks, buildings, wash bays, and machinery. The surface and storage rights at the Palangana Facility, including the use of salt caverns, were leased by an affiliate from third parties and subleased to Debtors under a lease that was accounted for as an operating lease. Additionally, the Debtors owned approximately 15 vacuum and winch trucks. The trucks were used primarily for the hauling and disposal of flowback and produced saltwater generated by oil and natural gas exploration and development activities.

B. Prepetition Debt Structure

Secured Debt: The Parent Debtors and Debtors had pledged substantially all of their assets to Guggenheim Corporate Funding, LLC ("**Guggenheim**"), as Administrative Agent for lenders Guggenheim Private Debt Fund Note Issuer, LLC, NZC Guggenheim Fund LLC, Guggenheim Energy Opportunities Fund, L.P., Verger Capital Fund LLC, and Guggenheim Private Debt Master Fund, LLC (collectively "Guggenheim"), pursuant to:

a. A Credit Agreement dated October 9, 2012;

b. An Amended and Restated Credit Agreement dated May 17, 2013;

c. A Second Amended and Restated Credit Agreement dated January 31, 2014; and

d. A Third Amended and Restated Credit Agreement dated August 25, 2014
These agreements are referred to collectively as the "**Credit Agreement**."

As of the Petition Date, the balance of the indebtedness under the Credit Agreement was approximately $186 million.

Trade Debt: As of the Petition Date, the Debtors books and records reflected approximately $7 million in accounts payable to vendors.

Assets: The Debtors' assets as of the filing date are generally described above, and include the disposal facilities, wells, and equipment utilized in connection with the Debtors' disposal and cleaning activities and services. The assets which were owned by the Debtors are described in detail in the Schedules filed by each Debtor in these bankruptcy cases.

C. Background to Bankruptcy Filing.

9. The Debtors faced the same challenges as many service providers in the oil services industry due to the decline in exploration and production activities over the past year. Though the Debtors reduced expenses where possible during 2014-15, the Debtors became unable to make regular payments to under the Credit Agreement. The Debtors and Guggenheim were unable to reach agreement on a further extension, and in early October 2015 Guggenheim attempted to assert control over the ownership interests of the Debtors and contended that it had obtained the ownership rights and appointed Pirinate Consulting as the manager of the operating

subsidiaries. Accordingly, the Debtors were forced to seek bankruptcy protection on October 12, 2015.

ARTICLE IV.
SIGNIFICANT EVENTS IN CHAPTER 11 CASES

A. Continuation of Business; Automatic Stay.

The Debtors filed several "first-day" motions to assist in continuing the operations of the Debtors' businesses, including (1) a motion for authority to use cash collateral; (2) a motion to authorize payment of certain critical vendor claims; (3) a motion to authorize the Debtors to continue to utilize portions of their existing cash management and bank account systems; (4) a motion to establish procedures to ensure continuation of utility services; (5) a motion to authorize payment of certain prepetition employee wage claims; and (6) a motion to allow joint administration of the seven (7) cases of the Debtors and Parent Debtors. Each of these motions was granted, and the Debtors and Parent Debtors reached agreement with Guggenheim on the terms for use of cash collateral (as discussed more fully below). Additionally, on October 15, 2015, Guggenheim filed a motion to dismiss the Debtors' bankruptcy cases, contending they were improperly filed due to the actions of Guggenheim to attempt to assert control over the Debtors. The Debtors contested this motion, and the motion was withdrawn after resolution of a procedure for debtor-in-possession financing and a sales procedure as described below.

B. The DIP Motion/Order.

Following extensive negotiations between the Debtors, Guggenheim and the Committee, and after entry of a series of interim orders authorizing the use of cash collateral, on November 24, 2015, the Bankruptcy Court entered the DIP Order (as defined in the Plan) authorizing the Debtors to enter a debtor-in-possession financing agreement with Guggenheim, to provide for (1) payment of certain amounts due to Guggenheim; (2) payment of interest on a postpetition basis; (3) payment of Guggenheim's attorneys' fees and costs; and (4) funding of working capital and operational requirements of the Debtors during the pendency of the cases. Guggenheim agreed to fund up to $30 million, on the terms and conditions of the DIP Order and the DIP Agreement, and for the specific purposes set forth in an approved budget. The agreement to provide the funding was coupled with an agreement on the terms and timing of a sales process, which was designed to market the Debtors and their assets for a sale under 11 U.S.C. §363, as discussed in the following section.

Additionally, the negotiated resolution between the Debtors, Guggenheim and the Committee resulted in the DIP Order providing that any sale of the Debtors or their assets would provide that, at the closing of such sale, the Settlement Fund of $4.5 million, less any payments made pursuant to a critical vendor motion would be put into a reserve account for payment, on a pro rata basis to: (a) holders of allowed non-insider, non-intercompany unsecured claims of the Debtors; and (b) the ultimate purchaser of the Debtors' assets for the amount of the allowed non-insider, non-intercompany unsecured claims of the Debtors that were assumed by the ultimate purchaser under the applicable purchase agreement (including any cure amounts under section 365 of the Bankruptcy Code). The agreement to fund the Settlement Fund was a negotiated resolution after extensive, arms' length negotiations between the Debtors, Guggenheim and the

Committee designed to serve as a guarantee that the sale process to be implemented pursuant to the DIP Order would result in a minimum, baseline recovery for holders of unsecured claims against the Debtors. Additionally, the negotiated resolution provided that, in addition to the Settlement Fund, $250,000 would be funded by the purchaser to the Debtors to fund administrative costs of winding down the Debtors' Estates.

C. The Sale to Guggenheim.

As required by the DIP Order, on November 25, 2015, the Debtors filed a motion to approve bidding procedures (and for related relief) to establish a process and timeline for an orderly marketing of the Debtors and their assets; the Bankruptcy Court entered an order approving the bidding procedures on December 8, 2015. Guggenheim was designated as the "stalking horse" bidder, and competing bids would have to be in an amount sufficient to pay the outstanding debt to Guggenheim (including amounts advanced as DIP financing), payment of the Settlement Fund, plus a breakup fee. Guggenheim agreed that after its bid (which was to be a credit bid, assumption of debt, or a credit bid plus cash), it would have no claims against the Debtors' estates arising by virtue of its secured debt (including the DIP financing).

By order dated November 24, 2015, the Bankruptcy Court approved the retention of Raymond James & Associates, Inc. ("**Raymond James**") as investment banker to assist with and manage the sale process. Raymond James began their efforts on November 12, 2015, which included establishing a data room, preparing marketing materials and contacting potential purchasers or capital partners. Raymond James contacted over 165 potential interested parties, of which 65 signed non-disclosure agreements and analyzed the data.

The Debtors received 15 non-binding expressions of interest, and conducted management-level meetings with seven (7) parties. Unfortunately, no party submitted an offer that would be sufficient to "top" the Guggenheim bid (which would have required an offer exceeding $200 million). Accordingly, Guggenheim was deemed the winning bidder through its credit bid of the indebtedness owed by the Debtors. On April 1, 2016, the Bankruptcy Court entered an order approving the sale to Guggenheim. Also on that date, the sale closed and the purchaser funded the Settlement Fund to the Debtors as well as the $250,000 to wind down the Debtors' Estates.

D. Retention of Professionals

As noted above, the Bankruptcy Court entered an order approving the retention of Raymond James as Investment Banker on November 24, 2015. The Bankruptcy Court also approved the retention of the following as estate professionals: (1) Taube Summers Harrison Taylor Meinzer Brown LLP ("**Taube Summers**") as counsel to the Debtors by Order dated November 4, 2015[1]; (2) Graves Dougherty Hearon & Moody LLP ("**Graves Dougherty**") as Special Counsel to the Debtors by Order dated December 2, 2015; (3) Deloitte Transactions and Business Analytics LLP ("**Deloitte**") to provide an Interim Vice President of Finance by Order dated November 24, 2015; (4) Gardere Wynne Sewell LLP ("**Gardere**") as counsel to the Official Committee of Unsecured Creditors by Order dated December 11, 2015 and (5) Michael Epstein ("**Epstein**") as Chief Restructuring Officer by Order dated December 7, 2015.

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[1] The attorneys with Taube Summers joined Waller Lansden Dortch & Davis LLP ("**Waller**") effective February 1, 2016, and the Bankruptcy Court approved the retention of Waller by Order dated March 28, 2016.

ARTICLE V.
DESCRIPTION OF THE PLAN

This section provides a summary of the structure, classification, treatment and implementation of the Plan and is qualified in its entirety by reference to the Plan, which accompanies this Disclosure Statement, and to the exhibits attached to the Plan.

Although the statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in documents referred to in the Plan, this Disclosure Statement does not purport to be a precise or complete statement of all the terms and provisions of the Plan or documents referred to in the Plan, and reference is made to the Plan and to such documents for the full and complete statements of such terms and provisions.

The Plan itself and the documents it refers to will control the treatment of Creditors and equity security holders under the Plan and will, on the Effective Date, be binding upon holders of Claims against, and Interests in, the Debtors and other parties in interest.

A. Overall Structure of the Plan.

The Plan constitutes a liquidating Chapter 11 plan for the Debtors and serves as the mechanism for distributing the Settlement Fund following the Sales Transaction. In connection with the settlement of disputes, the DIP Order and Sale Order provided for the funding of the Settlement Fund. The Plan provides for the Settlement Fund to be transferred to a Liquidating Trust and for the proceeds to be distributed to holders of Operating Subsidiary Claims in accordance with the terms of the Plan and the priority of claims provisions of the Bankruptcy Code. Except as otherwise provided by order of the Bankruptcy Court, distributions will occur on the Effective Date or as soon thereafter as is practicable and at various intervals thereafter. The Debtors will be dissolved as soon as practicable after the Effective Date.

B. Classification and Treatment of Claims and Equity Interests.

Section 1122 of the Bankruptcy Code requires that a plan of reorganization classify the claims of a debtor's creditors and the interest of its equity holders. The Bankruptcy Code also provides that, except for certain claims classified for administrative convenience, a plan of reorganization may place a claim of a creditor or an interest of an equity holder in a particular class only if such claim or interest is substantially similar to the other claims of such class. The Bankruptcy Code also requires that a plan of reorganization provide the same treatment for each claim or interest of a particular class unless the holder of a particular claim or interest agrees to a less favorable treatment of its claim or interest.

The Proponents believe that they have classified all Claims and Equity Interests in compliance with the requirements of the Bankruptcy Code. If a holder of a Claim or Equity Interest challenges such classification of Claims or Equity Interests and the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors, to the extent permitted by the Bankruptcy Court, intend to modify the classifications of Claims or Equity Interests under the Plan to provide for whatever classification might be required by the Bankruptcy Court for confirmation.

Except to the extent that such modification of classification adversely affects the treatment of a holder of a Claim or Equity Interest and requires resolicitation, acceptance of the Plan by any holder of a Claim or Equity Interest in accordance with this solicitation will be deemed to be a consent to the Plan's treatment of such holder of a Claim or Equity Interest regardless of the class as to which that holder ultimately is deemed to be a member.

C. Treatment of Unclassified Claims.

i. Administrative Claims

An Administrative Claim is a Claim for payment of an administrative expense of a kind specified in Section 503(b), Section 507(b) and Section 546(c)(2) of the Bankruptcy Code and entitled to priority pursuant to Section 507(a)(1) of the Bankruptcy Code. To the extent that a Claim is Allowed as an Administrative Claim under Section 365(d)(3) of the Bankruptcy Code, such Claim will also be treated as an Administrative Claim under the Plan. Administrative Claims include, for example, quarterly fees to the United States Trustee payable under Section 1930 of Title 28 of the United States Code, Claims for the payment of Professional Fees, and the actual and necessary costs and expenses incurred in the ordinary course of the Debtors' business or of preserving the Debtors' Estates.

ii. Priority Tax Claims

These are Claims of a governmental entity for taxes entitled to priority under Section 507(a)(8) of the Bankruptcy Code, if any.

iii. Professional Fees

Claims for Professional Fees are Claims of estate or Committee-retained professionals in the Chapter 11 Cases.

iv. Treatment

Allowed Administrative Claims. The Proponents believe that all non-Professional Administrative Claims and Priority Tax Claims have already been paid in full. To the extent any such Administrative Claims including, for example any unpaid postpetition obligations, remain, each Allowed Administrative Claim will be paid in full in Cash, or otherwise satisfied in accordance with its terms, on the later of: (i) the Effective Date, and (ii) the thirtieth (30th) Business Day after such Administrative Claim becomes an Allowed Administrative Expense. All requests for payment of an Administrative Claim (other than a Professional Fee Claim) must be served on the Liquidating Trustee and filed with the Bankruptcy Court no later than the Administrative Claims Bar Date.

Professional Fee Claims. All final applications for allowance and payment of a Professional Fee Claim for services rendered or reimbursement of expenses incurred through and including the Effective Date must be filed with the Bankruptcy Court and served no later than thirty (30) days after the Effective Date or such other date as may be fixed by the Bankruptcy Court. All objections to allowance of Professional Fee Claims through the Effective Date must be timely filed and served in accordance with the deadlines established by the Bankruptcy Court.

Except to the extent that any Person entitled to payment of any Allowed Professional Fee Claim agrees to a less favorable treatment or unless otherwise ordered by the Bankruptcy Court, each holder of an Allowed Professional Fee Claim shall receive, in full satisfaction, discharge, exchange, and release thereof, Cash in an amount equal to such Allowed Professional Fee Claim within five (5) Business Days after such Professional Fee Claim becomes an Allowed Professional Fee Claim, unless the Holder agrees to defer a payment of a portion of its Allowed Professional Fee Claim.

D. Treatment of Classified Claims and Interests.

In accordance with Section 1123(a)(1) of the Bankruptcy Code, set forth below is a designation of classes of Claims against and Interests in the Debtors (except the unclassified Claims receiving the treatment described in Section IV. C above). A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and of receiving distributions in accordance with the Plan only to the extent that such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date. The treatment of classified Claims and the provisions governing distributions on account of Allowed Claims is set forth in Articles 4 and 5 of the Plan. You should refer to the Plan itself for the complete provisions governing the treatment of your particular Claim.

CLASSIFICATIONS OF CLAIMS AGAINST THE DEBTORS

A. Class 1 – Operating Subsidiary Claims.

i. **Impairment and Voting**. Class 1 is impaired by the Plan. All holders of Operating Subsidiary Claims are entitled to vote as a single class and will be solicited to vote on the Plan as a single class.

ii. **Treatment**. Class 1 shall receive *pro rata* beneficial interests in the Liquidating Trust. The purpose of the Plan is for all holders of Operating Subsidiary Claims to share *pro rata* in the Trust Assets through the Liquidating Trust.

B. Class 2 – Guggenheim Reimbursement Claim.

i. **Impairment and Voting**. Class 2 is impaired by the Plan. Guggenheim is entitled to vote as a single class and will be solicited to vote on the Plan as a single class.

ii. **Treatment**. Class 2 shall receive a *pro rata* beneficial interest in the Liquidating Trust vis-à-vis Class 1. The purpose of the Plan is for all holders of Class 1 and Class 2 claims to share *pro rata* in the Trust Assets through the Liquidating Trust.

C. Class 3 – Insider/Intercompany Claims.

i. **Impairment and Voting**. Class 3 is impaired by the Plan. Because Class 4 shall receive no distribution under the Plan, Class 3 is deemed to have rejected the Plan and will not be solicited to vote.

ii. **Treatment**. Class 3 shall receive no distribution under the Plan. The holders of Insider/Intercompany Claims shall receive no beneficial interests in the Liquidating Trust.

D. Class 4 – Equity Interest Holders.

i. **Impairment and Voting**. Class 4 is impaired by the Plan. Because Class 4 shall receive no distribution under the Plan, Class 4 is deemed to have rejected the Plan and will not be solicited to vote.

ii. **Treatment**. All Equity Interests in the Debtors shall be extinguished pursuant to this Plan.

ARTICLE VI.
IMPLEMENTATION OF THE PLAN

A. Plan Funding.

Funds needed to make distributions under the Plan will come from cash on hand and the Settlement Fund established pursuant to the negotiated resolution between the Committee and Guggenheim with respect to the entry of the DIP Order and approval of the financing associated therewith, which negotiated resolution is also contained in the Sale Motion and Sale Order. The amount of the Settlement Fund is approximately $3,960,000, that amount constituting the original amount of the Settlement Fund, $4,500,000, minus payments made by the Debtors and/or Guggenheim to critical vendors in these cases in the amount of approximately $540,042.73 in accordance with the settlement embodied in the DIP Order. The cash on hand includes $250,000 funded by Guggenheim at the closing of the sale to fund wind-down expenses of the Debtors' Estates as agreed in the DIP Order. As of the Effective Date, cash on hand is estimated to be $[_____].

B. Cancellation of Securities, Instruments and Agreements.

On the Effective Date, except to the extent provided otherwise in the Plan, all securities, and all agreements, instruments, and other documents evidencing or governing any Equity Interests, will be automatically deemed terminated, canceled, and extinguished with respect to the Debtors and the Chapter 11 Cases (all without further action by any Person), and all obligations of the Debtors under such instruments and agreements will be deemed fully and finally waived, released, canceled, extinguished, and discharged.

C. Effectiveness of Securities, Instruments, Agreements and Documents.

On the Effective Date, all securities, instruments, agreements, and documents issued, entered into, delivered, or filed under the Plan, including, without limitation, the Plan Documents, and any security, instrument, agreement or document entered into, delivered, or filed in connection with any of the foregoing, will be deemed to become effective, binding, and enforceable in accordance with its respective terms and conditions.

D. No Corporate Action Required.

As of the Effective Date: (a) the adoption, execution, delivery, and implementation of all contracts, leases, instruments, releases, and other agreements related to or contemplated by the Plan; and (b) the other matters provided for under, or in furtherance of, the Plan involving corporate action required of the Debtors, will be deemed to have occurred and become effective as provided in the Plan, and will be deemed authorized and approved in all respects without further order of the Bankruptcy Court or any further action by the stockholders or directors of the Debtors.

E. Corporate Governance of the Debtors.

On the Effective Date, any remaining officers or directors of the Debtors shall be deemed removed from that office and the Liquidating Trustee shall be appointed as the sole officer and director of the Debtors for purposes of dissolving the Debtors; provided, however, that the Debtors shall not be dissolved until such time as (1) all transfers of assets contemplated under the Plan and Purchase Agreement have occurred, and (2) final franchise and state and federal income tax returns have been filed.

F. Operation Pending Effective Date.

Until the Effective Date, the Debtors will continue to operate their businesses, subject to all applicable requirements of the Bankruptcy Code and the Bankruptcy Rules.

G. Dissolution of the Debtor. The Debtors or the Liquidating Trustee, as the case may be, shall work with the parent companies of the Debtors to ensure all appropriate final tax returns are filed by the appropriate entity and the Confirmation Order shall provide for the dissolution, and the Liquidating Trustee shall be the authorized signatory to execute the final tax returns on behalf of the Debtors and any other documents necessary to accomplish such dissolution.

H. Winding Up Affairs.

Following the Confirmation Date, the Debtors shall not engage in any business activities or take any actions, except those necessary to effectuate the Plan or the Purchase Agreement and wind up the affairs of the Debtors. On and after the Effective Date, the Liquidating Trustee may, in the name of the Debtors, take such actions without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than any restrictions expressly imposed by this Plan, the Liquidating Trust Agreement or the Confirmation Order.

I. Release of Liens.

Except as otherwise provided herein or in any contract, instrument or other agreement or document created in connection herewith, on the Effective Date, all mortgages, deeds of trust, Liens or other Security Interests against the Property shall be released, and all the right, title and interest of any holder of such mortgages, deeds of trust, Liens or other Security Interests shall revert to the Liquidating Trustee on behalf of the Liquidating Trust.

ARTICLE VII.
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Contracts and Leases.

To the extent any executory contracts and/or unexpired leases between the Debtors and any Person remain following the Sales Transaction, such executory contract or unexpired lease shall be deemed rejected by the Debtors as of the Effective Date. Entry of the Confirmation Order constitutes the approval under Bankruptcy Code §§ 365 and 1113 of the rejection of the executory contracts and unexpired leases rejected under the Plan or otherwise during the Chapter 11 Cases.

B. Rejection Damages Bar Date.

All proofs of claim asserting Claims arising from the rejection of any executory contract or unexpired lease under the Plan are required to be filed with the Bankruptcy Court no later than the first Business Day that is 30 days after the Confirmation Date. Any such Claim not filed within that time will be forever barred. With respect to any executory contract or unexpired lease rejected by the Debtors before the Confirmation Date, the deadline for filing such Claims is as set forth in previous orders of the Bankruptcy Court.

C. Indemnification Obligations.

Any obligation of any Debtor to indemnify any Person serving as a fiduciary of any employee benefit plan or employee benefit program of any Debtor, under charter, by-laws, contract, or applicable state law shall or any claim arising therefrom, shall not result in any claim against or right of recovery from the Liquidating Trust or the Settlement Fund. Any obligation of any Debtor to indemnify, reimburse, or limit the liability of any Person, including but not limited to any officer or director of any Debtor, or any agent, professional, financial advisor, or underwriter of any securities issued by any Debtor related to any acts or omissions occurring before the Petition Date or any claim arising therefrom shall not result in any claim against or right of recovery from the Liquidating Trust or the Settlement Fund. Notwithstanding any of the foregoing, nothing contained in the Plan affects, impairs, or prejudices the rights of any Person covered by any policy of insurance with respect to any such policy.

ARTICLE VIII.
DESCRIPTION OF OTHER PROVISIONS OF THE PLAN

A. Establishment of the Liquidating Trust.

The Plan contemplates the creation of a Liquidating Trust in which all Estate Assets will vest for liquidation and ultimate distribution. The Liquidating Trust will be governed by the Liquidating Trust Agreement, which is attached hereto. The Liquidating Trust is intended to be classified as a “Liquidating Trust” for federal income tax purposes within the meaning of Treasury Regulation § 301.7701-4(d). The Liquidating Trustee shall ascribe valuations to the assets assigned or transferred to the Liquidating Trust on the dates of assignment and transfer of such assets to the Liquidating Trust, and such valuations shall be used by the Debtors and the Liquidating Trustee for all federal income tax reporting purposes.

B. Management of the Liquidating Trust.

Pursuant to the Liquidating Trust Agreement, a Liquidating Trustee will be appointed as of the Effective Date to liquidate all of the Estate Assets, including the Settlement Fund. The Liquidating Trustee will be overseen by the Trust Advisory Committee, which will be created on the Effective Date. The members of the initial Trust Advisory Committee shall be as follows:

i. Two members of the current Committee as chosen by the members of such Committee.

ii. A representative of Guggenheim chosen at its discretion.

C. Distributions of the Liquidating Trust.

The Liquidating Trust Proceeds shall be allocated and disbursed in Cash by the Liquidating Trustee as follows:

i. first, in an amount sufficient to pay the expenses and projected future expenses associated with the disposition of such Trust Assets, including the fees and expenses of the Liquidating Trustee and the fees and expenses of any professionals (including legal and financial advisors) employed by the Liquidating Trustee and associated with the disposition of such Trust Assets;

ii. second, for *pro rata* distribution to holders of Class 1 and Class 2 Claims.

D. Interim Distributions.

The Liquidating Trustee shall have the authority to make such interim distributions as he believes, in consultation with the Trust Advisory Committee, are reasonably necessary and/or appropriate on account of allowed Class 1 and Class 2 Claims.

E. Post-Effective Date Fees; Final Decree.

The Liquidating Trustee will be responsible for paying any post-Effective Date fees under 28 U.S.C. 1930(a)(6) and filing post-confirmation reports until the Bankruptcy Court enters a final decree, which will be as soon as practicable after distributions under the Plan have commenced. Notice of application for a final decree will only be provided to those holders of Claims and Equity Interests who specifically request such notice.

F. Vesting of Assets.

Except as provided in the Plan, the Confirmation Order, or the Plan Documents all Estate Assets will vest in the Liquidating Trust free and clear of all Liens, Claims and Equity Interests that existed before the Effective Date. On the Effective Date, all Causes of Action, excluding Avoidance Actions not purchased by Gugenhim, shall vest in the Liquidating Trust.

G. Discharge.

Except as provided in the Plan or the Confirmation Order, the rights granted under the Plan and the treatment of Claims and Equity Interests under the Plan are in exchange for and in complete satisfaction, discharge, and release of, all Claims including any interest accrued on General Unsecured Claims from the Petition Date and termination of all Equity Interests. Except as provided in the Plan or the Confirmation Order, confirmation of the Plan: (a) discharges the Debtors from all Claims or other debts that arose before the Confirmation Date, and all debts of the kind specified in Bankruptcy Code §§ 502(g), 502(h) or 502(i), whether or not: (i) a proof of claim based on such debt is filed or deemed filed under Bankruptcy Code § 501; (ii) a Claim based on such debt is Allowed under Bankruptcy Code § 502; or (iii) the holder of a Claim based on such debt has accepted the Plan; and (b) terminates all Equity Interests and other rights of Equity Interests in the Debtors except as expressly provided in the Plan. Without limiting the foregoing, the discharge granted under the Plan is granted to the fullest extent allowed under Bankruptcy Code §§ 1141(a), 1141(b), 1141(c), and 1141(d)(1).

H. Injunction.

Except as provided in the Plan or the Confirmation Order, as of the Confirmation Date, all entities that have held, currently hold, or may hold a Claim or other debt or liability that is unclassified by the Plan or that is classified by Article 5 of the Plan or is subject to a distribution under the Plan, or an Equity Interest or other right of an equity security holder that is canceled or terminated under the Plan are permanently enjoined from taking any of the following actions on account of any such Claims, debts, liabilities, Equity Related Claims, or terminated Equity Interests or rights: (a) commencing or continuing in any manner any action or other proceeding against the Debtors (including any officer or director or other Person acting as a representative or otherwise on behalf of the Debtors); (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Debtors or their respective property; (c) creating, perfecting, or enforcing any Lien or encumbrance against the Debtors or their respective property; (d) asserting a right of setoff, subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place, that does not comply with or is inconsistent with the provisions of the Plan or the Bankruptcy Code. Nothing in this Section 13.03 or elsewhere in the Plan is to be construed or is to have the effect of extinguishing, prohibiting, or otherwise limiting, the right of any holder of a Claim to assert a right to setoff or recoupment arising in connection with that Claim as part of the resolution and treatment of that Claim under the Plan.

Neither the Debtors, CCNG Energy Partners, LP, CCNG Energy Partners GP, LLC Guggenheim, the Purchaser, the Committee, the Committee's members, nor their respective professionals or any of their respective members or former members, managers,officers, directors, agents, employees, representatives, financial advisors, attorneys, or Affiliates, or any of their predecessors, successors or assigns (collectively, the "**Exculpated Parties**") shall have or incur any liability to any Person, holder of a Claim or Equity Interest, or any other party in interest or entity, or any of their respective members or former members, managers, agents, employees, representatives, financial advisors, attorneys, or Affiliates, or any of their predecessors, successors, or assigns, for any act, omission, claim, remedy, cause of action

(whether known or unknown, matured or unmatured, contingent, unliquidated or disputed) in connection with, relating to, or arising out of the Chapter 11 Cases (arising from and after the time at which these bankruptcy case filings were authorized by board, shareholder, manager or member consent, action or resolution) , the Sale Transaction, negotiation of the Settlement Fund, or any other action or inaction in the Chapter 11 Cases, including the formulation, preparation, negotiation, dissemination, approval, confirmation, administration, or consummation of the Plan, the Disclosure Statement, the solicitation of votes for or confirmation of the Plan or consummation or administration of the Plan or Distributions under the Plan, except for willful misconduct or gross negligence, as finally determined by the Bankruptcy Court, and such Exculpated Parties shall not be liable for any obligations of the Debtors under the Plan, and in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities.

I. Preserved Litigation Claims and Disputed Claims Resolution.

Notwithstanding anything to the contrary in the Plan, any non-Debtor party that has obtained or obtains relief from the automatic stay or from the injunction provisions contained in the Plan to pursue resolution of their Claim in a forum other than the Bankruptcy Court will not be deemed to have violated any provision of the Plan by seeking a resolution as to Allowance, Disallowance, or amount of such Claim in such other forum, but the classification and distributions on account of any such Claim, once liquidated and Allowed or Disallowed, remain solely and exclusively subject to the Bankruptcy Court's continuing jurisdiction under Article 14 of the Plan and the terms and conditions of the Plan.

J. Preservation of Insurance.

The discharge and release from Claims as provided in the Plan, except as necessary to be consistent with the Plan, do not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtors or any other Person.

K. Retention of Jurisdiction After the Effective Date.

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain as much jurisdiction over the Chapter 11 Cases after the Effective Date as legally permissible including, without limitation, jurisdiction to:

i. Allow, disallow, determine, liquidate, classify, estimate, or establish the amount, priority, or secured or unsecured status of any Claim, and resolve any request for payment of any Administrative Claim and any objection to the Allowance or priority of any Claim;

ii. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized under the Bankruptcy Code or the Plan;

iii. Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is a party and to hear, determine and, if necessary, liquidate any Claims arising from, or Cure related to, assumption or rejection;

iv. Ensure that distributions to holders of Allowed Claims are accomplished in accordance with the Plan;

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

vi. Enter any necessary or appropriate orders to implement or consummate the Plan's provisions and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

vii. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any Person's obligations incurred in connection with the Plan;

viii. Resolve any cases, controversies, suits, or disputes that may arise in connection with the interpretation or enforcement of any orders entered by the Bankruptcy Court during the Chapter 11 Cases;

ix. Hear and determine any motion or application to modify the Plan before or after the Effective Date under Bankruptcy Code § 1127 or modify the Disclosure Statement or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan or the Disclosure Statement; or hear or determine any motion or application to remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document issued, entered into, filed or delivered in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

x. Issue injunctions, enter and implement other orders, or take any other necessary or appropriate actions to restrain any entity's interference with consummation or enforcement of the Plan;

xi. Enter and implement any necessary or appropriate orders if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

xii. Determine any other matters that may arise in connection with or related to the Plan, the DIP Facility, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

xiii. Issue final decrees and enter orders closing the Chapter 11 Cases; and

xiv. Adjudicate the Disputed Claims, the Avoidance Actions, and the Estate Litigation Claims (including those to be initiated and prosecuted by Liquidating Trustee as

the Estates' representative under § 1123(b)(3)(B)), and any other cause of action or claims of the Debtors.

L. Amendment of Plan.

At any time before the Confirmation Date, the Proponents may alter, amend, or modify the Plan under Bankruptcy Code § 1127(a) as long as doing so does not materially and adversely affect the treatment and rights of the holders of Claims under the Plan. After the Confirmation Date but before substantial consummation of the Plan as defined in Bankruptcy Code § 1101(2), the Proponents may, under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, the Plan Documents, or the Confirmation Order, and any matters necessary to carry out the purposes and effects of the Plan as long as such proceedings do not materially and adversely affect the treatment of holders of Claims under the Plan. The Proponents must serve prior notice of such proceedings in accordance with the Bankruptcy Rules or applicable order of the Bankruptcy Court.

M. Revocation or Withdrawal of Plan.

The Proponents reserve the right to revoke or withdraw the Plan at any time before the Confirmation Date. If withdrawn or revoked, the Plan will be deemed void and nothing contained in the Plan may be deemed a waiver of any Claims by or against the Debtors or any other Person in any further proceedings involving the Debtors or an admission of any sort, and the Plan and any transaction contemplated by the Plan may not be admitted into evidence in any proceeding.

N. Withholding and Reporting Requirements.

In connection with the Plan and all instruments issued in connection with the Plan, the Debtors or, as the case may be, the Liquidating Trustee, must comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions under the Plan remain subject to any such withholding and reporting requirements. The Debtors may take all actions necessary to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan, each holder of an Allowed Claim that has received a distribution under the Plan of Cash has sole and exclusive responsibility for the satisfaction or payment of any tax obligation imposed by any governmental unit, including income, withholding and other tax obligation on account of such distribution.

ARTICLE IX.
CONDITIONS PRECEDENT

A. Conditions to Confirmation. The following are conditions precedent to confirmation of the Plan:

i. **Approval of Disclosure Statement**. The Bankruptcy Court enters a Final Order approving the Disclosure Statement.

ii. **Form of Confirmation Order**. The Bankruptcy Court enters the Confirmation Order in form and substance reasonably acceptable to the Proponents. If the Proponents are unable to reach an agreement with any party regarding the form and substance of the Confirmation Order, the Bankruptcy Court will resolve all such disputes.

iii. **Substance of Confirmation Order**. The Confirmation Order contains the following:

a. The provisions of the Confirmation Order are nonseverable and mutually dependent;

b. Approval of the rejection of all executory contracts and unexpired leases under the Plan not previously rejected pursuant to the Sale Motion or Sale Order;

c. The Debtors are released and discharged from all obligations arising under all executory contracts and unexpired leases rejected by the Debtors during the Chapter 11 Cases or under the Plan;

d. Except as expressly provided in the Plan, the Debtors are discharged as of the Confirmation Date from all Claims and any "debt" (as that term is defined in § 101(12)) that arose on or before the Confirmation Date, and the Debtors' liability in respect of such Claims and debts is extinguished completely, whether reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or unfixed, matured or unmatured, disputed or undisputed, legal or equitable, or known or unknown, or that arose from any agreement of the Debtors that has either been assumed or rejected in the Chapter 11 Cases or under the Plan, or obligation of the Debtors incurred before the Confirmation Date, or from the Debtors' conduct before the Confirmation Date, or that otherwise arose before the Confirmation Date including, without limitation, all interest, if any, on any such debts, whether such interest accrued before or after the Petition Date and, without limiting the foregoing, the discharge granted under the Plan is granted to the fullest extent allowed under §§ 1141(a), 1141(b), 1141(c), and 1141(d)(1);

e. In accordance with § 1123(b)(3)(B), the Liquidating Trustee is appointed as the representative and agent of the Estates to prosecute, compromise, or abandon any Estate Litigation Claims in accordance with the Plan, to the extent those claims may be contributed by Guggenheim to the Debtors or the Liquidating Trust;

f. Findings and conclusions sufficient to provide a basis for, and supporting the Bankruptcy Court's authorization of, substantive consolidation of the Estates in accordance with Sections 3.01 and 3.02 of the Plan; and

g. Retention of jurisdiction of the Bankruptcy Court to the fullest extent permissible by applicable law, and at least to the extent contemplated by Article 14 of the Plan.

B. Conditions to Effectiveness. The following are conditions precedent to the occurrence of the Effective Date:

i. The Confirmation Date occurs;

ii. The Confirmation Order becomes a Final Order;

iii. The Settlement Fund contains sufficient Cash (from all applicable sources) on the Effective Date to make distributions to holders of Allowed Claims required by the Plan to be made on the Effective Date; and

iv. Each of the Plan Documents and to be issued, entered into, delivered, or filed under the Plan are issued, entered into, delivered, or filed and are effective.

C. Waiver of Conditions. The Proponents may waive any condition to confirmation or the Effective Date, in whole or in part, at any time without notice, an order of the Bankruptcy Court, or any further action other than proceeding to confirmation and consummation of the Plan.

D. Notice of Effective Date. Within five (5) business days after the Effective Date, the Liquidating Trustee shall serve notice of the Effective Date and the Administrative Expense Bar Date on all creditors and parties-in-interest.

ARTICLE X.
VOTING PROCEDURES AND CONFIRMATION REQUIREMENTS

A. Ballots and Voting Deadline

A ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement, and has been mailed to holders of Class 1 and Class 2 Claims only. After carefully reviewing the Disclosure Statement and all exhibits, including the Plan, each holder of a Claim or Interest entitled to vote should indicate its vote on the enclosed ballot. All holders of Claims or Interests entitled to vote must (i) carefully review the ballot and instructions thereon, (ii) execute the ballot, and (iii) return it to the address indicated on the ballot by the Voting Deadline (defined below) for the ballot to be considered.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received by the Committee **no later than ____________ at _______ Central Time,** (the "**Voting Deadline**") at the following address:

GARDERE WYNNE SEWELL LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201-4761

Telephone: 214.999.3000
Facsimile: 214.999.4667
Attn: Mark C. Moore

Or at any other address specified on the Ballot you received.

ANY BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.

The Committee shall provide notice of the receipt of ballots to counsel for both the Debtors and Guggenheim as such ballots are received.

B. Holders of Claims and Interests Entitled to Vote.

Except as otherwise provided in the Plan, any holder of a Class 1 or Class 2 Claim against the Debtors whose claim is impaired under the Plan is entitled to vote, if either (i) the Debtors have scheduled the holder's Claim at a specific amount other than $0.00 (and such Claim is not scheduled as "disputed," "contingent," or "unliquidated") or (ii) the holder of such Claim has filed a Proof of Claim on or before the deadline set by the Bankruptcy Court for such filings in a liquidated amount. Any holder of a Class 1 or Class 2 Claim as to which an objection has been filed (and such objection is still pending as of the time of confirmation of the Plan) is not entitled to vote, unless the Bankruptcy Court (on motion by a party whose Claim is subject to an objection) temporarily allows the Claim in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Such motion must be heard and determined by the Bankruptcy Court before the first date set by the Bankruptcy Court for the Confirmation Hearing of the Plan. In addition, the vote of a holder of a Claim may be disregarded if the Bankruptcy Court determines that the holder's acceptance or rejection was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.

For the avoidance of doubt, only holders of Class 1 and Class 2 claims shall be solicited to vote on the Plan. Because holders of claims in Classes 3 and Class 4 will receive no distribution on account of such claims, they are deemed to have rejected the Plan.

C. Bar Date for Filing Proofs of Claim

The Bankruptcy Court established a bar date for filing proofs of claim or interests in these chapter 11 cases of February 4, 2016. The Bankruptcy Court further established a bar date for filing proofs of claim in these chapter 11 cases by Governmental Units of February 4, 2016. Timeliness or other substantive issues which may affect the ultimately allowability of a particular claim have not been considered in connection with classification. The Plan provides a period of 60 days after the Effective Date for the Liquidating Trustee to object to claims.

D. Definition of Impairment

Under Bankruptcy Code section 1124, a class of Claims or Interests is impaired under a plan of reorganization unless, with respect to each Claim or Interests of such class, the plan:

i. leaves unaltered the legal, equitable, and contractual rights of the holder of such Claim or Interest; or

ii. notwithstanding any contractual provision or applicable law that entitles the holder of a Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default –

a. cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Bankruptcy Code section 365(b)(2);

b. reinstates the maturity of such claim or interest as it existed before the default;

c. compensates the holder of such claim or interest for damages incurred as a result of any reasonable reliance on such contractual provision or applicable law; and

d. does not otherwise alter the legal, equitable, or contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest.

E. Classes Impaired Under the Plan

Allowed Claims in Class 1 and Class 2 are impaired under the Plan and are entitled to vote to accept or reject the Plan. All other classes are deemed to reject the Plan and will not be solicited to vote.

F. Information on Voting and Ballots

The Bankruptcy Court has approved procedures for solicitation of votes on the Plan and tabulation of the ballots received from holders of Claims and Interests contained in the Solicitation Procedures included in the solicitation package. The descriptions of the solicitation and tabulation procedures contained herein are for information only and, in the event of any discrepancy the Solicitation Procedures shall control.

i. Transmission of Ballots to Creditors and Interest Holders

Ballots are being forwarded to all holders of Class 1 and Class 2 Claims. Those holders of Claims that will receive no distributions pursuant to the Plan are deemed to have rejected the Plan under Bankruptcy Code section 1126(f), and therefore need not vote with regard to the Plan.

ii. Ballot Tabulation Procedures

For purposes of voting on the Plan, the amount and classification of a Claim or Interest and the procedures that will be used to tabulate acceptances and rejections of the Plan shall be as follows:

a. If no Proof of Claim has been timely filed, the voted amount of a Claim shall be equal to the amount listed for the particular Claim in the

Schedules, as and if amended, to the extent such Claim is not listed as "contingent," "unliquidated," or "disputed," and the Claim shall be placed in the appropriate Class, based on the Debtor's records, and consistent with the Schedules of Assets and Liabilities and the Claims registry of the Clerk of the Bankruptcy Court;

b. If a Proof of Claim has been timely filed, and has not been objected to before the expiration of the Voting Deadline, the voted amount of that Claim shall be as specified in the Proof of Claim filed with the Clerk;

c. Subject to subparagraph (d) below, a Claim or Interest that is the subject of an objection filed before the Voting Deadline shall be disallowed for voting purposes;

d. If a Claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, the voted amount and classification shall be that set by the Bankruptcy Court;

e. If a holder of a Claim or Interest or its authorized representative did not use the Ballot form provided by the Debtors, or the Official Ballot Form authorized under the Federal Rules of Bankruptcy Procedure, such vote will not be counted;

f. If the Ballot is not received by the Committee on or before the Voting Deadline at the place fixed by the Bankruptcy Court, the Ballot will not be counted;

g. If the Ballot is not signed by the holder of a Claim or Interest or its authorized representative the Ballot will not be counted;

h. If the individual or institution casting the Ballot (whether directly or as a representative) was not the holder of a Claim or Interest on the Voting Record Date (as that term is defined below), the Ballot will not be counted;

i. If the holder of a Claim or Interest or its authorized representative did not check one of the boxes indicating acceptance or rejection of the Plan, or checked both such boxes, the Ballot will not be counted;

j. Whenever a holder of a Claim or Interest submits more than one Ballot voting the same Claim(s)or Interest(s) before the applicable deadline for submission of Ballots, except as otherwise directed by the Bankruptcy Court after notice and a hearing, the last such Ballot shall be deemed to reflect the voter's intent and shall supersede any prior Ballots.

iii. Execution of Ballots by Representatives

If a Ballot is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such persons must indicate their capacity when signing and, at the Committee's request, must submit proper evidence satisfactory to the Debtors of their authority to so act.

iv. Waivers of Defects and Other Irregularities Regarding Ballots

Unless otherwise directed by the Bankruptcy Court, all questions concerning the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots will initially be determined by the Committee, subject to review by the Bankruptcy Court, whose determination will be final and binding. The Committee reserves the right to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Committee or their counsel, be unlawful. The Committee further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot, which waiver shall not be deemed to have any effect on any other Ballot. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Committee (or the Bankruptcy Court) determine(s). Neither the Committee nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will any of them incur any liability for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until any irregularities have been cured or waived. Ballots previously furnished, and as to which any irregularities have not subsequently been cured or waived, will be invalidated.

v. Withdrawal of Ballots and Revocation

Any holder of a Claim or Interest in an impaired Class who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to counsel for the Debtors at any time before the Voting Deadline.

To be valid, a notice of withdrawal must: (i) contain the description of the Claims or Interests to which it relates and the aggregate principal amount, represented by such Claims or Interests; (ii) be signed by the holder of the Claim or Interest in the same manners as the Ballot; and (iii) be received by counsel for the Debtors in a timely manner at the addresses set forth herein. The Proponents expressly reserve the absolute right to contest the validity of any such withdrawals of Ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of Ballot that is not received in a timely will not be effective to withdraw a previously furnished Ballot.

Any holder of a Claim or Interest who has previously submitted a properly completed Ballot before the Voting Deadline may revoke such Ballot and change its vote by submitting to the Committee before the Voting Deadline a subsequent, properly completed Ballot for acceptance or rejection of the Plan.

G. Confirmation of Plan

i. Solicitation of Acceptances

NO REPRESENTATIONS OR ASSURANCES, IF ANY, CONCERNING THE PLAN ARE AUTHORIZED BY THE DEBTORS OR ANY OTHER PARTY, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE BY ANY PERSON TO SECURE YOUR VOTE FOR OR AGAINST THE PLAN (OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT) SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE PROPONENTS.

Under the Bankruptcy Code, the Bankruptcy Court may order that the hearing on approval of the disclosure statement be combined with the hearing on confirmation of the Plan pursuant to 11 U.S.C. § 105(d)(2)(B)(vi). The Proponents intend to request that the Court conditionally approve this Disclosure Statement pending a combined final hearing on both the Disclosure Statement and the Plan.

ii. Confirmation Hearing

Pursuant to section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing on Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

The Confirmation Hearing will commence on ______ at _______ Central Time before the Honorable Ronald B. King, United States Bankruptcy Judge, at the Hipolito F. Garcia Federal Building and United States Courthouse, 615 East Houston Street, Room 597, San Antonio, Texas 78205. The Proponents may continue the confirmation hearing from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the bankruptcy court and served on the Master Service List and the entities who have filed an objection to the Plan, without further notice to parties in interest. The Bankruptcy Court, in its discretion and before the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may be modified, if necessary, prior to, during, or as a result of the confirmation hearing, without further notice to parties in interest.

The Plan Objection Deadline is ____________, at _______ Central Time. All objections to the Plan must be filed with the Bankruptcy Court and served on the Proponents and certain other parties in interest in accordance with the Disclosure Statement Order so that they are received on or before the Plan Objection Deadline.

If the Plan is rejected by one or more impaired Classes of Claims or Interests, the Bankruptcy Court may still confirm the Plan, or a modification thereof, under Bankruptcy Code section 1129(b) (commonly referred to as a "cramdown") if it determines, among other things, that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting

Class or Classes of Claims or Interests impaired under the Plan. The procedures and requirements for voting on the Plan are described in more detail below.

iii. 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, in which event the Bankruptcy Court shall enter an Order confirming the Plan. For the Plan to be confirmed, section 1129 of the Bankruptcy Code requires that:

a. The Plan complies with the applicable provisions of the Bankruptcy Code;

b. The Proponents have complied with the applicable provisions of the Bankruptcy Code;

c. The Plan has been proposed in good faith and not by any means forbidden by law;

d. Any payment or distribution made or promised by the Proponents, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in connection with the case, or in connection with Plan and incident to the case, has been approved by or is subject to the approval of, the Court as reasonable;

e. The Proponents have disclosed, to the extent known, the identity and affiliation of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the Debtors, affiliates of the Debtors participating in a joint plan, or a successor to the Debtors under the Plan; and the appointment to, or continuance in, such office of such individual is consistent with the interests of holders of Claims and Interests and with public policy; and the Proponents have disclosed the identity of any insider that will be employed or retained by the Debtors, and the nature of any compensation for such insider;

f. Any government regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtors has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval;

g. With respect to each impaired Class or Claims or Interests, either each holder of a Claim or Interest of the Class has accepted the Plan, or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code. If Bankruptcy Code section 1111(b)(2) applies to the Claims of such Class, each holder of a Claim of that Class will receive or retain under the Plan on account of that Claim property of a value, as of the Effective Date, that

is not less than the value of that holder's interest in the estate's interest in the property that secures such Claim;

h. Each Class of Claims or Interests has either accepted the Plan or is not impaired under the Plan;

i. Except to the extent that the holder of a particular Administrative Claim or Priority Non-Tax Claim has agreed to a different treatment of its Claim, the Plan provides that Allowed Administrative Claims and Priority Non-Tax Claims shall be paid in full on the Effective Date or on the date such claim is Allowed by Final Order;

j. If a Class of Claims or Interests is impaired under the Plan, at least one such Class of Claims or Interests has accepted the Plan, determined without including any acceptance of the Plan by any insider;

k. 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; and

l. All fees payable under Section 1930 of Title 28, as determined by the Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

The Proponents believe that the Plan satisfies all of the statutory requirements of the Bankruptcy Code for confirmation and that the Plan was proposed in good faith. The Proponents believe they have complied, or will have complied, with all the requirements of the Bankruptcy Code governing confirmation of the Plan.

iv. Acceptances Necessary to Confirm the Plan

Voting on the Plan by each holder of an impaired Claim or Interest is important. Chapter 11 of the Bankruptcy Code does not require that each holder of a Claim or Interest vote in favor of the Plan in order for the Court to confirm the Plan. Generally, to be confirmed under the acceptance provisions of Bankruptcy Code section 1126, the Plan must be accepted by each Class of Claims that is impaired under the Plan by parties holding at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class actually voting in connection with the Plan and each Class of Interests (equity securities) by holders of at least two-thirds of the number of Allowed Interests of such Class actually voting in connection with the Plan. Even if all Classes of Claims and Interest accept the Plan, the Bankruptcy Court may refuse to confirm the Plan.

v. Liquidation Analysis and "Best Interests" Test

Even if the Plan is accepted by each class of holders of Claims and Interests, the Bankruptcy Code requires that the Bankruptcy Court find that the Plan is in the "best interests"

of all holders of Claims or Interests that are impaired by the Plan and that have not accepted the Plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a Bankruptcy Court to find either that (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member of the class who has not accepted the plan with 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 debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

To calculate the probable distribution to members of each impaired class of holders of claims or interests if a debtor were liquidated under chapter 7, a Bankruptcy Court must determine the aggregate dollar amount that would be generated from the debtor's assets if its chapter 11 case were converted to a case under chapter 7 of the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a forced sale of the debtors' assets by a chapter 7 trustee.

The amount of liquidation value available to unsecured creditors would be reduced by the claims of secured creditors to the extent of the value of their collateral and by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the chapter 7 case and the chapter 11 case. Costs of a liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a chapter 7 trustee, as well as of counsel and other professionals retained by the chapter 7 trustee, asset disposition expenses, all unpaid expenses incurred by the debtor in the chapter 11 case (such as compensation of attorneys, financial advisors, and accountants) that are allowed in the chapter 7 case, litigation costs, and claims arising from the operations of the Debtors during the pendency of the bankruptcy case. The liquidation itself would trigger certain priority payments that otherwise would be due in the ordinary course of business. Those priority claims would be paid in full from the sale proceeds before the balance would be made available to pay general unsecured claims or to make any distribution to holders of Equity Interests.

Once the Bankruptcy Court ascertains the recoveries in liquidation of holders of secured and priority claims, it must then determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If such distribution has a value greater than the distributions to be received by creditors and equity security holders under a debtor's plan, then such plan is not in the best interests of creditors and equity security holders.

Because the Plan is a liquidating plan and Debtors' sole remaining assets are cash on hand and the Settlement Fund, there is no possibility that conversion of the cases to chapter 7 would result in a better recovery to unsecured creditors. As such, the Proponents believe that each member of each Class of Claims and Interests will receive at least as much, if not more, under the Plan as they would receive if the Debtors were liquidated in chapter 7 cases. More specifically, the Proponents believe that a liquidation of the Debtors in chapter 7 cases would significantly impair recoveries to all stakeholders and clearly is not in the best interests of estate constituencies. Accordingly, it is clear that holders of Claims and Interests will fare much better under the Plan than in a chapter 7 liquidation.

vi. Cramdown

In the event that any impaired Class of Claims or Interests does not accept the Plan, under section 1129(b) of the Bankruptcy Code, the Bankruptcy Court may still confirm the Plan at the request of the Proponents if, as to each impaired Class that has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable." A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no Class receives more than it is legally entitled to receive for its Claims or Interests. "Fair and equitable" has different meanings for holders of Secured and Unsecured Claims and Equity Interests.

With respect to a Secured Claim, "fair and equitable" means either (i) the impaired secured creditor retains the liens, whether the property subject to such liens is retained by the Debtors or transferred to another entity, to the extent of its allowed Claim and receives deferred Cash payments totaling at least the allowed amount of its Claims with a present value as of the Effective Date of the Plan at least equal to the value of such creditor's interest in the property securing its liens; (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii) hereof; or (iii) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the Plan.

With respect to an Unsecured Claim, "fair and equitable" means either (i) each impaired creditor receives or retains property of a value, as of the Effective Date of the Plan, equal to the amount of its Allowed Claim or (ii) the holders of Claims and Equity Interests that are junior to the Claims of the dissenting class will not receive any property under the Plan until the Unsecured Claims are paid in full.

With respect to Equity Interests, "fair and equitable" means either (i) each impaired equity Interest receives or retains, on account of that Interest, property of a value, as of the Effective Date, equal to the greatest of the Allowed amount of any fixed liquidation preference to which the holder is entitled, any fixed redemption price to which the holder is entitled, or the value of the equity Interest; or (ii) the holder of any equity Interest that is junior to the equity Interest of that class will not receive or retain under the plan, on account of that junior equity Interest, any property.

In the event at least one Class of impaired Claims rejects or is deemed to have rejected the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired Class of Claims.

The Proponents believe that the Plan does not discriminate unfairly and is fair and equitable with respect to each impaired Class of Claims and Interests.

ARTICLE XI.
EFFECT OF CONFIRMATION OF THE PLAN, INJUNCTION AGAINST ENFORCEMENT OF PRE-CONFIRMATION DEBT AND EXCULPATION

A. Effect of Confirmation of the Plan

Upon confirmation, the provisions of the Plan shall bind all holders of Claims and Interests, whether or not they accept the Plan. On and after the Effective Date, all holders of Claims and Interests are, thus, precluded from asserting any Claim against the Debtors or their assets or properties based on any transaction or other activity of any kind that occurred prior to the Effective Date, except as permitted under the Plan.

Subject to the terms of the Plan and the Confirmation Order, on the Effective Date, the Estate Assets shall be transferred to and become the property of the Liquidating Trust, including without limitation all Claims, Causes of Action, alter-ego rights, derivative claims, breach of fiduciary duty claims, veil piercing rights and all other property of the estate as such property is defined by section 541 of the Bankruptcy Code and applicable non-bankruptcy law but only to the extent such claims or causes of action were not previously purchased by Guggenheim in connection with the Sales Transaction or are subsequently contributed by Guggenheim to the Liquidating Trust.

Except as otherwise specifically provided in the Plan or in the Confirmation Order, on the Effective Date all of the Estate Assets shall revest in the Liquidating Trust shall be free of all liens, claims and encumbrances.

Following the Effective Date, the Liquidating Trust will include all claims owned by the Debtors prior to the Effective Date not previously purchased by Guggenheim in connection with the Sales Transaction, including all claims recoverable under Chapter 5 of the Bankruptcy Code, including all claims assertable under sections 502, 510, 542, 543, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, and all claims owned by the Debtors pursuant to section 541 of the Bankruptcy Code or similar state law, including all claims against third parties on account of any indebtedness, and all other claims owed to or in favor of the Debtors to the extent not specifically compromised and released pursuant to the Plan or an agreement referred to or incorporated herein. After the Effective Date, all Causes of Action owned by the Debtors before the Confirmation Date will be preserved and retained for enforcement by the Liquidating Trustee; after the Effective Date, no other party will have the right to assert these claims.

Except as otherwise provided in this Plan or the Confirmation Order, or in any contract, instrument, release, indenture, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Liquidating Trustee will retain and may enforce, sue on, pursue, settle, or compromise (or decline to do any of the foregoing) all Claims, rights or causes, rights or Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or the Estates may hold against any Person.

B. Prohibition Against Enforcement of Pre-Confirmation Debt, Exculpation

On and after the Effective Date, except as provided in the Plan or Confirmation Order, all holders of Claims and Interests will be bound by the terms of the Plan and shall be precluded from asserting against the Debtors, their Estates, the Liquidating Trustee or the Committee, or their employees or agents, any Claims, debts, rights, causes of action, liabilities, or Interests

relating to the Debtors based upon any act, omission, transaction, or other activity of any nature that occurred prior to the Effective Date.

The Plan also provides that, notwithstanding any other provision of the Plan, no holder of a Claim or Interest, no Entities who have held, hold, or may hold Claims against or Interests in the Debtors prior to the Effective Date, no other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, and no successors or assigns of any of the foregoing, shall have any cause of action or right of action, whether in law or equity, whether for breach of contract, statute, or tort claim, against the Debtors or the Committee (including any present and former members, officers, directors, agents or equity holders of either thereof and any and all of their professionals) for any act or omission in connection with, relating to, or arising out of, these Chapter 11 Cases, the good faith solicitation of the Plan in accordance with section 1125(e) of the Bankruptcy Code, the pursuit of Confirmation of the Plan, consummation of the Plan, or the administration of the Debtors, the Plan or the property sold pursuant to the Sales Transaction or to be distributed under the Plan.

ARTICLE XII.
LIQUIDATION ANALYSIS, FEASIBILITY, AND RISK FACTORS

A. Liquidation Analysis

The Plan provides for the liquidation of the Estates Assets remaining after the Sales Transaction. The recovery to Class 1 and Class 2 is derived primarily from the Settlement Fund established pursuant to the negotiated resolution between the Committee and Guggenheim with respect to the entry of the DIP Order and approval of the financing associated therewith, which negotiated resolution is also contained in the Sale Motion and Sale Order.

Because the Debtors' sole remaining assets are cash on hand and the Settlement Fund, a liquidation of the Debtors' Estates under chapter 7 necessarily will result in less recovery to unsecured creditors than under the Plan because, under the Plan, distributions are able to be made without incurring additional administrative expenses and statutory commissions of a chapter 7 trustee. Using the statutory fee provided in Bankruptcy Code § 326, a chapter 7 trustee would be entitled to commission of approximately $139,750, plus the incurrence of attorney fees by a chapter 7 trustee. Such fees are anticipated to be substantial for the chapter 7 trustee and trustee counsel to familiarize themselves with the Debtors, the Estates, the procedural history, and terms of the settlements contained in the DIP Order and Sale Order that provide for the Settlement Fund.

For these reasons, Creditors and Interest holders under the Plan will be greater than they would receive under a liquidation pursuant to chapter 7 of the Bankruptcy Code.

B. Feasibility of the Plan

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation is proposed in the Plan.

The Bankruptcy Court previously authorized and the Debtors consummated the sale of substantially all of the Debtors' assets to Guggenheim. The Settlement Fund created as a part of that Sales Transaction, the liquidation of the Estate Assets and the prosecution of Causes of Action is sufficient to fund all distributions under the Plan and to establish a reasonable reserves, including the costs of administering the Liquidating Trust. The Plan satisfies section 1129(a)(11) of the Bankruptcy Code, because it provides for the liquidation of the Debtors' assets and the distribution of the proceeds of that liquidation by the Liquidating Trust to holders of Class 1 and Class 2 Claims.

C. Risks Associated with the Plan

Both the confirmation and consummation of the Plan are subject to a number of risks. There are certain risks inherent in the confirmation process under the Bankruptcy Code. If certain standards set forth in the Bankruptcy Code are not met, the Bankruptcy Court will not confirm the Plan even if holders of Allowed Claims and Interest vote to accept the Plan. Although the Proponents believe that the Plan meets such standards, there can be no assurance that the Bankruptcy Court will reach the same conclusion. If the Bankruptcy Court were to determine that such requirements were not met, it could require the Proponents to re-solicit acceptances, which could delay and/or jeopardize confirmation of the Plan. The Proponents believe that the solicitation of votes on the Plan will comply with section 1126(b) and that the Bankruptcy Court will confirm the Plan. The Proponents, however, can provide no assurance that modifications of the Plan will not be required to obtain confirmation of the Plan, or that such modifications will not require a re-solicitation of acceptances.

ARTICLE XIII.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Proponents believe that the Plan affords holders of Claims the greatest realization on the Debtors' assets and, therefore, is in the best interests of such holders. If the Plan is not confirmed, however, the theoretical alternatives include: (a) continuation of the pending Chapter 11 Cases; (b) an alternative plan or plans of liquidation; (c) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code, or (d) dismissal of these Chapter 11 Cases.

A. Continuation of the Chapter 11 Cases.

Now that the Sales Transaction has been approved and consummated, the Debtors have no realistic proposition for reorganization or continuation of their businesses. As a result, the Debtors would have difficulty sustaining the administrative expenses associated with continued bankruptcy proceedings.

B. Alternative Plans of Liquidation.

If the Plan is not confirmed, the Debtors or any other party in interest in the Chapter 11 Cases, could propose a different plan or plans. Such plans might involve either a reorganization and continuation of the Debtors' businesses, or an orderly liquidation of their assets, or a combination of both.

C. Liquidation Under Chapter 7.

If no plan is confirmed, the Chapter 11 Cases may be converted to a case under Chapter 7 of the Bankruptcy Code. In a Chapter 7 case, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective holders of Claims against or Interests in the Debtors. However, the Proponents believe that creditors would lose much of the value represented by the Settlement Fund should a Chapter 7 be appointed, jeopardizing the only real possibility of any distribution for most creditors in these cases. The Estates would also be burdened with additional administrative expenses associated with the appointment of a trustee or trustees and attorneys, accountants and other professionals to assist such trustees. The assets available for distribution to creditors would be reduced by such additional expenses and by Claims, some of which would be entitled to priority, which would arise by reason of the liquidation and from the rejection of leases and other executory contracts in connection with the cessation of operations and the failure to realize the greater going concern value of the Debtors' assets.

D. Dismissal

If the Debtors' bankruptcy cases were to be dismissed, they would no longer have the protection of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code, including the automatic stay. Without such fundamental protections preventing holders of Claims from taking actions against the Debtors, holders of Claims would be allowed to pursue their Claims against the Debtors outside of the bankruptcy proceeding. Accordingly, the Proponents believe that dismissal of the Debtors' bankruptcy case, which would likely result in a piecemeal dismemberment of the Debtors' remaining assets, would not serve the best interests of holders of Claims and Interests. Rather, the Plan will result in greater certainty and a greater potential recovery to creditors.

ARTICLE XIV.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A summary description of certain United States federal income tax consequences of the Plan is provided below. This description is for informational purposes only and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. This disclosure describes only the principal United States federal income tax consequences of the Plan to the Debtors and to the Claimholders who are entitled to vote to accept or reject the Plan. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the IRS or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other authorities. No representations are being made to the Debtors or any Creditor regarding the particular tax consequences of the confirmation and consummation of the Plan. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein.

The following discussion of United States federal income tax consequences is based on the Internal Revenue Code of 1986, as amended, Treasury Regulations, judicial authorities,

published positions of the IRS and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect).

The following discussion does not address foreign, state, or local tax consequences of the Plan, nor does it purport to address the United States federal income tax consequences of the Plan to special classes of taxpayers (e.g., banks and certain other financial institutions, insurance companies, tax-exempt organizations, governmental entities, persons that are, or hold their Claims through, pass-through entities, persons whose functional currency is not the United States dollar, foreign persons, dealers in securities or foreign currency, employees of a Debtor, persons who received their Claims pursuant to the exercise of an employee stock option or otherwise as compensation and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction). Furthermore, the following discussion does not address United States federal taxes other than income taxes.

Holders of Claims are strongly urged to consult their own tax advisor regarding the United States federal, state and local and any foreign tax consequences of the transactions described in this Disclosure Statement and in the Plan.

A. United States Federal Income Tax Consequences to the Debtors.

i. Cancellation of Indebtedness Income

Under the Plan, a portion of the Debtors' outstanding indebtedness will be satisfied in exchange beneficial rights in the Liquidating Trust and/or other property. The satisfaction of a debt obligation for an amount of cash and other property having a fair market value less than the "adjusted issue price" of the debt obligation generally gives rise to cancellation of indebtedness ("COD") income to the debtor.

However, with the exception noted below, the Debtors will not recognize COD income because the debt discharge occurs in Title 11 bankruptcy case. The Debtors will instead reduce their tax attributes to the extent of their COD income in the following order: (a) net operating losses ("NOLs") and NOL carryforwards; (b) general business credit carryforwards; (c) minimum tax credit carryforwards; (d) capital loss carryforwards; (e) the tax basis of the Debtors' depreciable and nondepreciable assets (but not below the amount of its liabilities immediately after the discharge); and (f) foreign tax credit carryforwards.

B. Federal Income Tax Consequences to Creditors.

The following discusses certain United States federal income tax consequences of the transactions contemplated by the Plan to Creditors that are "United States holders," as defined below. The United States federal income tax consequences of the transactions contemplated by the Plan to Creditors (including the character, timing and amount of income, gain or loss recognized) will depend upon, among other things: (1) whether the Claim and the consideration received in respect thereof are "securities" for federal income tax purposes; (2) the manner in which a Creditor acquired a Claim; (3) the length of time the Claim has been held; (4) whether the Claim was acquired at a discount; (5) whether the Creditor has taken a bad debt deduction

with respect to the Claim (or any portion thereof) in the current tax year or any prior tax year; (6) whether the Creditor has previously included in its taxable income accrued but unpaid interest with respect to the Claim; (7) the holder's method of tax accounting; and (8) whether the Claim is an installment obligation for federal income tax purposes. Creditors therefore should consult their own tax advisors regarding the particular tax consequences to them of the transactions contemplated by the Plan.

For purposes of the following discussion, a "United States holder" is a Creditor that is: (1) a citizen or individual resident of the United States; (2) a partnership or corporation created or organized in the United States or under the laws of the United States, a political subdivision thereof, or a State of the United States; (3) an estate the income of which is subject to United States federal income taxation regardless of its source; or (4) a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust, or (ii) the trust was in existence on August 20, 1996, and properly elected to be treated as a United States person.

i. Sale or Exchange of Claims

Under the Plan, Creditors will receive Cash, beneficial rights in the Liquidating Trust, and/or other property in exchange for their Claims. A Creditor who receives such property in exchange for its Claim pursuant to the Plan will generally recognize gain or loss for United States federal income tax purposes in an amount equal to the difference between (1) the fair market value of their share of the beneficial rights in the Liquidating Trust and/or other property on the Effective Date, plus the amount of Cash received by such Creditor, and (2) the Creditor's adjusted tax basis in its Claim. Where the debt received by a Creditor is newly issued debt of the Debtors, such debt will be treated as given in exchange for any existing debt of a Debtor held by the Creditor to the extent that the newly issued debt effects a "significant modification," within the meaning of Treasury Regulation §1.1001-3, of the Debtor's existing debt. In such a case, a Creditor will recognize gain or loss for United States federal income tax purposes in an amount equal to the difference between (1) the issue price of the newly issued debt of the Debtor, the fair market value on the Effective Date of any other property received by such Creditor, plus the amount of any Cash received by such Creditor, and (2) the Creditor's adjusted tax basis in its Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the nature of the Claim as held by the Creditor, whether the Claim constitutes a capital asset in the hands of the Creditor, whether the Claim was purchased at a discount, whether any amount received in respect of a Claim constitutes accrued interest, and whether and to what extent the Creditor has previously claimed a bad debt deduction with respect to its Claim. A Creditor who recognizes a loss on a transaction conducted pursuant to the Plan may be entitled to a bad debt deduction, either in the taxable year of the Effective Date or a prior taxable year.

ii. Accrued Interest

Under the Plan, cash or other property may be distributed or deemed distributed to certain Creditors with respect to their Claims for accrued interest. Holders of Claims for accrued interest that previously have not included such accrued interest in taxable income will be required to

recognize ordinary income equal to the amount of cash or other property received with respect to such Claims for accrued interest. Holders of Claims for accrued interest that have included such accrued interest in taxable income generally may take an ordinary deduction to the extent that such Claim is not fully satisfied under the Plan (after allocating the distribution between principal and accrued interest), even if the underlying Claim is held as a capital asset. The adjusted tax basis of any property received in exchange for a Claim for accrued interest will equal the fair market value of such property on the Effective Date, and the holding period for the property will begin on the day after the Effective Date. It is not clear the extent to which consideration that may be distributed under the Plan will be allocable to interest. Creditors are advised to consult their own tax advisors to determine the amount, if any, of consideration received under the Plan that is allocable to interest.

iii. Market Discount

In general, a debt obligation, other than one with a fixed maturity of one year or less, that is acquired by a holder in the secondary market (or, in certain circumstances, upon original issuance) is a “market discount bond” as to that holder if the obligation’s stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price) exceeds the holder’s adjusted tax basis in the debt obligation immediately after its acquisition. However, a debt obligation will not be a “market discount bond” if such excess is less than a statutory de minimis amount. To the extent that a Creditor has not previously included market discount in its taxable income, gain recognized by a Creditor with respect to a “market discount bond” will generally be treated as ordinary interest income to the extent of the market discount accrued on such bond during the Creditor’s period of ownership. A holder of a market discount bond that is required to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond may be allowed to deduct such interest, in whole or in part, on the disposition of such bond.

iv. Other Claimholders

To the extent certain Creditors reach an agreement with the Debtors to have their Claims satisfied, settled, released, exchanged or otherwise discharged in a manner other than as described in the Plan, such holders should consult with their own tax advisors regarding the tax consequences of such satisfaction, settlement, release, exchange, or discharge.

v. Information Reporting and Backup Withholding

Certain payments, including payments in respect of accrued interest or market discount, are generally subject to information reporting by the payor to the IRS. These reportable payments do not include those that give rise to gain or loss on the exchange of a Claim. Moreover, such reportable payments are subject to backup withholding under certain circumstances. A United States holder may be subject to backup withholding at rate of 28% with respect to certain distributions or payments of accrued interest, market discount, or similar items pursuant to the Plan, unless the holder (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (b) provides a correct United States taxpayer identification number and certifies under penalty of perjury that the holder is a U.S. person, the taxpayer identification number is correct, and that the holder is

not subject to backup withholding because of a failure to report all dividend and interest income. Payments that give rise to gain or loss on the exchange of a Claim are not subject to backup withholding.

Backup withholding is not an additional tax. Amounts subject to backup withholding are credited against a holder's United States federal income tax liability, and a holder may obtain a refund of any excess backup withholding by filing an appropriate claim for refund with the IRS.

C. Importance of Obtaining Professional Tax Assistance.

The foregoing discussion is intended only as a summary of certain United States federal income tax consequences of the Plan and is not a substitute for careful tax planning with a tax professional. The above discussion is for informational purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a Creditor's particular circumstances. Accordingly, Creditors are strongly urged to consult their tax advisors about the United States federal, state and local and applicable foreign income and other tax consequences of the Plan, including with respect to tax reporting and record keeping requirements.

ARTICLE XV.
RECOMMENDATION AND CONCLUSION

A. Hearing on and Objections to Confirmation.

i. Confirmation Hearing

The hearing on confirmation of the Plan has been scheduled for _______________, 2016 at __:__ __.m. (Central time). The hearing may be adjourned from time to time by announcing the adjournment in open court, all without further notice to parties in interest, and the Plan may be modified by the Debtors under Bankruptcy Code § 1127 before, during, or as a result of that hearing, without further notice to parties in interest.

ii. Date Set for Filing Objections to Confirmation of the Plan

The time by which all objections to confirmation of the Plan must be filed with the Bankruptcy Court and received by the parties listed in the Confirmation Hearing Notice has been set for _______________________, 2016 at __:__ __.m. (Central time). A copy of the Confirmation Hearing Notice is enclosed with this Disclosure Statement.

B. Recommendation.

The Plan provides for an equitable and early distribution to creditors of the Debtors, preserves the value of the business as a going concern, and preserves the jobs of employees. The Proponents believe that any alternative to confirmation of the Plan, such as liquidation or attempts by another party in interest to file a plan, could result in significant delays, litigation, and costs, as well as the loss of jobs by the employees. Moreover, the Proponents believe that their creditors will receive greater and earlier recoveries under the Plan than those that would be achieved in liquidation or under an alternative plan.

FOR THESE REASONS, THE PROPONENTS URGE YOU TO RETURN YOUR BALLOT ACCEPTING THE PLAN.

Dated: July 29, 2016

Respectfully submitted,

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