

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	<b>Chapter 11</b>
FOOD PROCESSING LIQUIDATION	)	
HOLDINGS, LLC, <i>et al.</i> , <sup>1</sup>	)	<b>Case No. 11-13139 (KG)</b>
	)	
Debtors.	)	<b>Jointly Administered</b>
	)	

---

**DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PLAN  
OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

---

RICHARDS, LAYTON & FINGER, P.A.  
Mark D. Collins (No. 2981)  
John H. Knight (No. 3848)  
Zachary I. Shapiro (No. 5103)  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

*Counsel for the Debtors and Debtors in  
Possession*

Dated: ~~February 13~~ March 16, 2012  
Wilmington, Delaware

---

<sup>1</sup>= The debtors in these cases, along with the last four digits of the federal tax identification number for each of the debtors, where applicable are Food Processing Liquidation Holdings, LLC (f/k/a Chef Solutions Holdings, LLC) [5382], FPL Distribution Holdings, LLC (f/k/a CS Distribution Holdings, LLC) [5461], FPL Distributors, Inc. of Ohio (f/k/a CS Distributors, Inc. of Ohio) [7075], FPL Prepared Foods Holdings, LLC (f/k/a CS Prepared Foods Holdings, LLC) [5434], Food Processing Liquidation Inc. (f/k/a Chef Solutions Inc.) [8101], FPL Holdings, Inc. (f/k/a Orval Kent Holdings, Inc.) [4307], FPL Intermediate Holdings, Inc. (f/k/a Orval Kent Intermediate Holdings, Inc.) [4420], FPL Parent, LLC (f/k/a Orval Kent Parent, LLC) [4553], Food Processing Liquidation, LLC (f/k/a Orval Kent Food Company, LLC) [8408] and FPL of Linares, LLC (f/k/a Orval Kent Food Company of Linares, LLC) [0418]. The debtors' corporate offices are located at 120 W. Palatine Rd. Wheeling, IL 60090.

## 1. INTRODUCTION.

### 1.1. Purpose of the Disclosure Statement.

Notice of this Disclosure Statement is being provided by the Debtors to the United States Trustee, the Securities and Exchange Commission and to all of the Debtors' known Creditors and Holders of Interests pursuant to section 1125(b) the Bankruptcy Code for the purpose of soliciting acceptances of the Plan. The Plan has been Filed and the summaries of the Plan contained herein shall not be relied upon for any purpose other than to make a judgment with respect to, and determine how to vote on, the Plan. A copy of the Plan is attached hereto as **Exhibit A. By the Disclosure Statement Order, the Disclosure Statement was approved by the Bankruptcy Court as containing "adequate information" under Bankruptcy Code section 1125. The deadline to object to Confirmation of the Plan is \_\_\_\_\_, 2012 at 4:00 p.m. (~~prevailing~~-Eastern Daylight Time).**

PLEASE NOTE THAT MUCH OF THE INFORMATION CONTAINED HEREIN HAS BEEN TAKEN, IN WHOLE OR IN PART, FROM INFORMATION CONTAINED IN THE DEBTORS' BOOKS AND RECORDS AND PLEADINGS FILED BY THE DEBTORS. STATEMENTS MADE IN THE DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, ALTHOUGH THE DEBTORS HAVE ATTEMPTED TO BE ACCURATE IN ALL MATERIAL RESPECTS, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT ERROR. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(c) OF THE BANKRUPTCY RULES AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER RULES GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF A CHAPTER 11 BANKRUPTCY PROCEEDING. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON ITS ACCURACY.

NO REPRESENTATION CONCERNING THE DEBTORS OR THE VALUE OF THE DEBTORS' ASSETS HAS BEEN AUTHORIZED BY THE BANKRUPTCY COURT OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS ARE NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN, OR INCONSISTENT WITH, INFORMATION CONTAINED HEREIN AND IN THE PLAN.

YOU ARE STRONGLY URGED TO CONSULT WITH YOUR FINANCIAL, LEGAL AND TAX ADVISORS TO UNDERSTAND FULLY THE PLAN AND DISCLOSURE STATEMENT. THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS GIVEN AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT DOES NOT, UNDER ANY CIRCUMSTANCE, IMPLY THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE SUCH DATE. THIS DISCLOSURE STATEMENT IS INTENDED, AMONG OTHER THINGS, TO SUMMARIZE THE PLAN AND MUST BE READ IN CONJUNCTION WITH THE PLAN AND ITS EXHIBITS, IF ANY.

IF ANY CONFLICTS EXIST BETWEEN THE PLAN AND DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL.

**1.2. Definitions of Terms Utilized in the Plan.**

Unless the context otherwise requires, the following terms shall have the respective meanings set forth below, except as expressly provided otherwise.

**1.2.1. 503(b)(9) Claim:** A Claim arising under section 503(b)(9) of the Bankruptcy Code against one of the Debtors (or all or some of them), whether or not asserted or Allowed.

**1.2.2. Additional Cash:** This term has the meaning given to it in section 2.5 of the Disclosure Statement.

**1.2.3. Administrative Expense Claim:** Any cost or expense of administration of the Cases allowed by the Bankruptcy Court pursuant to section 503(b) of the Bankruptcy Code, excluding Professional Fee Claims and 503(b)(9) Claims.

**1.2.4. Administrative Expense Request:** A request for payment of an Administrative Expense Claim that is to be Filed in accordance with section 1.2 of the Plan.

**1.2.5. Administrative Expense Request Deadline:** The date set as the deadline for filing Administrative Expense Requests in accordance with section 1.2 of the Plan, which shall be thirty (30) days after the Effective Date.

~~**1.2.6. Administrative Reserve:** The amounts that the Debtors funded from the DIP Facilities on or around the Closing Date in order to pay any obligations that the Purchaser was required to pay or satisfy pursuant to the Bid Procedures Order (including, without limitation, paragraph 30 thereof), the APA, the Sale Order (including, without limitation, paragraph 19 thereof), the DIP Orders and any other agreement between the Purchaser, Reser's Fine Foods, Inc. and/or the Debtors or Holdings, as applicable, including, without limitation, valid asserted mechanics liens, Claims arising under the Perishable Agricultural Commodities Act, Allowed Administrative Expense Claims that arose on or prior to the Closing Date and Assumed Administrative Liabilities in excess of \$7,500,000 and any other Assumed Liabilities that the Purchaser was obligated to assume pursuant to such documents. Pursuant to paragraph 19 of the Sale Order, the Purchaser has a reversionary interest in (i) any amounts in the Administrative Reserve that are not ultimately used to pay or satisfy such obligations, and (ii) any cash collateral, reserves or deposits held by third parties to secure the Debtors' performance or obligations, including but not limited to, workers' compensation obligations but excluding any Remaining Assets.~~

**1.2.6. Administrative Reserve:** The amounts that the Debtors drew down on from the DIP Facilities on or around the Closing Date pursuant to paragraph 30 of the Bid Procedures Order and any other amounts, accounts, cash collateral, reserves or deposits for which the Purchaser has a reversionary interest pursuant to paragraph 19 of the Sale Order.

**1.2.7. Allowed:** Any Claim that is not a Disputed Claim or a Disallowed Claim.

**1.2.8. APA:** That certain Asset Purchase Agreement, dated on or about the Petition Date, between the Debtors and the Purchaser.

**1.2.9. Assets:** Any and all right, title, and interest of any of the Debtors in and to property of whatever type or nature.

**1.2.10. Assumed Administrative Liabilities:** This term has the meaning given to it in section 2.3(a) of the APA.

**1.2.11. Assumed Liabilities:** This term has the meaning given to it in section 2.3 of the APA.

**1.2.12. Avoidance Actions:** Any and all actions, proceedings, accounts, controversies, agreements, promises, claims, and rights of each Debtor and its estate (“**Causes of Action**”) to avoid or recover a transfer of property of any of the Debtors’ estates or an interest of any of the Debtors in property, including, without limitation, actions arising under sections 506, 510, 541, 542, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code and any other applicable federal or common law, including fraudulent transfers, whether or not litigation has been commenced with respect to such Causes of Action as of the Effective Date, except those Avoidance Actions previously waived by the Debtors pursuant to any Final Order or purchased by the Purchaser pursuant to the Sale Order.

**1.2.13. Ballot:** The ballot utilized by Creditors in the Voting Class to cast votes in favor of or against the Plan, the form of which will be approved by the Disclosure Statement Order.

**1.2.14. Bankruptcy Code:** Title 11 of the United States Code, as amended from time to time.

**1.2.15. Bankruptcy Court:** The United States Bankruptcy Court for the District of Delaware.

**1.2.16. Bankruptcy Rules:** The Federal Rules of Bankruptcy Procedure, as amended from time to time.

**1.2.17. Bar Date:** The date by which proof of claims for most Claims, including 503(b)(9) Claims, must have been Filed pursuant to the Bar Date Order, which is November 28, 2011 for non-Governmental Units and April 2, 2012 for Governmental Units.

**1.2.18. Bar Date Order:** The *Order Pursuant to 11 U.S.C. §§ 501, 502, 503 and 1111(a), Fed. R. Bankr. P. 2002 and 3003(c)(3) and Del. Bankr. L.R. 2002-1(e) Establishing Bar Dates for Filing Claims, Including Claims Asserted Pursuant to 11 U.S.C. § 503(b)(9), and Approving Form and Manner of Notice Thereof*, entered by the Bankruptcy Court on October 26, 2011 [Docket No. 199].

**1.2.19. Bid Procedures Order:** The *Order Pursuant to 11 U.S.C. §§ 105, 363, 503 and 507 and Fed. R. Bankr. P. 2002, 6004, and 6006 (A) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (B) Approving the RMJV, L.P. Asset Purchase Agreement and a Stalking Horse Agreement, (C) Approving Bid Protections, (D) Scheduling Sale Hearing to Consider Approval of the Sale, (E) Establishing a Deadline to Object to the Sale; (F) Approving Procedures Related to Assumption and Assignment of Executory Contracts and Unexpired Leases, (G) Approving the Form and Manner of Notice Thereof, and (H) Granting any Related Relief*, entered by the Bankruptcy Court on October 19, 2011 [Docket No. 129].

**1.2.20. Business Day:** Any day except a Saturday, Sunday or any day on which commercial banks in the State of Delaware are authorized or required by applicable law to close.

**1.2.21. Cases:** The chapter 11 cases commenced when the Debtors each Filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on the Petition Date, which are jointly administered under case number 11-13139 (KG), with the following case numbers: 11-13141 (KG), 11-

13142 (KG), 11-13143 (KG), 11-13144 (KG), 11-13145 (KG), 11-13146 (KG), 11-13147 (KG), 11-13148 (KG) and 11-13149 (KG).

**1.2.22. Cash:** Legal tender of the United States of America and equivalents thereof.

**1.2.23. Charity:** The American Cancer Society, Inc.

**1.2.24. Chef Solutions:** Chef Solutions Inc. (n/k/a Food Processing Liquidation Inc.), a Delaware corporation and one of the Debtors in the Cases.

**1.2.25. Claim:** A claim, as defined in section 101(5) of the Bankruptcy Code, against one of the Debtors (or all or some of them), whether or not asserted or Allowed.

**1.2.26. Claims Agent:** The Debtors' claims, noticing and balloting agent retained by the Debtors and approved by the Bankruptcy Court, or any successor thereto.

**1.2.27. Class:** A category of Claims or Interests designated pursuant to Article II of the Plan.

**1.2.28. Closing Date:** November 21, 2011, the date on which the Sale closed.

**1.2.29. Confirmation:** Entry by the Bankruptcy Court of the Confirmation Order.

**1.2.30. Confirmation Date:** The date upon which the Confirmation Order is entered by the Bankruptcy Court.

**1.2.31. Confirmation Hearing:** Collectively, the hearing or hearings held by the Bankruptcy Court on Confirmation, as such hearing or hearings may be continued from time to time.

**1.2.32. Confirmation Order:** The Order of the Bankruptcy Court confirming the Plan, and, if applicable, the Order closing the Cases of the Subsidiary Debtors.

**1.2.33. Creditor:** Holder of a Claim.

**1.2.34. Creditors' Committee:** The official committee of unsecured creditors of the Debtors appointed by the United States Trustee in the Cases pursuant to section 1102 of the Bankruptcy Code as its composition may be changed from time to time by addition, resignation or removal of its members.

**1.2.35. Debtors:** Chef Solutions Holdings, LLC (n/k/a Food Processing Liquidation Holdings, LLC), CS Distribution Holdings, LLC (n/k/a FPL Distribution Holdings, LLC), CS Distributors, Inc. of Ohio (n/k/a FPL Distributors, Inc. of Ohio), CS Prepared Foods Holdings, LLC (n/k/a FPL Prepared Foods Holdings, LLC), Chef Solutions Inc. (n/k/a Food Processing Liquidation Inc.), Orval Kent Holdings, Inc. (n/k/a FPL Holdings, Inc.), Orval Kent Intermediate Holdings, Inc. (n/k/a FPL Intermediate Holdings, Inc.), Orval Kent Parent, LLC (n/k/a FPL Parent, LLC), Orval Kent Food Company, LLC (n/k/a Food Processing Liquidation, LLC) and Orval Kent Food Company of Linares, LLC (n/k/a FPL of Linares, LLC).

**1.2.36. DIP Facilities:** The Debtors' postpetition financing facilities from (i) Wells Fargo Capital Finance, Inc. and certain affiliates thereof and (ii) Reser's Fine Foods, Inc., which were approved, on a final basis, by the DIP Orders on October 26, 2011 [Docket Nos. 206 & 207].

**1.2.37. DIP Orders:** The Final Orders approving the DIP Facilities [Docket Nos. 206 & 207], which were entered by the Bankruptcy Court on October 26, 2011.

**1.2.38. Disallowed:** Any Claim or any portion thereof that (i) has been disallowed by a Final Order, (ii) is Scheduled as zero or as contingent, disputed or unliquidated and as to which no proof of claim or Administrative Expense Request has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely Filed under applicable law or the Plan, (iii) is not Scheduled and as to which no proof of claim or Administrative Expense Request has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Order or otherwise deemed timely Filed under applicable law or the Plan, (iv) has been withdrawn by agreement of the Debtors and the Holder thereof or (v) has been withdrawn by the Holder thereof.

**1.2.39. Disclosure Statement:** The *Disclosure Statement for the Debtors' Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code*, dated ~~February 13~~ March, 2012 [Docket No. \_\_\_\_], ~~prepared and distributed either in its present form or as it may be altered, amended, modified or supplemented from time to time~~ in accordance with the Bankruptcy Code, the Bankruptcy Rules ~~and any other applicable law, and approved by the Bankruptcy Court in the Disclosure Statement Order~~ Plan or herewith, as ~~it is amended, supplemented or modified from time to time~~ the case may be.

**1.2.40. Disclosure Statement Order:** The Order approving the Disclosure Statement and the solicitation procedures in connection with Confirmation, entered by the Bankruptcy Court on March, 2012.

**1.2.41. Disputed:** Any Claim or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, including, without limitation, Claims that (i) have not been Scheduled by the Debtors or have been Scheduled as unknown, contingent, unliquidated, disputed or at zero, whether or not such Claims are the subject of a proof of claim, (ii) are the subject of a proof of claim that differs in nature, amount or priority from the Schedules or (iii) are the subject of a Filed objection, which has not been withdrawn or overruled by a Final Order; provided however, that a Claim shall not be a Disputed Claim to the extent it becomes an Allowed Claim or a Disallowed Claim.

**1.2.42. Disputed Claims Reserve:** The segregated account for payment of Disputed Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust and maintained by Holdings or its attorneys or advisors for the benefit of Record Holders of Disputed Claims.

**1.2.43. Distribution:** Any distribution of the Debtors' Cash or other Assets to the Record Holders of Allowed Claims in satisfaction of such Claims pursuant to the terms of the Plan.

**1.2.44. Effective Date:** The date which is the first Business Day on which each condition set forth in Article V of the Plan has been satisfied or waived as set forth therein.

**1.2.45. Excluded Assets:** This term has the meaning given to it in section 2.2 of the APA.

**1.2.46. Face Amount:** When (i) used in reference to a Disputed Claim or a Disallowed Claim, the full stated liquidated amount claimed by the Creditor in any timely Filed proof of claim or proof of claim that is deemed Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely Filed under applicable law or the Plan or, in the case of any unliquidated or contingent Claim whether Filed, Scheduled or otherwise, such amount as Holdings may reasonably determine in its discretion, in consultation with its attorneys and advisors, which may be the

Creditors' Committee's current attorneys and financial advisor, and (ii) used in reference to an Allowed Claim, the allowed amount of such Claim.

**1.2.47. File, Filed or Filing:** File, Filed or Filing with the Bankruptcy Court or its authorized designee in the Cases.

**1.2.48. Final Decree:** The Order entered pursuant to section 350 of the Bankruptcy Code, Bankruptcy Rule 3022, and Local Rule 5009-1 closing ~~the Holdings-~~ Case.

**1.2.49. Final Decree Certification Motion:** This term has the meaning given to it in section 3.9.2 of the Disclosure Statement.

**1.2.50. Final Fee Hearing:** The hearing on final allowance of Professional Fee Claims, which shall be held as soon as practicable after the Professional Fee Claim Bar Date.

**1.2.51. Final Order:** An order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing has been denied or resulted in no modification of such order, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such order, shall not cause such order not to be a Final Order.

**1.2.52. General Unsecured Claim:** Any Claim against a Debtor which is not an Unclassified Claim, a Secured Claim, an Other Priority Claim, an Intercompany Claim or an Interest.

**1.2.53. Governmental Units:** This term is used as defined in section 101(27) of the Bankruptcy Code.

**1.2.54. Holder:** The Person that is the owner of record of a Claim or Interest, as applicable.

**1.2.55. Holdings:** Chef Solutions Holdings, LLC (n/k/a Food Processing Liquidation Holdings, LLC), a Delaware limited liability company.

**1.2.56. Impaired:** With respect to any Class of Claims or Interests, the Claims or Interests in such Class that are impaired within the meaning of section 1124 of the Bankruptcy Code.

**1.2.57. Intercompany Claim:** Any Claim by a Debtor against another Debtor.

**1.2.58. Interest:** Either (i) the legal, equitable, contractual or other rights of any Person with respect to the preferred or common stock, or any other equity interest in any of the Debtors, including any other interest in or right to convert into such equity interest or (ii) the legal, equitable, contractual or other right of any Person to acquire or receive any of the foregoing.

**1.2.59. Liquidation Analysis:** The Liquidation Analysis is a summary of the Cash that would be available for distribution if each of the Cases were converted to a case under chapter 7 of the Bankruptcy Code and each of the Debtors' Assets were liquidated by one or more chapter 7 trustees. A copy of the Liquidation Analysis is attached hereto as Exhibit D.

**1.2.60. 1.2.59.Local Rules:** The Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court, as amended from time to time.

**1.2.61. 1.2.60.Mexican Affiliates:** Orval Kent Linares SA de CV and Orval Kent Food Company SA de CV, which prior to the consummation of the Sale were wholly owned subsidiaries of the Debtors.

**1.2.62. 1.2.61.Mistral:** Mistral Chef Holdings, LLC, one of the Debtors' prepetition noteholders, an affiliate of the Debtors' significant Interest Holder and a limited partner in the Purchaser.

**1.2.63. 1.2.62.Noticing Agent Website:** The website maintained by Donlin Recano & Company, Inc., at <http://www.donlinrecano.com/cases/caseinfo/csh> or any other website maintained by the Claims Agent.

**1.2.64. 1.2.63.Officer:** Prior to the Effective Date, Thomas Reardon as the sole manager and/or officer, as applicable, of each Debtor subject to the terms of the Officer Agreement. After the Effective Date, Thomas Reardon as the sole officer and/or manager, as applicable, of Holdings, selected in consultation with the Creditors' Committee, and subject to section 3.3 of the Plan and the Officer Agreement.

**1.2.65. 1.2.64.Officer Agreement:** That certain retention agreement, executed on or about February 17, 2012, between Thomas Reardon and the Debtors. A copy of the Officer Agreement is attached hereto as Exhibit C.

**1.2.66. 1.2.65.Order:** An order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Case or the docket of any other court of competent jurisdiction.

**1.2.67. 1.2.66.Orval Kent:** Orval Kent Food Company, LLC (n/k/a Food Processing Liquidation, LLC), a Delaware limited liability company.

**1.2.68. 1.2.67.Orval Kent Linares:** Orval Kent Food Company of Linares, LLC (n/k/a FPL of Linares, LLC), a Delaware limited liability company. Prior to the consummation of the Sale, Orval Kent Linares was the sole equity holder of the Mexican Affiliates.

**1.2.69. 1.2.68.Other Priority Claim:** A Claim for an amount that is entitled to priority under section 507(a) of the Bankruptcy Code, other than an Administrative Expense Claim and a Priority Tax Claim.

**1.2.70. PACA Claims:** Claims arising under the Perishable Agricultural Commodities Act.

**1.2.71. 1.2.69.Person:** An individual, limited liability company, corporation, partnership, association, trust or unincorporated organization, joint venture or other person or a government or any agency or political subdivision thereof.



**1.2.72. ~~1.2.70.~~Petition Date:** October 4, 2011, the date on which the Debtors filed their respective petitions for relief in the Bankruptcy Court.

**1.2.73. ~~1.2.71.~~Plan:** The Debtors' Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code, dated ~~February 13~~March, 2012 [Docket No. \_\_\_], either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Plan or herewith, as the case may be.

**1.2.74. ~~1.2.72.~~Prepetition Motions:** This term has the meaning given to it in section 2.3 of the Disclosure Statement.

**1.2.75. ~~1.2.73.~~Priority Tax Claim:** A Claim for an amount that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

**1.2.76. ~~1.2.74.~~Pro Rata Share:** The proportion that the Face Amount of a Claim in a particular Class or Classes bears to the aggregate Face Amount of all Claims (including Disputed Claims, but excluding Disallowed Claims) in such Class or Classes, unless the Plan provides otherwise.

**1.2.77. ~~1.2.75.~~Professional:** Any professional employed in the Cases pursuant to sections 327, 328 or 1103 of the Bankruptcy Code or any Professional or other Person seeking compensation or reimbursement of expenses in connection with the Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

**1.2.78. ~~1.2.76.~~Professional Fee Claim:** A Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred during the period from the Petition Date to the Effective Date.

**1.2.79. ~~1.2.77.~~Professional Fee Claim Bar Date:** The date that all final requests for payment of Professional Fee Claims and requests for reimbursement of expenses of members of the Creditors' Committee must be Filed, which shall be twenty-one (21) days after the Effective Date.

**1.2.80. ~~1.2.78.~~Professional Fee Escrow Account:** This term has the meaning given to it in the DIP Orders.

**1.2.81. ~~1.2.79.~~Purchase Price:** This term has the meaning given to it in section 3.1 of the APA.

**1.2.82. ~~1.2.79.~~Purchaser:** RMJV, LP, a Delaware limited partnership, the purchaser of substantially all of the Debtors Assets in the Sale.

**1.2.83. ~~1.2.80.~~Remaining Assets:** The Debtors' Assets which were not conveyed to the Purchaser pursuant to the Sale, including, without limitation, the Wheeling Facility, the Sellers' Cash, the Additional Cash and the other Excluded Assets.

**1.2.84. ~~1.2.81.~~Records:** This term has the meaning given to it in section 3.3.7 of the Disclosure Statement.

**1.2.85. ~~1.2.82.~~Record Date:** The date of entry of the Disclosure Statement Order.

**1.2.86. ~~1.2.83.~~Record Holder:** The Holder of an Interest or Claim as of the Record Date.

**1.2.87. 1.2.84.Returned Distributions:** Any portion of a Distribution that is subsequently returned to the Debtors.

**1.2.88. 1.2.85.Sale:** The sale of substantially all of the Debtors' Assets to RMJV, L.P. pursuant to the APA and the Sale Order.

**1.2.89. 1.2.86.Sale Motion:** The Debtors' Motion Pursuant to 11 U.S.C. §§ 105, 363, 365, 503 and 507 and Bankruptcy Rules 2002, 6004, and 6006 for (I) Entry of an Order (A) Establishing Bidding and Auction Procedures Related to the Sale of Substantially all of the Debtors' Assets; (B) Approving Related Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Establishing Certain Notice Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases to be Assigned; and (E) Granting Certain Related Relief; and (II) Entry of an Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Approving the Debtors' Entry in a Transition Services Agreement, Filed on October 4, 2011 [Docket No. 15].

**1.2.90. 1.2.87.Sale Order:** The Order (A) Authorizing and Approving the Sale of Substantially All of Debtors' Assets to RMJV, L.P. in Accordance with the Terms of Asset Purchase Agreement Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of the Assigned Contracts, (C) Approving Debtors' Entry into Certain Transition Services Agreements, and (D) Granting Related Relief, entered by the Bankruptcy Court on November 15, 2011 [Docket No. 314].

**1.2.91. 1.2.88.Sarb Declaration:** The Declaration of Susan Sarb, Chief Financial Officer, Senior Vice President and Secretary of Debtors in Support of First Day Motions [Docket No. 16].

**1.2.92. 1.2.89.Schedules:** With respect to any Debtor, the schedules of assets and liabilities, schedules of executory contracts and statements of financial affairs filed by such Debtor pursuant to section 521 of the Bankruptcy Code, as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009.

**1.2.93. 1.2.90.Secured Claim:** Either (i) a Claim that is secured by a lien on property in which the Debtors have an interest, which lien is valid, perfected and enforceable under applicable law or pursuant to a Final Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Creditor's interest in such property or to the extent of the amount subject to setoff, as applicable, all as determined pursuant to section 506(a) of the Bankruptcy Code or (ii) a Claim which is Allowed under the Plan as a Secured Claim.

**1.2.94. 1.2.91.Sellers' Cash:** This ~~term~~ amount is equal to \$500,000 and has the meaning given to it in section 3.1(a)(ii) of the APA.

**1.2.95. 1.2.92.Subsidiary Debtors:** Each Debtor except for Holdings.

**1.2.96. 1.2.93.Transition Services Period:** This term has the meaning given to it in section 2.7 of the Disclosure Statement.

**1.2.97. 1.2.94.Unclassified Claims:** Claims which, pursuant to section 1123(a)(1) of the Bankruptcy Code, shall not be placed into a Class. Unclassified Claims include Administrative Expense Claims, Professional Fee Claims and Priority Tax Claims.

**1.2.98. 1.2.95.Unimpaired:** With respect to a Class of Claims or Interests, any Class that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

**1.2.99. 1.2.96.United States Trustee:** The Office of the United States Trustee for the District of Delaware.

**1.2.100.1.2.97.Voting Class:** Class 3, which is Impaired and entitled to vote on the Plan.

**1.2.101.1.2.98.Wheeling Facility:** The land and improvements located at 120 W. Palatine Road, Wheeling, Illinois 60090 and the adjacent 3.2 acre land site on Abbott Drive.

### **1.3. Approval of the Disclosure Statement and Confirmation of the Plan.**

**1.3.1. Requirements.** The requirements for Confirmation are set forth in section 1129 of the Bankruptcy Code. The requirements for the Disclosure Statement are set forth in section 1125 of the Bankruptcy Code.

**1.3.2. Confirmation Hearing.** To confirm the Plan, the Bankruptcy Court must hold the Confirmation Hearing to determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code. The Bankruptcy Court has set \_\_\_\_\_, 2012 at \_\_:\_\_ .m (~~prevailing~~ Eastern Daylight Time) for the Confirmation Hearing.

**1.3.3. Deadline to Object to Confirmation of the Plan.** Any party-in-interest may object to Confirmation and appear at the Confirmation Hearing to pursue such objection. The Bankruptcy Court has set \_\_\_\_\_, 2012 at 4:00 p.m. (~~prevailing~~ Eastern Daylight Time), as the deadline for filing and serving objections to Confirmation. Objections to Confirmation must be electronically Filed and served on counsel to the Debtors, the United States Trustee and counsel to the Creditors' Committee.

**1.3.4. Effect of Confirmation.** Except as otherwise provided in the Plan or in the Confirmation Order, Confirmation will, if the Confirmation Order becomes effective, effect the Distribution of the Debtors' Remaining Assets and the dissolution and/or termination of the legal existence of each of the Debtors. Confirmation serves to make the Plan binding upon the Debtors and all Creditors, Holders of Interests and other parties-in-interest, regardless of whether such parties cast a Ballot to accept or reject the Plan.

### **1.4. Voting on the Plan.<sup>2</sup>**

**1.4.1. Impaired Claims or Interests.** Pursuant to section 1126 of the Bankruptcy Code, only the Holders of Claims in Classes "Impaired" by the Plan and receiving a payment or Distribution under the Plan may vote on the Plan. Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims may be "Impaired" if the Plan alters the legal, equitable or contractual rights of the

---

<sup>2</sup> The description of the voting procedures in this Disclosure Statement is a summary of such procedures. If there are any discrepancies between the summary set forth herein and the voting procedures described in and approved by the Disclosure Statement Order, the procedures described in and approved by the Disclosure Statement Order shall govern.

Holders of such Claims or Interests treated in such Class. The Holders of Claims not Impaired by the Plan (Class 1 – Secured Claims and Class 2 – Other Priority Claims) are deemed to accept the Plan and do not have the right to vote on the Plan. The Holders of Claims or Interests in any Class which will not receive any payment or Distribution or retain any Property pursuant to the Plan (Class 4 – Intercompany Claims and Class 5 – Interests) are deemed to reject the Plan and do not have the right to vote.

**1.4.2. Eligibility to Vote on the Plan; the Voting Class.** Unless otherwise ordered by the Bankruptcy Court, only Record Holders of Allowed General Unsecured Claims (Class 3) may vote on the Plan.

**1.4.3. Voting Procedure and Ballot Deadline.** To ensure your vote is counted you must (i) complete the Ballot, (ii) indicate your decision either to accept or reject the Plan in the boxes provided in the Ballot, and (iii) sign and return the Ballot to the address set forth on such Ballot (please note that envelopes and prepaid postage have not been included with the Ballot). **BALLOTS SENT BY FACSIMILE TRANSMISSION OR EMAIL ARE NOT ALLOWED AND WILL NOT BE COUNTED.**

Pursuant to Bankruptcy Rule 3017, the Bankruptcy Court has ordered that original Ballots for the acceptance or rejection of the Plan must be received by the Claims Agent on or before \_\_\_\_\_, 2012, at 4:00 p.m. (~~prevailing~~ Eastern Daylight Time). Please refer to the Disclosure Statement Order for further voting procedures and rules.

**1.5. Acceptance of the Plan.** In order for the Plan to be confirmed, a majority in number and two-thirds in dollar amount of the Claims voting in the Voting Class must vote to accept the Plan. **HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS (CLASS 3) ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE BALLOT IN ACCORDANCE WITH THE INSTRUCTIONS ON SUCH BALLOT. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE CREDITOR.**

## **2. THE DEBTORS.**

### **2.1. Description of Debtors, Debtors' History, and Debtors' Business.**<sup>3</sup>

Prior to the Sale, Chef Solutions' primary operating subsidiary, Orval Kent, operated food preparation plants in Baxter Springs, Kansas, Delphos, Ohio and Vista, California, and had a distribution facility in Hidalgo, Texas. Orval Kent also had a sales office in Bentonville, Arkansas and formerly operated plants in Wheeling, Illinois and San Diego, California. Orval Kent Linares was also the sole equity holder of the Mexican Affiliates, which owned and operated processing facilities in Linares, Mexico. By utilizing these plants, sales offices, distribution centers and processing facilities throughout the United States and Mexico, Orval Kent became the second largest manufacturer in North America of fresh prepared foods for retail, foodservice and commercial channels.

Orval Kent was an innovator during its fifty (50) year existence in the food industry and had significant clients, including Wal-Mart, Sam's, Supervalu, Trader Joe's, H-E-B, Safeway, Costco, Sysco, U.S. Foodservice and Ruby Tuesday. However, due to the wide-sweeping effects of the recession and

---

<sup>3</sup> Additional information regarding the Debtors' business and the background relating to events leading up to the Chapter 11 Cases can be found in the Sarb Declaration.

increased costs and competition, as well as several internal factors such as equipment failures and increased litigation costs, Orval Kent, and the other Debtors, experienced a significant deterioration of profitability and liquidity over the year preceding the Petition Date. This deterioration made it impossible for the Debtors to continue to fund both their significant debt service requirements and their operations. While the Debtors, with the aid of their advisors, explored several alternatives to address their liquidity needs leading up to the Petition Date, including a capital infusion and restructuring their prepetition debt facilities, it was ultimately determined that commencing the Cases with the intent to pursue the Sale was in the Debtors' and all of their stakeholders' best interests.

**2.2. The Debtors' Professionals.** To assist the Debtors in carrying out their duties as debtors-in-possession and to represent the Debtors' interests in the Cases, the Debtors filed applications to retain (i) Richards, Layton & Finger, P.A., as their counsel, (ii) PricewaterhouseCoopers LLP, as their financial advisor, and (iii) Piper Jaffray & Co., as their investment banker. The Bankruptcy Court approved the retention of each such Professional on October 26, 2011, effective as of the Petition Date.

**2.3. Debtors' First Day Motions, Ordinary Course Payments and DIP Loans.**

On the Petition Date, the Debtors Filed certain "first day" motions requesting, among other things, authority to pay certain prepetition obligations, including, without limitation, (i) employee obligations [Docket No. 13], (ii) insurance obligations [Docket No. 6], (iii) tax obligations [Docket No. 5], (iv) customer program obligations [Docket No. 9], (v) shipping and lien holder obligations [Docket No. 8], (vi) critical vendor obligations [Docket No. 11] and (vii) obligations arising under ~~the Perishable Agricultural Commodities Act~~ PACA [Docket No. 10] (collectively, the "**Prepetition Motions**"). On October 5, 2011, the Bankruptcy Court granted most of the relief sought in the Prepetition Motions and, on October 26, 2011, the Bankruptcy Court granted the remainder of the relief sought in such motions.

Additionally, the Debtors entered into the DIP Facilities on the Petition Date, which the Bankruptcy Court approved on October 26, 2011 on a final basis pursuant to the DIP Orders. The DIP Facilities were intended to provide the Debtors with a sufficient amount of liquidity in order to meet their postpetition obligations as such obligations came due and to pay certain prepetition obligations which they were authorized to pay pursuant to the Orders approving the Prepetition Motions.

**2.4. Appointment of the Creditors' Committee and its Professionals.**

On October 13, 2011, the United States Trustee appointed the Creditors' Committee pursuant to section 1102 of the Bankruptcy Code to represent the interests of unsecured creditors in the Cases. The members of the Creditors' Committee include (i) TTS, LLC, (ii) Berry Plastics Corporation, (iii) Camerican International, Inc., (iv) Armstrong Transport Group, Inc. and (v) Interpak, Inc.

The Creditors Committee retained (i) Lowenstein Sandler PC, as its counsel, (ii) Polsinelli Shughart PC, as its Delaware co-counsel, and (iii) Mesirow Financial Consulting, LLC, as its financial advisor. On November 14, 2011, the Bankruptcy Court entered Orders approving the retention of such Professionals, effective as of October 13, 2011.

## **2.5. Sale of Substantially All of the Debtors' Assets.**

On the Petition Date, the Debtors Filed the Sale Motion seeking, among other things, approval of (i) certain bid and auction procedures and (ii) the Sale to the Purchaser (or another successful bidder) pursuant to the APA. Despite the Debtors' and their advisors' marketing efforts, the Debtors received no bids for their Assets other than the Purchaser's bid.

On November 15, 2011, the Bankruptcy Court conducted a hearing to consider approval of the APA and the Sale to the Purchaser. At such hearing, the Debtors presented a Sale Order to the Bankruptcy Court that was the result of spirited negotiations between, among others, the Debtors, the Purchaser, the Creditors' Committee and certain other Creditors. As a result of such negotiations, the Sale Order modified the APA in several material respects for the benefit of Creditors whose Claims will not otherwise be satisfied pursuant to the APA. Such modifications include, without limitation, ~~the creation of the Administrative Reserve and~~ an additional \$426,000 of Cash that will be available for Distribution (the "**Additional Cash**") and the creation of the Administrative Reserve. The Bankruptcy Court entered the Sale Order on November 15, 2011 and, in doing so, approved the Sale to the Purchaser pursuant to the APA (as modified by the Sale Order). On November 21, 2011, the Sale closed.

The ~~Sale purchase price~~ Purchase Price included, among other things, (i) a sufficient amount of Cash in order to satisfy, in full, (a) the DIP Facilities, (b) the Debtors' prepetition senior secured loan facility, (c) PACA Claims arising under the Perishable Agricultural Commodities Act, and (d) certain liens on the Assets, (ii) the Seller's Cash, (iii) a credit bid of Mistral's secured Claim in the amount of approximately \$25,300,000, and (iv) and the assumption of certain Assumed Liabilities. Thus, the closing of the Sale satisfied and/or paid many of the Debtors' Creditors and resulted in the assumption of a significant portion of the Debtors' liabilities.

## **2.6. Remaining Assets.**

Substantially all of the Debtors' assets were sold to the Purchaser pursuant to the APA and the Sale Order. The APA and the Sale Order did, however, leave the Debtors' estates with certain Remaining Assets to be liquidated and/or Distributed to those Creditors whose Allowed Claims were not paid or otherwise satisfied pursuant to the APA and the Sale Order. Such significant Remaining Assets include, ~~among other things, the Wheeling Facility,~~ the Sellers' Cash and, which is equal to \$500,000, the Additional Cash, which is equal to \$426,000, and the proceeds of any sale of the Wheeling Facility. While the value of the Wheeling Facility is not known and, to date, the Wheeling Facility has not been sold, the Debtors have entered into a memorandum of understanding, a copy of which is attached hereto as Exhibit B, to sell the Wheeling Facility to The Sidel Company for \$2,200,000.<sup>4</sup>

**2.7. Events after the Closing Date.** Between the Closing Date and approximately January 30, 2012 (the "**Transition Services Period**"), the Debtors' operated their businesses solely for the benefit of the Purchaser pursuant to transition services agreements that were approved by the Sale Order. During such period, the Debtors and their Professionals, in consultation with the Creditors' Committee and its Professionals, began winding down the Debtors' estates by, among other things, (i) reconciling Filed proofs of claim with the Debtors' books and records and the Schedules, (ii) Filing a motion to pay undisputed 503(b)(9) Claims [Docket No. 502] and obtaining an order approving such motion [Docket No. 532], (iii) marketing and negotiating with prospective purchasers of the Wheeling Facility and

---

<sup>4</sup> Please refer to section 6.3 of the Disclosure Statement for certain risk factors that are relevant to the sale of the Wheeling Facility.

successfully entering into a memorandum of understanding with The Sidel Company, (iv) ensuring that the Purchaser assumed any Assumed Liabilities that it was obligated to assume pursuant to the APA and the Sale Order, (v) paying undisputed postpetition obligations in the ordinary course of business, (vi) negotiating with Persons who could serve as the Officer and entering into the Officer Agreement with Thomas Reardon, and ~~(vii)~~ negotiating with Mistral regarding, among other things, the use of funds in the Professional Fee Escrow Account. After the expiration of the Transition Services Period, the Debtors ceased all operations and began focusing entirely on winding down their estates for the benefit of their Creditors.

**3. SUMMARY OF THE PLAN.** Below is a summary of some of the key provisions of the Plan. Consistent with section 1.1 of the Disclosure Statement, in the event of any conflict between the terms of the Disclosure Statement and the Plan, the terms of the Plan shall govern.

**3.1. Purpose of the Plan.** The Debtors proposed the Plan, in consultation with ~~-, and with the active involvement of,~~ the Creditors' Committee, over the alternative of converting the Cases to Chapter 7 of the Bankruptcy Code because the Debtors ~~-, and the Creditors' Committee, -~~ believe that (i) the Plan ensures a timely resolution of the Cases, including the Distribution of the Remaining Assets ~~-, and~~ (ii) the Plan avoids unnecessary costs to the Debtors' estates which would accrue should the Cases be converted to Chapter 7 of the Bankruptcy Code. For these reasons, both the Debtors and the Creditors' Committee are in favor of the Plan. [AS SUCH, THE DEBTORS AND THE CREDITORS' COMMITTEE URGE THE RECORD HOLDERS OF CLAIMS IN CLASS 3 \(ALLOWED GENERAL UNSECURED CLAIMS\) TO VOTE TO ACCEPT THE PLAN.](#)

**3.2. Classification of Claims and Interests under the Plan.** All Allowed Claims and Interests, except the Allowed Unclassified Claims, are placed in the Classes set forth in Article II of the Plan and below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Professional Fee Claims and Priority Tax Claims have not been classified. A Claim or Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

Class	Type	Status Under Plan	Treatment	Estimated Aggregate Amount in Class (\$)	Estimated Recovery of Class (%)
1	Allowed Secured Claims	Unimpaired, Deemed to Accept	Except as otherwise set forth in the Plan, each Record Holder of an Allowed Secured Claim that has not been satisfied or is not an Assumed Liability shall receive one or a combination of the following, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Secured Claim, (i) Cash in an amount equal to the amount of such Allowed Secured Claim, (ii) the collateral securing such Allowed Secured Claim or proceeds thereof, (iii) realization of the indubitable equivalent on account of such Allowed Secured Claim or (iv) such other treatment as to which the Debtors or Holdings, as applicable, and the Holder of such Allowed Secured Claim shall have agreed upon in writing (including without limitation any settlement agreement approved by the Bankruptcy Court). The foregoing	<del>\$</del> \$50,000	100%

			consideration shall be paid on the Effective Date, the date on which such Allowed Secured Claim becomes due and payable pursuant to the terms thereof or any applicable Order of the Bankruptcy Court.		
2	Allowed Other Priority Claims	Unimpaired, Deemed to Accept	Except as otherwise set forth in the Plan, each Record Holder of an Allowed Other Priority Claim that has not been satisfied or is not an Assumed Liability shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Other Priority Claim, (i) Cash in an amount equal to the amount of such Allowed Other Priority Claim or (ii) such other treatment as to which the Debtors or Holdings, as applicable, and the Holder of such Allowed Other Priority Claim shall have agreed upon in writing.	<del>\$</del> \$500.00 0	100%
3	Allowed General Unsecured Claims	Impaired, Entitled to Vote	Except as otherwise set forth in the Plan, each Record Holder of an Allowed General Unsecured Claim that has not been satisfied or is not an Assumed Liability shall receive its Pro Rata Share of the Cash remaining after the satisfaction of all payments required to be made to Record Holders of Allowed Unclassified Claims, Allowed Secured Claims, Allowed Other Priority Claims and the Purchaser pursuant to paragraph 19 of the Sale Order.	\$32 million	. <del>4</del> 5% to 5.0%
4	Inter-company Claims	Impaired, Deemed to Reject	Record Holders of Claims in this Class will not receive any recovery on their Claims.	n/a	0%
5	Interests	Impaired, Deemed to Reject	Record Holders of Interests will retain no ownership interests in the Debtors under the Plan and such Interests shall be cancelled effective as of the Effective Date.	n/a	0%

### 3.3. Implementation and Execution of the Plan.

**3.3.1. Effective Date.** As set forth in Article III of the Plan, the Plan shall become effective on the date which is the first Business Day on which each condition set forth in Article V of the Plan has been satisfied or waived as set forth therein. Upon the occurrence of the Effective Date, Holdings will file and post on the Noticing Agent Website a notice of confirmation and occurrence of the Effective Date, which shall also include the Administrative Expense Request Deadline. Except as may be modified in any Order, such notice will be served in accordance with the Bankruptcy Rules and the Local Rules.

**3.3.2. Substantive Consolidation.** As set forth in section 3.2 of the Plan, for the sole purpose of implementing and executing the Plan only, all Assets of and Claims against the Debtors will be deemed to be substantively consolidated into a single consolidated estate, which estate shall be the Holdings' estate. As a result, Claims Filed against multiple Debtors seeking recovery of the same debt shall only receive a single Distribution from the consolidated Debtors' estates to the extent such Claim is an Allowed Claim. Intercompany Claims will be disregarded for both voting and Distribution purposes.

**3.3.3. Vesting of Remaining Assets.** As set forth in ~~Section~~section 3.6 of the Plan, on the Effective Date, (i) all Remaining Assets shall vest in Holdings free and clear of any liens, claims, encumbrances and interests of any kind, and (ii) Holdings can sell, transfer, or liquidate the Remaining



Assets without further Order; provided, however, that Holdings may seek an Order to approve the sale, transfer, or other disposition of any other Remaining Assets, including the Wheeling Facility, pursuant to the Bankruptcy Code, including section 363 thereof, at its discretion.

**3.3.4. Officer.** As is set forth in section 3.3 of the Plan, after consultation with the Creditors' Committee, Thomas Reardon was selected to serve as the Officer pursuant to the terms of the Officer Agreement. In such capacity, Mr. Reardon is the Person responsible for winding down the consolidated Holdings' estate. The Officer, as an officer and/or manager of Holdings, shall be permitted to hire any attorneys, advisors and/or other Persons that he deems necessary, which can include the Creditors' Committee's current attorneys and financial advisor, subject to, among other things, the terms of the Officer Agreement. Section 3.3 of the Plan further provides (i) for the method by which a successor Officer may be appointed upon the resignation, death, incapacity, or removal of the Officer, and (ii) that the Officer shall be deemed to have resigned on the date of entry of the Final Decree or such later date as may be provided in the Final Decree.

**3.3.5. Closing of the Subsidiary Debtors' Cases; Dissolution of the Subsidiary Debtors.** As set forth in sections 3.4 and 3.5 of the Plan, on the Effective Date, the Subsidiary Debtors' Cases shall be closed and the case closing ~~order (which may be orders and/or~~ the Confirmation Order) will authorize the dissolution and/or termination of the legal existence of each of the Subsidiary Debtors.

**3.3.6. Distributions to the Holders of Allowed Claims.** Sections 3.7 and 3.8 of the Plan address the time and manner in which the Remaining Assets and the Administrative Reserve will be Distributed to the Holders of Allowed Claims and the Purchaser. Section 3.7 of the Plan provides, among other things, that (i) if the Distribution to the Record Holder of an Allowed General Unsecured Claim would be less than \$25.00, such Distribution shall not be made and the amount of such Distribution shall be included in the Cash to be Distributed to all other Record Holders of Allowed General Unsecured Claims, and (ii) Holdings, in its discretion but in good faith and in consultation with its attorneys and advisors, which may include the Creditors' Committee and its current attorneys and financial advisor, may determine not to make any Distributions on account of any Allowed General Unsecured Claims until (i) all General Unsecured Claims that are Disputed Claims become Allowed Claims or Disallowed Claims, and/or (ii) the closing date of the sale of the Wheeling Facility. Notwithstanding this discretion, Holdings shall make a Distribution as soon as practicable after the closing of the sale of the Wheeling Facility. Section 3.7 of the Plan further provides for the creation of the Disputed Claims Reserve and ~~describes the Debtors' or Holdings' rights to seek additional funds from the Purchaser and Reser's Fine Foods, Inc. pursuant to the various provisions of the Bidding Procedures Order (including, without limitation, paragraph 30 thereof), the APA, the Sale Order (including, without limitation, paragraph 19 thereof), the DIP Orders, and any other agreement between Reser's Fine Foods, Inc., the Purchaser~~ that if the Administrative Reserve is insufficient to satisfy, among other things, all Allowed Claims that the Purchaser was required to pay or satisfy (either directly or indirectly) pursuant to the Bid Procedures Order, the APA, the Sale Order, the DIP Orders and any other agreement between the Purchaser, Reser's Fine Foods, Inc. and/or the Debtors or Holdings, as applicable, in the event that Debtors or Holdings, as applicable, may seek to enforce their rights, if any, the Administrative Reserve is insufficient to pay, among other things, valid asserted mechanics liens, Claims arising under the Perishable Agricultural Commodities Act and the Assumed Liabilities that the Purchaser was obligated to assume and pay to seek additional funds from the Purchaser in order to satisfy such Claims. Such rights, if they exist at all under the previously referenced documents, exist under such documents and agreements and the Disclosure Statement, the Plan and/or the Confirmation Order do not seek to create any such rights or enforce any

[such rights.](#)<sup>5</sup> Section 3.8 of the Plan provides, among other things, that Returned Distributions will be given to the Charity unless the Record Holder of any such Returned Distribution claims such Returned Distribution within ~~thirty-sixty~~ [\(3060\)](#) days.

### **3.3.7. The Debtors' Abandonment, Disposal and/or Destruction of the Records.**

As set forth in section 3.9 of the Plan, the Debtors shall be authorized to abandon all originals and/or copies of documents and business records pursuant to section 554 of the Bankruptcy Code. With the closing of the Sale and the full wind down of all of the Debtors' operations, the Debtors have identified certain documents, books and records (the "**Records**") that are outdated, burdensome, and/or of inconsequential value to the Debtors' estates and are not necessary or relevant to: (i) the Debtors' performance of their duties and obligations, (ii) any pending litigation, (iii) the filing of any tax returns, (iv) the resolution of Claims against the Debtors, and (v) any potential causes of action that the Debtors may have. To complete the Debtors' wind down, avoid the incurrence of unnecessary storage costs and facilitate the consolidation and preservation of any pertinent documents and books and records, the Debtors wish to proceed with the abandonment, disposal and/or destruction of the Records; provided, however, that no documents and business records necessary for the ~~winddown~~ [wind down](#) of the Debtors' estates shall be abandoned until Holdings is dissolved and its legal existence is terminated.

Section 554 of the Bankruptcy Code provides that, *inter alia*, "[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a). Courts have held that a debtor-in-possession's decision to abandon property of the estate rests on the debtor's business judgment. *See, e.g., In re Cult Awareness Network, Inc.*, 205 B.R. 575, 579 (Bankr. N.D. Ill. 1997). The Debtors have concluded in their business judgment that they no longer need to retain certain documents, *i.e.*, the Records, currently in their possession, custody or control.<sup>46</sup>

**3.4. Objections to Claims.** As set forth in section 3.10. of the Plan, Holdings will be responsible for administering, disputing, objecting to, compromising or otherwise resolving and making Distributions with respect to all Claims. Additionally, the initial deadline to object to Claims shall be sixty (60) days after the Effective Date; provided however, that such deadline may be extended for cause.

**3.5. Executory Contracts and Unexpired Leases.** As stated in Article IV of the Plan, the Debtors believe that all executory contracts and unexpired leases of the Debtors will be assumed and assigned, or rejected, prior to the Effective Date. Accordingly, Article IV of the Plan is included out of an abundance of caution and (i) provides that all executory contracts and unexpired leases of the Debtors which are not assumed and assigned, or rejected, prior to the Effective Date, if any, shall be deemed rejected as of the Effective Date and (ii) sets forth procedures for asserting Claims arising out of such rejection, if any. The Plan further provides that all Claims arising out of such rejection shall, as a general matter, be General Unsecured Claims.

---

<sup>5</sup> [Please refer to section 6.5 of the Disclosure Statement for certain risks factors that are relevant to the Debtors' or Holdings' rights to seek additional funds from the Purchaser.](#)

<sup>46</sup> The Debtors shall not be required to comply with applicable local, state and federal statutes, rules and ordinances except to the extent that compliance is necessary to ensure the government's interest in public health and safety. *See generally Midlantic Nat'l Bank v. New Jersey Dept. of Env'tl. Protection*, 474 U.S. 494 (1986). Additionally, any action by any local, state or federal agency, department or governmental authority or any other entity to prevent, interfere with, or otherwise hinder the Debtors' abandonment, disposal and/or destruction of the Records shall be enjoined.

**3.6. Conditions Precedent to Confirmation and Consummation of the Plan.** Article V of the Plan sets forth the conditions that must occur prior to both Confirmation and the occurrence of the Effective Date. This Article also describes the Debtors' ability to waive such conditions, as well as the effect of non-occurrence of the condition to the Effective Date, including the vacation of the Confirmation Order. If the Confirmation Order is vacated pursuant to section 5.4 of the Plan, (i) the Plan shall be null and void in all respects and (ii) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtors or (b) prejudice in any manner the rights of the Debtors or any other party in interest.

**3.7. Miscellaneous Provisions.** Article VI of the Plan contains several miscellaneous provisions which were not addressed above. Such provisions include, without limitation, (i) the waiver and release of all remaining Avoidance Actions, if any, (ii) the retention of jurisdiction by the Bankruptcy Court over certain matters following the Confirmation Date and the Effective Date, (iii) the Debtors' payment of statutory fees pursuant to 28 U.S.C. § 1930, (iv) the circumstances under which the Plan may be modified or revoked, (v) the dissolution of the Creditors' Committee, which will occur on the later of the Effective Date and the closing date of the sale of the Wheeling Facility and (vi) the termination of the Claims Agent, in its capacity as claims, noticing and balloting agent.

**ADDITIONALLY, PLEASE NOTE THAT SECTIONS 6.14 THROUGH 6.16 OF THE PLAN GOVERN THE EXCULPATION, LIMITATION OF LIABILITY AND RELEASES OF CERTAIN PARTIES TO THE EXTENT SET FORTH THEREIN. PLEASE REVIEW THESE PROVISIONS CAREFULLY.**

**3.8. Administrative Expense Request Deadline.** Section 1.2 of the Plan describes the Administrative Expense Request Deadline. The Administrative Expense Request Deadline shall be thirty (30) days after the Effective Date. Upon the occurrence of the Effective Date, Holdings will File, serve and post on the Noticing Agent Website a notice of the Administrative Expense Request Deadline pursuant to section 3.3.1 of the Disclosure Statement.

**3.9. Final Fee Hearing and Final Decree.**

**3.9.1. The Professional Fee Claim Bar Date and the Final Fee Hearing.** Section 1.4 of the Plan describes the Professional Fee Claim Bar Date and the Final Fee Hearing. As set forth herein, the Professional Fee Claim Bar Date shall be twenty-one (21) days after the Effective Date. The Debtors will file and post on the Noticing Agent Website a notice of the Final Fee Hearing. You will not receive further notice of the Professional Fee Claim Bar Date, the Professional Fee Claims or the Final Fee Hearing via any means of communication, and should monitor the Noticing Agent Website for such notice. The Professional Fee Claim Bar Date and the date and time of the Final Fee Hearing can also be obtained by contacting counsel for Holdings.

**3.9.2. Entry of the Final Decree and Closing of Holdings' Case.**

Pursuant to section 3.11 of the Plan, subsequent to the Effective Date, the Final Fee Hearing and Holdings fulfilling the standards necessary for closing its Case, Holdings shall File a ~~proposed form of order under certification of counsel~~ motion (the "**Final Decree Certification Motion**") requesting the entry of a Final Decree pursuant to section 350(a) of the Bankruptcy Code. Such Final Decree shall, among other things, close ~~the Holdings'~~ Case. At that time, the Debtors believe that their estates will be fully administered as (i) the Confirmation Order will be a Final Order, (ii) all Distributions will be completed and (iii) all motions, contested matters and adversary proceedings will be resolved.

Section 350(a) of the Bankruptcy Code provides that a case shall be closed “after an estate is fully administered and the court has discharged the trustee.” 11 U.S.C. § 350(a). Likewise, Rule 3022 of the Bankruptcy Rules provides that, “after an estate is fully administered in a chapter 11 reorganization, the court . . . shall enter a final decree closing the case.” Fed. R. Bankr. P. 3022. Further, Local Rule 5009-1 provides that, “upon written motion, a party in interest may seek the entry of a final decree at any time after the confirmed plan has been substantially consummated provided that all fees under 28 U.S.C. § 1930 have been paid.” Del. Bankr. L.R. 5009-1(a). Based upon the foregoing, the Debtors believe that the Bankruptcy Court’s entry of the Final Decree shall be appropriate and necessary subsequent to the Effective Date upon submission of the Final Decree Certification. *See In re SLI Inc.*, 2005 WL 1668396, at \*2 (Bankr. D. Del. June 24, 2005) (citations omitted).

#### **4. FEASIBILITY.**

##### **4.1. Financial Feasibility Analysis.**

**4.1.1. Bankruptcy Code Standard.** The Bankruptcy Code requires that, in order to confirm a plan, the Bankruptcy Court must find that confirmation of such plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor(s) unless contemplated by the plan.

**4.1.2. No Need for Further Reorganization of the Debtors.** The Plan provides for the liquidation and Distribution of all of the Debtors’ Assets. Accordingly, the Debtors believe that all Plan obligations will be satisfied without the need for further reorganization of the Debtors.

#### **5. BEST INTERESTS OF CREDITORS AND ALTERNATIVES TO PLAN.**

##### **5.1. Chapter 7 Liquidation.**

###### **5.1.1. Bankruptcy Code Standard.**

Notwithstanding acceptance of a plan by a voting impaired class, if an impaired class does not vote unanimously to accept the plan, the bankruptcy court must determine that the plan provides to each member of such impaired class a recovery, on account of each member’s claim or interest, that has a value, as of the effective date, at least equal to the recovery that such class member would receive if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. 11 U.S.C. § 1129(a)(7). This inquiry is often referred to as the “best interests of creditors test.”

In a typical Chapter 7 case, a trustee is elected or appointed to liquidate a debtor’s assets for distribution to creditors in accordance with the priorities set forth in the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of sales of the properties securing their liens. If any assets are remaining in the bankruptcy estate after satisfaction of secured creditors’ claims from their collateral, administrative expenses are next to receive payment. Unsecured creditors are paid from any remaining sales proceeds, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with the same priority. Finally, equity interest holders receive the balance that remains, if any, after all creditors are paid.

**5.1.2. Plan is in the Best Interests of Creditors.** The Plan satisfies the “best interests” test because the recoveries expected to be available to the Record Holders of Allowed Claims under the Plan will be greater than the recoveries expected to be available in a liquidation under Chapter 7 of the Bankruptcy Code. For example, if a Chapter 7 trustee were to be appointed in the Cases, he or she likely

would require considerable time and incur substantial fees and expenses in order to analyze the Assets and ultimately make distributions. Such fees include, without limitation, a fee in an amount up to 3% of the value of all property distributed in the Chapter 7 cases and the fees of his or her professionals. Here, substantially all of the Debtors' Assets have already been liquidated during the Cases through the Sale consummated by the Debtors pursuant to the APA and the Sale Order. Thus, the conversion of the Cases to cases under Chapter 7 would bring no material benefit to the Creditors. Indeed, such a conversion would likely impose additional and unnecessary expenses and delays on the Debtors' estates, which would necessarily negatively affect Creditor recoveries. Liquidation of the Assets pursuant to the Plan, however, will reduce and potentially eliminate such delays and additional expenses and is therefore in the Creditors' best interests. [The Debtors believe this is further demonstrated by the Liquidation Analysis which is attached hereto as Exhibit D.](#)<sup>7</sup>

**5.2. Continuation of the Bankruptcy Case.** The Debtors are not a going concern and thus there is no benefit to remaining in Chapter 11.

**5.3. Alternative Plan(s).** The Debtors do not believe that there are any alternative plans. The Debtors believe that the Plan, as described herein, enables Holders of Claims to realize the greatest possible value under the circumstances, and that, compared to any alternative plan, the Plan has the greatest chance to be confirmed and consummated.

## **6. RISK FACTORS.**

Creditors who are entitled to vote on the Plan should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement, the Plan and other Filed documents, before deciding whether to vote to accept or reject the Plan.

**6.1. Certain Bankruptcy Considerations.** Even if the Voting Class votes to accept the Plan and the requirements for "cramdown" are met with respect to the deemed to reject Classes, the Bankruptcy Court may exercise substantial discretion and may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, that the value of Distributions to dissenting Record Holders of Claims or Interests may not be less than the value such Holders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Although the Debtors believe that the Plan will meet such requirement, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

### **6.2. Claims and Assets Estimation.**

There can be no assurance that the estimated amount of Claims set forth in the Plan is correct, and the actual allowed amounts of Claims may differ from the estimates. Any value given as to the Claims against and the Assets of the Debtors is based upon an estimation of such value. Additionally, as is set forth below, certain contingencies, including, without limitation, whether the Wheeling Facility will be sold and the resolution of a dispute with Mistral regarding the use of funds in the Professional Fee Escrow Account, may have a material impact on the Assets that are available for Distribution to the Holders of Allowed Claims.

### **6.3. The Wheeling Facility May Not Realize Any Value for the Benefit of Creditors.**

---

<sup>7</sup> [The Liquidation Analysis has been prepared solely for use in this Disclosure Statement and should not be used for any other purpose. Further, nothing in such analysis is intended to be or constitutes a concession by or admission of any Debtor for any purpose.](#)

As set forth above, after consummation of the Sale, the Debtors' estates retained certain Assets, including, among other things, the Wheeling Facility. As of the date hereof, the Wheeling Facility has not been sold. However, the Debtors have entered into a memorandum of understanding, a copy of which is attached hereto as Exhibit B, to sell the Wheeling Facility to The Sidel Company for \$2,200,000. The \$2,200,000 purchase price may be reduced by a number of factors, including, without limitation, certain taxes and commission fees. Additionally, the memorandum of understanding contains a number of contingencies, including a forty-five (45) day due diligence period. Thus, there is no guarantee that the sale to The Sidel Company will close or, if such sale closes, the actual value, if any, that will be realized by the Holdings' estate.

The Debtors currently believe that they will be able to pay or satisfy all Allowed Unclassified Claims, Allowed Secured Claims and Allowed Other Priority Claims in full to the extent set forth in the Plan regardless of whether the Wheeling Facility is sold. Additionally, the Debtors estimate that Cash will be available for Distribution to the Record Holders of Allowed General Unsecured Claims regardless of whether the Wheeling Facility is sold. However, whether the Wheeling Facility is sold and, if it is sold, the price at which it will be sold, will have a material impact on the amount of Cash that will be available for Distribution to the Record Holders of Allowed General Unsecured Claims. Notwithstanding the memorandum of understanding with The Sidel Company, at this time, the Debtors have no way of knowing whether the Wheeling Facility will be sold and, if it is sold, the price at which it will be sold.

#### **6.4. Allowed Professional Fee Claims May Reduce the Assets Available for Distribution to the Record Holders of Allowed General Unsecured Claims.**

~~6.4.~~The Debtors and the Creditors' Committee are currently in a dispute with Mistral regarding the use of funds in the Professional Fee Escrow Account. The Debtors and the Creditors' Committee assert that the entire amount of funds held in the Professional Fee Escrow Account can be used to pay Allowed Professional Fee Claims that were budgeted for the months of October and November 2011 and paid into the Professional Fee Escrow Account pursuant to, and in accordance with, the terms of the DIP Orders. Mistral asserts that the funds in the Professional Fee Escrow Account can only be used to pay Allowed Professional Fee Claims that accrued on or prior to the Closing Date and that any funds remaining in the Professional Fee Escrow Account after such Claims have been paid must be paid to the Purchaser ~~or contributed to the Administrative Reserve pursuant to paragraph 19 of the Sale Order. If any amounts in the Professional Fee Escrow Account are ultimately contributed to the Administrative Reserve or paid to the Purchaser, there is a significant risk that less Cash will be available for Distribution to the Record Holders of Allowed Claims.~~ The Debtors estimate, ~~however,~~ that this dispute will not have an impact on their ability to pay or satisfy all Allowed Unclassified Claims, Allowed Secured Claims and Allowed Priority Claims in full to the extent set forth in the Plan. The Debtors do, however, believe, that there is a significant risk that the ultimate resolution of this dispute may have an impact on the amount of Cash available for Distribution to the Record Holders of Allowed General Unsecured Claims. the amount of such funds is equal to approximately \$89,000.

The Debtors believe that the outcome of this dispute will not have an impact on their ability to pay or satisfy all Allowed Unclassified Claims, Allowed Secured Claims and Allowed Priority Claims in full to the extent set forth in the Plan. However, there will be less Cash available for Distribution to the Record Holders of Allowed General Unsecured Claims if \$89,000 (or a lesser agreed upon amount) is ultimately paid to the Purchaser and not available to be used to pay Allowed Professional Fee Claims.

**6.5. The Debtors and/or Holdings, as Applicable, May Not Have Recourse Against the Purchaser if the Administrative Reserve is Insufficient.**

The Creditors' Committee initially objected to entry of the originally proposed Bid Procedures Order and Sale Order. However, such objections were resolved by, among other things, the Purchaser providing the Debtors' estates with certain concessions. The Debtors and the Creditors' Committee submit that one such concession was that the Debtors' estates would, in all events, be administratively solvent on the Closing Date;<sup>8</sup> provided that, the Purchase Price (as defined in the APA) would remain capped at \$39,250,000 and the Purchaser would not be obligated to assume more than \$7,500,000 in Assumed Administrative Liabilities. Consistent with such concession, the Bid Procedures Order was modified to provide that the Debtors were authorized to draw down on the DIP Facilities the amounts that the Debtors believed were necessary in order to pay any Assumed Administrative Liabilities in excess of \$7,500,000.

On or around the Closing Date, the Debtors drew down the full amount of the remaining availability under the DIP Facilities. However, the Debtors' and the Creditors' Committee's respective financial advisors determined that such amounts, along with the other amounts in the Administrative Reserve, would likely be insufficient to ensure the administrative solvency of the Debtors' estates on the Closing Date. In particular, such advisors estimated that these previously drawn amounts would be insufficient to pay all Assumed Administrative Liabilities in excess of \$7,500,000 and all valid PACA Claims. Because the Purchaser was (and still is) obligated under the APA and the Sale Order to directly pay all valid PACA Claims (up to the \$39,250,000 cap on the Purchase Price), the Debtors requested that the Purchaser fund the balance of the outstanding Purchase Price to the Debtors. The Purchaser refused to fund such amounts. The Debtors then requested that the Purchaser directly pay certain valid PACA Claims up to the balance of the Purchase Price and the Purchaser similarly refused. The Debtors then, in good faith, paid all valid PACA Claims with the agreement that the Debtors would seek the balance of the Purchase Price from the Purchaser in the event that it was later determined the Debtors' estates were administratively insolvent on the Closing Date. To date, the Debtors and the Creditors' Committee have not yet made a final determination regarding whether the Debtors' estates were administratively insolvent on the Closing Date. However, if it is finally determined that the Debtors' estates were administratively insolvent on the Closing Date, the Debtors and the Creditors' Committee assert that the Debtors or Holdings, as applicable, have the right to seek up to the balance of the remaining Purchase Price from the Purchaser in order to ensure, among other things, such solvency.

The Purchaser does not believe such a right exists under, and is inconsistent with, the terms of the Bid Procedures Order, the APA, the Sale Order and certain statements that were made on the record at various hearings in the Cases. Thus, in the event that the Debtors or Holdings, as applicable, determine that the Debtors' estates were administratively insolvent on the Closing Date and assert their rights (if any) against the Purchaser to seek the balance of the Purchase Price, the Purchaser may refuse to fund such amounts to the Debtors. As a result, the Debtors or Holdings, as applicable, may File a motion seeking to enforce such rights, which will result in additional fees and costs and further reduce the amount of Cash available for Distribution to the Record Holders of Allowed Claims. Further, in such a circumstance, there is no guarantee that the Debtors or Holdings, as applicable, will be able to recover any funds from the Purchaser, which may further reduce or otherwise have an impact on the amount of Cash available for Distribution to the Record Holders of Allowed Claims.

---

<sup>8</sup> For purposes of this Section 6.5, all references to the Debtors' administrative solvency on the Closing Date do not take into account the liquidation value of any of the Excluded Assets.

**7. TAX CONSEQUENCES OF THE PLAN.**

THE DEBTORS HAVE NOT REQUESTED A RULING FROM THE IRS OR AN OPINION OF COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. THUS, NO ASSURANCE CAN BE GIVEN AS TO THE TAX CONSEQUENCES OF THE PLAN. EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

**8. CONCLUSION.** IT IS IMPORTANT THAT YOU EXERCISE YOUR RIGHT TO VOTE ON THE PLAN. IT IS THE DEBTORS' AND THE CREDITORS' COMMITTEE'S BELIEF AND RECOMMENDATION THAT THE PLAN FAIRLY AND EQUITABLY PROVIDES FOR THE TREATMENT OF ALL CLAIMS AGAINST AND INTERESTS IN THE DEBTORS.

IN WITNESS WHEREOF, the Debtors have executed this Disclosure Statement this \_\_\_\_ day of ~~February~~March, 2012.

Food Processing Liquidation Holdings, LLC (f/k/a Chef Solutions Holdings, LLC)

FPL Distribution Holdings, LLC (f/k/a CS Distribution Holdings, LLC)

FPL Distributors, Inc. of Ohio (f/k/a CS Distributors, Inc. of Ohio)

FPL Prepared Foods Holdings, LLC (f/k/a CS Prepared Foods Holdings, LLC)

Food Processing Liquidation Inc. (f/k/a Chef Solutions Inc.)

FPL Holdings, Inc. (f/k/a Orval Kent Holdings, Inc.)

FPL Intermediate Holdings, Inc. (f/k/a Orval Kent Intermediate Holdings, Inc.)

FPL Parent, LLC (f/k/a Orval Kent Parent, LLC)

Food Processing Liquidation, LLC (f/k/a Orval Kent Food Company, LLC)

FPL of Linares, LLC (f/k/a Orval Kent Food Company of Linares, LLC)

By: \_\_\_\_\_  
Name: Thomas Reardon  
Title: Officer



**EXHIBIT A**

**Plan (Separately Filed)**

**EXHIBIT B**

**Memorandum of Understanding Regarding Sale of Wheeling Facility**

**EXHIBIT C**  
**Officer Agreement**

**EXHIBIT D**

**Liquidation Analysis**