

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE CENTRAL DISTRICT OF ILLINOIS  
PEORIA DIVISION**

In re: ) Chapter 11  
OLD CSH, INC., (f/k/a COUNTRY )  
STONE HOLDINGS, INC.) *et al.*,<sup>1</sup> ) Case No. 14-81854  
 ) (Jointly Administered)  
Debtors. )  
 ) Hon. Thomas L. Perkins

**DISCLOSURE STATEMENT FOR  
DEBTORS' AND COMMITTEE'S JOINT PLAN OF LIQUIDATION**

Dated: July 21, 2015

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<sup>1</sup> The Debtors and the last four digits of the Debtors' United States Tax Identification Number following in parentheses are: Old CSH, Inc. (7470), Old CS&S, Inc. (0842), Old CS&SM, Inc. (8538), Old CS&SW, Inc. (4446), Old CS, Inc. (8953), Old FWLS, Inc. (9116), Old GTI, LLC (8377), Old IF, Inc. (8035), Old IL&G, Inc. (5005), Old IS, Inc. (6096), Old MPC, Inc. (7370), Old QCE, Inc. (2687), Old R&DCPI, Inc. (5210), Old R&DCW, Inc. (2237), Old R&DP, Inc. (7199), Old RIC, Inc. (0041) and Old WS&G, Inc. (5212).

## EXHIBITS

EXHIBIT A: Proposed Joint Plan

EXHIBIT B: Liquidation Analysis

THE DEBTORS HEREBY ADOPT AND INCORPORATE EACH EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN.

### PLEASE REVIEW THIS DOCUMENT FOR IMPORTANT INFORMATION REGARDING:

- \* **Description of the Debtors**
- \* **Classification and Treatment of Claims and Interests**
- \* **Distribution to Holders of Allowed General Unsecured Claims**
- \* **Implementation and Execution of the Plan**
- \* **Treatment of Contracts and Leases and Procedures to Assert and Resolve Rejection Claims**

### AND IMPORTANT DATES:

- \* **Date to Determine Record Holders of Claims and Interests – [INSERT]**
- \* **Deadline to Submit Ballots – [INSERT]**
- \* **Deadline to Object to Plan Confirmation – [INSERT]**
- \* **Deadline to Submit Rejection Claims – [INSERT]**

**YOUR BALLOT IS ATTACHED TO THE END OF THIS DOCUMENT. PLEASE REVIEW THIS DOCUMENT AND COMPLETE AND RETURN THE BALLOT PER THE INSTRUCTIONS CONTAINED HEREIN.**

## 1. INTRODUCTION.

### 1.1 Purpose of the Disclosure Statement.

Notice of this disclosure statement (as amended, modified or supplemented, the “Disclosure Statement”) is being provided by Old CSH, Inc. f/k/a Country Stone Holdings, Inc., Old CS&S, Inc. f/k/a Country Stone & Soil, Inc., Old CS&SM, Inc. f/k/a Country Stone and Soil of Minnesota, Inc., Old CS&SW, Inc. f/k/a Country Stone and Soil of Wisconsin, Inc., Old CS, Inc. f/k/a Country Stone, Inc., Old FWLS, Inc. f/k/a Fort Wayne Landscape Supply, Inc., Old GTI, LLC f/k/a Green Thumb of Indiana, LLC, Old IF, Inc. f/k/a Infinity Fertilizers, Inc., Old IL&G, Inc. f/k/a Infinity Lawn and Garden, Inc., Old IS, Inc. f/k/a Infinity Seed, Inc., Old MPC, Inc. f/k/a Millburn Peat Company, Inc., Old QCE, Inc. f/k/a Quad City Express, Inc., Old R&DCPI, Inc. f/k/a R & D Concrete Products of Indiana, Inc., Old R&DCW, Inc. f/k/a R & D Concrete of Wisconsin, Inc., Old R&DP, Inc. f/k/a R & D Concrete Products, Inc., Old RIC, Inc. f/k/a Rock Island Contractors, Inc., and Old WS&G, Inc. f/k/a Wilhelm Sand & Gravel, Inc. (collectively, the “Debtors”) to the Office of the United States Trustee and to all of the Debtors’ known Creditors and equity holders pursuant to section 1125(b) of Title 11 of the United States Code (the “Bankruptcy Code”) for the purpose of soliciting acceptances of the Debtors’ and Committee’s Joint Plan of Liquidation (the “Plan”). The Plan has been filed with the United States Bankruptcy Court for the Central District of Illinois (the “Bankruptcy Court”) 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**. All capitalized

terms used within this Disclosure Statement which are not defined herein or in Section 1.3 of the Disclosure Statement have the meanings set forth in the attached Plan. The deadline to object to this Disclosure Statement is \_\_\_\_\_ at 4:00 p.m. (Central 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(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER RULES GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF CHAPTER 11. 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.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN ANY OF THE DEBTORS IN THESE CASES.

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 Summary of Claims, Treatment and Estimated Recovery:

Class	Type	Status Under Plan Under	Treatment	Estimated Class Size (\$)	Estimated Recovery of Class (%)
1	Allowed Non-Tax Priority Claims	Unimpaired, Deemed to Accept	Each Holder of an Allowed Other Priority Claim will receive, in full satisfaction of its Other Priority Claim, Cash equal to the amount of such Allowed Other Priority Claim on, or as soon as reasonably practicable after, the later of (a) the Effective Date or (b) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim. As of the date hereof, the Debtors believe that all Allowed Non-Tax Priority Claims have been paid in full pursuant to applicable Court order or from non-debtor assets.	\$0	100%
2	First Midwest Secured Claim	Impaired	Class 2 is comprised of the Disputed Claim held by First Midwest. To the extent that the First Midwest Claim is determined to be an Allowed Secured Claim, unless the Holder of such Allowed First Midwest Secured Claim and the Liquidating Trustee agree to a different treatment, then such Allowed First Midwest Secured Claim shall receive the treatment set forth for Class 3 Other Secured Claims. To the extent that the First Midwest Claim is determined to be an Allowed General Unsecured Claim, then such Allowed First Midwest General Unsecured Claim shall receive the treatment set forth for Class 4 General Unsecured Claims. The foregoing notwithstanding, upon the entry of a Final Order providing for treatment and/or distributions on account of the First Midwest Claim, the First Midwest Claim shall be treated as set forth in such Final Order.	<del>\$\$\$</del> <u>10,000,000</u>	<del>0-100</del> %

Class	Type	Status Under Plan Under	Treatment	Estimated Class Size (\$)	Estimated Recovery of Class (%)
3	Other Allowed Secured Claims	Unimpaired, Deemed to Accept	Class 3 is comprised of Holders of Other Secured Claims. Unless the Holder of such Allowed Other Secured Claim and the Liquidating Trustee agree to a different treatment, thirty (30) days after the later of (a) the Effective Date and (b) the date on which the Other Secured Claim is Allowed, in full satisfaction of its Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the Liquidating Trustee: (x) the net proceeds of the sale of the property securing such Allowed Other Secured Claim, up to the Allowed amount of such Allowed Other Secured Claim; or (y) the return of property securing such Allowed Other Secured Claim; or (z) Cash equal to the value of the property securing such Allowed Other Secured Claim, up to the value of the Allowed Other Secured Claim; <i>provided, however,</i> if a Final Order has been entered prior to the Effective Date providing for treatment and distributions on account of an Allowed Other Secured Claim, the Allowed Other Secured Claim shall be treated as set forth in such Final Order.	\$0	100%
4	Allowed General Unsecured Claims	Impaired, Entitled to Vote	Class 4 is comprised of Holders of General Unsecured Claims. On one or more Distribution Dates, each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata share of the net proceeds of the Liquidating Trust Assets after the payment of all Allowed Other Secured Claims, Allowed First Midwest Secured Claim, and the payment of all costs and expenses of the Liquidating Trust.	\$ <del>36,000,000</del>	<del>10-16%</del>

<b>Class</b>	<b>Type</b>	<b>Status Under Plan Under</b>	<b>Treatment</b>	<b>Estimated Class Size (\$)</b>	<b>Estimated Recovery of Class (%)</b>
5	Interests	Impaired, Deemed to Reject	Equity holders of the Debtors 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%

### 1.3 Definitions of Terms Utilized in the Plan.

Unless the context otherwise requires or a term is defined within the Plan itself, the following terms shall have the respective meanings set forth below, except as expressly provided otherwise.

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

1.3.2. “**Allowed... Claim**” means an Allowed Claim in the particular Class or category specified.

1.3.3. “**Allowed Claim**” when used herein means:

(a) a Claim that (i) has been listed by the Debtors on their Schedules as other than disputed, contingent, or unliquidated and (ii) is not a Disputed Claim;

(b) a Claim (i) for which a proof of Claim or request for payment of Administrative Claim (or similar request) has been Filed by the applicable Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;

(c) a Claim that is expressly allowed: (i) in any stipulation or agreed order of the Bankruptcy Court executed by the Debtors and the Committee (or after the Effective Date the Liquidating Trustee) and the Claim Holder; (ii) in any contract, instrument, or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan; or

(d) a Claim that the Liquidating Trustee determines prior to the Claims Objection Bar Date (i) will not be subject to an objection or to an amendment to the Schedules and (ii) will be satisfied in accordance with the terms of the Plan.

1.3.4. “**Allowed General Unsecured Claim**” means that portion of a Claim, if any, that is determined by a Final Order to be (x) an Allowed Claim and (y) a General Unsecured Claim.

1.3.5. “**Asset Purchase Agreements**” means those certain asset purchase agreements attached to the Sale Order as Exhibit A.

1.3.6. “**Assets**” means all of the Debtors’ property, rights, and interests that are property of the Debtors’ Estate pursuant to section 541 of the Bankruptcy Code.

1.3.7. “**Avoidance Actions**” means, collectively and individually, preference actions, fraudulent conveyance actions and any other claims or causes of action under sections 510, 542, 544, 547, 548, 549, 550, 551, 553, and other applicable provisions of the Bankruptcy Code and other similar state law claims and causes of action, whether or not such action was commenced prior to the Effective Date.

1.3.8. “**Bankruptcy Rules**” means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to this Chapter 11 Case.

1.3.9. “**Business Day**” means any day, other than a Saturday, Sunday or Legal Holiday (as defined in Bankruptcy Rule 9006(a)).

1.3.10. “**Cash**” means legal tender of the United States of America and equivalents thereof.

1.3.11. “**Cause of Action**” or “**Causes of Action**” means, individually or collectively and without limitation, any action, cause of action, liability, obligation, right to legal or equitable remedies, suit, debt, sum of money, damage, judgment, claim and demand whatsoever, whether known or unknown, matured or unmatured, disputed or undisputed and whether asserted or assertable directly or derivatively in law, equity or otherwise held by the Debtors, the Estate, or the Committee as of the Effective Date, including, without limitation, Avoidance Actions, the First Midwest Actions, the Honkamp Claim, any and all claims and causes of action against the Debtors’ current or former directors and officers, and any and all proceeds of the foregoing Causes of Action.

1.3.12. “**Chapter 11 Cases**” means the cases commenced under chapter 11 of the Bankruptcy Code by the Debtors in the Bankruptcy Court, which are being jointly administered under Case No. 14-81854.

1.3.13. “**Claim**” means a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors.

1.3.14. “**Claims and Noticing Agent**” means Epiq Bankruptcy Solutions, LLC.

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

1.3.16. “**Class**” means a class of Claims or Interests, as described in Article II of the Plan.

1.3.17. “**Committee**” means the statutory official committee of unsecured creditors appointed by the United States Trustee in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code on November 5, 2014 [Docket No. 49].

1.3.18. “**Confirmation**” means the entry of the Confirmation Order on the docket of the Bankruptcy Court.

1.3.19. “**Confirmation Date**” means the date on which the Bankruptcy Court enters the Confirmation Order on its docket within the meaning of Bankruptcy Rules 5003 and 9021.

1.3.20. “**Confirmation Hearing**” means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued from time to time.

1.3.21. “**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.



1.3.22. “**Cure Amount Claim**” means any Claim based upon the Debtors’ monetary defaults under an Executory Contract or Unexpired Lease that is to be paid in connection with the assumption of such contract or lease under section 365 of the Bankruptcy Code by the Debtors.

1.3.23. “**Disputed Claim**” means any Claim: (x) as to which the Debtors, the Plan Proponents, the Liquidating Trustee, or another party in interest with standing has interposed a timely objection or otherwise contested or disputed the Claim or interposed a request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by the Bankruptcy Court pursuant to a Final Order, or (y) that is listed on the Schedules as unliquidated, disputed, or contingent. For the avoidance of doubt, any Claim of First Midwest shall be deemed a Disputed Claim under this Plan until a Final Order allowing such Claim in whole or in part is entered by the Court.

1.3.24. “**Disputed Claims Reserve**” means the reserve of Liquidating Trust Assets to be maintained as part of the Liquidating Trust, which reserve will maintain such assets in trust for Pro Rata distributions to Holders of Disputed Claims that become Allowed Claims.

1.3.25. “**Distribution Date**” means a date selected by any Disbursing Agent in accordance with the terms of the Plan, the Liquidating Trust Agreement, or other applicable documents to make distributions on account of Allowed Claims.

1.3.26. “**Effective Date**” means a day, as determined by the Plan Proponents, that is the Business Day as soon as reasonably practicable after all conditions to the Effective Date in Section 7.1 of the Plan have been met or waived in accordance with Section 7.2 of the Plan; *provided, however*, the Plan Proponents reserve the right to request that the Bankruptcy Court establish a date certain for the Effective Date in the Confirmation Order.

1.3.27. “**Estate**” means the estate created for the Debtors in their Chapter 11 Case, pursuant to section 541 of the Bankruptcy Code.

1.3.28. “**Estate Funds**” shall have the meaning set forth in paragraph 12 of the Final DIP Order. For the avoidance of doubt, Estate Funds includes Cash equal to \$250,000 plus 5% of any net purchase price (i.e. proceeds paid to First Midwest at closing) that exceeds the net purchase price in the “Stalking Horse Bid” (as defined in the Final DIP Order). As of July 20, 2015, there are \$ approximately \$300,000 in Estate Funds with Allowed Administrative Claims continuing to accrue through the Effective Date.

1.3.29. “**Executory Contract or Unexpired Lease**” means a contract or lease to which the Debtors is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code, and includes any modifications, amendments, addenda, or supplements thereto or restatements thereof.

1.3.30. “**Face Amount**” means either: (x) the full stated amount claimed by the Holder of a Claim in any proof of Claim Filed by the Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim specifies only a liquidated amount; (y) if no proof of Claim is Filed by the Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the Debtors’ Schedules, *provided that* such amount is not listed as disputed, contingent, or unliquidated; or (z) the amount of the Claim (i) acknowledged by the Debtors or Liquidating Trustee in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or (iii) proposed by the Debtors, the Committee, or the Liquidating Trustee, as the case may be, if (A) no proof of Claim has been Filed by the Bar Date or has

otherwise been deemed timely Filed under applicable law and such amount is not listed in the Debtors' Schedules or is listed in the Debtors' Schedules as disputed, contingent, or unliquidated or (B) the proof of Claim specifies an unliquidated amount (in whole or in part).

1.3.31. "**Fee Claim**" means any Claim under sections 328, 330(a), 331, 333, 503, or 1103 of the Bankruptcy Code for compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Case.

1.3.32. "**File**", "**Filed**" or "**Filing**" means file, filed, or filing with the Bankruptcy Court or its authorized designee in this Chapter 11 Case.

1.3.33. "**Final DIP Order**" means that certain Final Order Authorizing Debtors to (1) Obtain Post-Petition Financing Pursuant to Section 364 of the Bankruptcy Code, (2) Provide Adequate Protection, (3) Grant Liens, Security Interests and Superpriority Claims to the Post-Petition Lender, (4) Use of Cash Collateral, (5) Enter into Debtor-in-Possession Loan and Security Agreement, and (6) Granting Related Relief (Docket No. 108).

1.3.34. "**Final Order**" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Chapter 11 Cases, 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 petition for certiorari or move, under Bankruptcy Rule 9023 and/or Rule 59 of the Federal Rules of Civil Procedure, for a new trial, reargument, or rehearing has expired, and no appeal or petition for certiorari or other proceeding 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 shall have been denied or resulted in no modification of such order.

1.3.35. "**First Midwest**" shall mean First Midwest Bank, including any and all subsidiaries and affiliates.

1.3.36. "**First Midwest Actions**" shall mean any and all actions brought by the Committee, the Liquidating Trustee, or the Estates against First Midwest, including but not limited to any Avoidance Action related to First Midwest's alleged lien on the Honkamp Claim or other Assets.

1.3.37. "**First Midwest Claim**" shall mean any Claim filed by First Midwest against any of the Estates.

1.3.38. "**Honkamp Claim**" shall mean shall mean any Claim held or asserted against Honkamp & Krueger & Co., or any of its subsidiaries or affiliates, by the Estates.

1.3.39. "**General Unsecured Claim**" means any Claim that is not an Administrative Claim, Fee Claim, Priority Tax Claim, Other Priority Claim, Other Secured Claim, or a First Midwest Claim.

1.3.40. "**Holder**" means a party that holds or is deemed to hold a Claim or Interest, as the case may be.

1.3.41. "**Interest**" means the rights and interest of the holder of any instrument evidencing an ownership interest in the Debtors.

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

1.3.43. “**Liquidating Trust**” means the trust established pursuant to Section 3.3 of the Plan to administer the Liquidating Trust Assets and to make distributions to Holders of Allowed Claims.

1.3.44. “**Liquidating Trust Agreement**” means the trust agreement governing the Liquidating Trust, to be dated on or prior to the Effective Date, which will be substantially in the form filed as part of the Plan Supplement.

1.3.45. “**Liquidating Trust Assets**” means, collectively, all of the Debtors’ Assets as of the Effective Date, including but not limited to, cash, any Estate Funds remaining in the Estate on the Effective Date, and any Causes of Action. After the funding of the Liquidating Trust, the Liquidating Trust Assets shall also include any fiduciary accounting income and appreciation in trust principal.

1.3.46. “**Liquidating Trustee**” means                      [Rich Newman](#) (or any successor trustee in his capacity as the trustee of the Liquidating Trust).

1.3.47. “**Notice Parties**” means: (x) prior to the Effective Date, counsel for the Debtors, counsel for the Committee, counsel for First Midwest, and the United States Trustee and (y) on or after the Effective Date, the United States Trustee, the Liquidating Trustee and his or her counsel, and counsel for First Midwest.

1.3.48. “**Other Priority Claim**” means any Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code and that is not an Administrative Claim or a Priority Tax Claim.

1.3.49. “**Other Secured Claim**” means any Secured Claim that is not an Allowed First Midwest Claim.

1.3.50. “**Person**” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, or other entity.

1.3.51. “**Petition Date**” means October 24, 2014, the date on which the Debtors Filed their petitions for relief and commenced the Chapter 11 Cases.

1.3.52. “**Plan**” means the plan of liquidation filed by the Debtors and Committee, as the same may be amended, modified, or supplemented.

1.3.53. “**Plan Proponents**” means the Debtors and the Committee.

1.3.54. “**Plan Supplement**” means a supplement to the Plan in form and substance satisfactory to the Plan Proponents, and as such documents and exhibits may be altered, amended, modified, or supplemented from time to time with the consent of the Plan Proponents, which shall be filed with the Bankruptcy Court no later than ten (10) days prior to the Confirmation hearing, and include, among other things, the following documents: (i) the Liquidating Trust Agreement; (ii) the identity of the Liquidating Trustee; (iii); and the schedule of Causes of Action to be retained by the estate subsequent to the Effective Date.

1.3.55. “**Priority Tax Claim**” means any Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

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

1.3.57. “**Professional**” means any professional employed in the Chapter 11 Cases pursuant to sections 327, 328, 333, 363, or 1103 of the Bankruptcy Code, or any professional or other Person seeking compensation or reimbursement of expenses in connection with these Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

1.3.58. “**Representatives**” means, with respect to any Person, such Person’s successor, predecessor, officer, director, trustee, partner, employee, agent, attorney, advisor, investment banker, financial advisor, accountant, or other Professional of such Person, and committee of which such Person is a member, in each case in such capacity; provided, however, that no current or former officer, director, member or shareholder of any of the Debtors shall be considered a Representative.

1.3.59. “**Sale**” means the sale of substantially all the assets of the Debtors.

1.3.60. “**Sale Order**” means that certain Order Authorizing Sale of the Estates under Bankruptcy Code § 363 and the Assumption and Assignment of Executory Contracts and Leases under Bankruptcy Code § 365 [Docket No. 173].

1.3.61. “**Schedules**” means the schedules of assets and liabilities and the Statements of Financial Affairs Filed by each Debtor on November 17, 2014, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified, or supplemented.

1.3.62. “**Secured Claim**” means any Claim that is secured by a lien on property in which the Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code and, if applicable, section 1129(b) of the Bankruptcy Code.

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

1.3.64. “**United States Trustee**” means the Office of the United States Trustee for the Central District of Illinois.

1.3.65. “**Utility Deposits**” means deposits with utilities made by the Debtors after the Petition Date pursuant to section 366(b) of the Bankruptcy Code.

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

#### 1.4 **Final Approval of the Disclosure Statement and Confirmation of the Plan.**

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

1.4.2. **Approval of the Plan and 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 [DATE], at [TIME] (Central Time), for the Confirmation Hearing.

1.4.3. **Effect of Confirmation.** Except as otherwise provided in the Plan or in the Confirmation Order, Confirmation will effect the continued administration of the Debtors’ remaining assets in accordance with the Plan and the Liquidating Trust Agreement. Confirmation serves to make the Plan binding upon the Debtors, all Creditors, Interest Holders, and other parties-in-interest, regardless of whether they cast a Ballot to accept or reject the Plan.

1.4.4. **Effect of Failure to Confirm the Plan.** If the Plan is not confirmed by the requisite majorities in number and amount required by sections 1126 and 1129(a) of the Bankruptcy Code or if any of the other requirements for confirmation under the Bankruptcy Code are not met, the Debtors’ Chapter 11 Cases shall immediately be converted to cases under Chapter 7 of the Bankruptcy Code without further action of the Debtors, and the Bankruptcy Court shall enter an Order which shall be submitted to the Bankruptcy Court under certification of counsel. Section 1112(a) of the Bankruptcy Code governs the voluntary conversion from Chapter 11 to Chapter 7 and provides that a debtor may convert a Chapter 11 case to a Chapter 7 case at any time as of right, except in certain circumstances inapplicable here.

#### 1.5 **Voting on the Plan.**

1.5.1. **Impaired Claims or Interests.** Pursuant to section 1126 of the Bankruptcy Code, only the Holders of Claims in Impaired Classes that receive 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 Holders of such Claims or Interests treated in such Class. The Holders of Claims not Impaired by the Plan (Class I — Other Priority Claims, Class III — Other Secured 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 V — Interests) are deemed to reject the Plan and do not have the right to vote.

1.5.2. **Eligibility to Vote on the Plan.** Unless otherwise ordered by the Bankruptcy Court, only Record Holders of Allowed Class II and Class IV Claims may vote on the Plan.

1.5.3. **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 Item [ ] of the Ballot, and (iii) sign and return the Ballot to the address set forth on the Ballot

(please note that envelopes and prepaid postage have not been included with the Ballot). **BALLOTS SENT BY FACSIMILE TRANSMISSION 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 Balloting Agent on or before [DATE], at 4:00 p.m. (Central Time).

**1.6 Acceptance of the Plan.** As a Creditor, your acceptance of the Plan is important. In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Plan, or the Plan must qualify for cramdown of any non-accepting Class pursuant to section 1129(b) of the Bankruptcy Code. At least one impaired Class, excluding the votes of insiders, must actually vote to accept the Plan. **YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE BALLOT ATTACHED TO THE NOTICE. 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>2</sup> The Debtors were in the business of manufacturing, processing, and packaging lawn and garden products such as mulch, soil, fertilizer, plant food, organics, concrete and decorative stone for sale both to "big box" retailers and smaller, independent garden supply stores. Their corporate headquarters were located in Rock Island, Illinois and Milan, Illinois. The Debtors operated 17 plants throughout the United States, including in Illinois, Iowa, Indiana, Minnesota, Wisconsin, Missouri, and California. The Debtors' principal director and senior-most officer was Ron Bjustrom. The Debtors' corporate structure is as follows: (i) Bjustrom (who owns approximately 85%) and approximately 24 other individual shareholders own 100% of Old CSH, Inc. f/k/a Country Stone Holdings, Inc.; (ii) Old CSH, Inc. f/k/a Country Stone Holdings, Inc. owns 100% of Old CS&S Inc. f/k/a Country Stone & Soil, Inc., Old CS&SM, Inc. f/k/a Country Stone and Soil of Minnesota, Old CS&SW, Inc. f/k/a Country Stone and Soil of Wisconsin, Old CS, Inc. f/k/a Country Stone, Inc., Old IF, Inc. f/k/a Infinity Fertilizers, Inc., Old IL&G, Inc. f/k/a Infinity Lawn and Garden, Inc., Old IS, Inc. f/k/a Infinity Seed, Inc., Old QCE, Inc. f/k/a Quad City Express, Inc., Old R&DCPI, Inc. f/k/a R & D Concrete Products of Indiana, Inc., Old R&DCW, Inc. f/k/a R & D Concrete of Wisconsin, Inc., Old R&DP, Inc. f/k/a R & D Concrete Products, Inc., Old RIC, Inc. f/k/a Rock Island Contractors, Inc., and Old WS&G, Inc. f/k/a Wilhelm Sand & Gravel, Inc.; (iii) Bjustrom owns 100% of Old FWLS, Inc. (f/k/a Fort Wayne Landscape Supply, Inc.) and Old MPC, Inc. (f/k/a Millburn Peat Company); and (iv) Old GTI, LLC (f/k/a Green Thumb of Indiana, LLC) is wholly-owned by a Country Stone & Soil of Indiana, Inc., which in turn is wholly-owned by Bjustrom.

As of October 22, 2014, the Debtors were indebted under that certain First Amended and Restated Loan Agreement (the "Pre-Petition Loan Agreement") with First Midwest through certain loans (collectively, the "Pre-Petition Loans") and financial accommodations for approximately \$38,177,950.10. Pursuant to and in connection with the Pre-Petition Loan Agreement, the Debtors entered into certain collateral and ancillary documentation with the Pre-Petition Lender such that the Pre-Petition Loans were secured by a substantial portion of the Debtors' assets.

On or about ~~August 1, 2014~~, June 9, 2014, the Debtors, First Midwest, Bjustrom, and Country Stone & Soil of Indiana, Inc. entered into that certain ~~Second Amendment and Forbearance~~

<sup>2</sup> This summary description was prepared by the Debtors. Although the Committee is a Plan Proponent, the description herein of the pre-Petition Date matters shall not be binding in litigation on the Committee or the Liquidating Trustee.

~~Agreement~~forbearance agreement with respect to the Pre-Petition ~~Loans~~(Loan. The foregoing parties subsequently entered into six amendments to that forbearance agreements (the June 9, 2014 forbearance agreement, together with the six amendments to that forbearance agreement, are hereinafter referred to collectively as the “Forbearance Agreement” ). The Pre-Petition Lender required the Forbearance Agreement because of certain defaults that existed under the Pre-Petition Loans, including that the Pre-Petition Loans were in a substantial over-advance position. The cause of the over-advance relates to the Debtors’ inaccurate reporting of their inventory value on their consolidated audited financial statements. Indeed, for as many as 5 years, the Debtors had inaccurately reported the value of their inventory. That inaccuracy was not revealed to the Debtors until approximately February 2014, when the Debtors’ own personnel identified the problem. At no point did the Debtors’ outside auditing firm, Honkamp Krueger & Co., P.C. (“Honkamp”), which had audited the Debtors’ financial statements for years, identify the problem. Instead, Honkamp issued opinions that the Debtors’ financial statements were accurate and fairly represented the Debtors’ financial condition. The Debtors assert that Honkamp, in the performance of its auditing duties to the Debtors, failed to comply with generally accepted auditing standards, which failure gave rise to the Debtors’ need to commence these Chapter 11 Cases, among other damages.

Because of the over-advance and attendant defaults, the Pre-Petition Lender and the Debtors agreed, through the Forbearance Agreement, that the Debtors would hire certain professionals from Silverman Consulting, Steven Nerger and Michael Compton, to serve as Chief Restructuring Officer and Cash and Restructuring Manager, respectively.

A further description of the Debtors’ corporate history, their business, their prepetition debt structure and the challenges that led to the commencement of the Cases can be found in the Declaration of Steven Nerger in Support of Debtors’ Chapter 11 Petitions and First Day Motions [Docket No. 7].

**2.2 Debtors’ First Day Motions and DIP Loans.** On the Petition Date, the Debtors filed certain motions, without limitation, to jointly administer the Chapter 11 Case [Docket No. 18] and pay certain tax and regulatory obligation [Docket No. 8]. The Bankruptcy Court granted the relief sought in these first day motions. Additionally, the Debtors requested that the Bankruptcy Court authorize and approve that certain Debtor in Possession Loan and Security Agreement between the Debtors and First Midwest, pursuant to which, among other things, First Midwest would provide the Debtors with post-petition loans and other financial accommodations to fund the Debtors’ post-petition operations and these Chapter 11 Cases until the Debtors’ could finalize the sale of substantially all of the Debtors’ assets [Docket No. 25]. On November 26, 2014, the Bankruptcy Court entered a final order approving this postpetition financing [Docket No. 108].

**2.3 Sale of Substantially All of the Debtors’ Assets.** Also on the Petition Date, the Debtors filed a motion seeking approval of (i) certain bid procedures and (ii) the sale of substantially all of the Debtors’ assets [Docket No. 16] (the “Sale Motion”). The Sale Motion requested that this Court authorize and approve that certain Asset Purchase Agreement (the “Quikrete APA”) between the Debtors and Quikrete Holdings, Inc. (“Quikrete”), pursuant to which, among other things, Quikrete would purchase, subject to higher and better bids and an order from this Court, substantially all of the Debtors’ assets.

Pursuant to the order approving the Sale Motion, the Debtors conducted an auction on December 17, 2014. At the conclusion of the auction, two bidders, Hyponex Corporation and Techo-Bloc Inc. (together, the “Purchasers”), prevailed as the highest and best bidders for the Debtors’ assets. The Purchasers’ winning bids totaled \$29,000,000 plus a price by which the Purchasers would buy the Debtors’ inventory, which was subsequently determined to be \$4,000,000. On December 30, 2014, this Court entered an order approving the Sale to the Purchasers [Doc.173] (the “Sale Order”)

2.4 **Dispute Between the Committee and First Midwest.** The Committee has alleged, among other things, that First Midwest inappropriately exercised control over the Debtors through the leverage created by a personal guaranty that made Bjustrom liable for the Pre-Petition Loans. The Committee filed a lawsuit against First Midwest and Bjustrom that is currently pending. Details about the Committee's allegations can be found in the Complaint filed by the Committee [Docket No. 384]. First Midwest disputes the Committee's allegations. If the Plan is confirmed, the Cause of Action initiated by the Complaint will be a Liquidating Trustee Asset.

### 3. SUMMARY OF THE PLAN.

3.1 **Purpose of the Plan.** The Debtors proposed the Plan, jointly with the Committee, over the alternative of converting the Debtors' bankruptcy cases to Chapter 7 of the Bankruptcy Code because the Debtors believe that the Plan: (i) ensures a more orderly, more timely liquidation and distribution of the Debtors' remaining Assets; (ii) establishes the Liquidating Trust to facilitate the estates' recovery of any value remaining in the Estate Funds and all Causes of Action (including the Honkamp Claim) for the benefit of the Debtors' unsecured creditors; (iii) substantively consolidates all assets and liabilities of the Debtors; and (iv) avoids unnecessary costs to the Debtors' estates which would accrue should the Debtors' bankruptcy cases be converted to Chapter 7 of the Bankruptcy Code. For these reasons, both the Debtors and the Committee jointly propose the Plan.

3.2 **Classification of Claims and Interests under the Plan.** All Allowed Claims and Interests are placed in the Classes set forth in Article II of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative 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 the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

3.3 **Classification and Treatment of Allowed Class IV General Unsecured Claims.** As set forth in Article II of the Plan, the Holders of Class IV Allowed General Unsecured Claims shall receive a Pro Rata share of the net proceeds of the Liquidating Trust Assets transferred to the Liquidating Trust. The Debtors estimate that the aggregate amount of Allowed Class IV Claims is approximately \$ ~~\_\_\_\_\_~~ 36,000,000 and that Holders of such Claims will receive a recovery of ~~\_\_\_\_\_~~ 0-16%.

3.4 **Implementation and Execution of the Plan.**



3.4.1. **Effective Date.** As set forth in Article VII of the Plan, the Plan shall become effective on the date which is a Business Day as soon as reasonably practicable after all conditions set forth in Section 7.1 of the Plan have been satisfied or waived as set forth therein. Upon the occurrence of the Effective Date, the Debtors will file and post on the Noticing Agent Website a notice of confirmation and occurrence of the Effective Date. You will not receive further notice of the occurrence of the Effective Date and should monitor the Noticing Agent Website for such notice.

3.4.2. **Summary of Means of Implementation and Execution of the Plan.** Article III of the Plan sets forth the means by which the Plan shall be implemented and executed, including the wind down of the Debtors, substantive consolidation of the Debtors, establishment of the Liquidating Trust, and disposition of assets by the Liquidating Trustee.

3.4.3. **Appointment of Liquidating Trustee.** As of the Effective Date, the Liquidating Trustee shall be authorized to take all actions consistent with the Plan, the Liquidating Trust Agreement, and applicable law.

3.4.4. **Funding of the Liquidating Trust.** On the Effective Date, the Liquidating Trust Assets, including the Estate Funds, Avoidance Actions, and all Causes of Action (including the Honkamp Claim), will be delivered to and vest in the Liquidating Trust and will be managed by the Liquidating Trustee. The Debtors may, to the extent desirable or helpful, execute any contribution, assignment or other agreement memorializing the transfer of Liquidating Trust Assets to the Liquidating Trust.

3.4.5. **Rights and Powers of the Liquidating Trustee.** The Liquidating Trustee shall be deemed the Debtors' Estates' representative in accordance with section 1123 of the Bankruptcy Code and shall have the powers of a trustee under sections 704 and 1106 of the Bankruptcy Code and the rights and powers set forth in the Plan and the Liquidating Trust Agreement, including, without limitation, but subject to the authority of the Bankruptcy Court to the extent set forth in the Liquidating Trust Agreement, the rights to: (a) effect all actions and execute all agreements, instruments and other documents necessary to implement the Liquidating Trust provisions of the Plan; (b) accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle, and protect the Liquidating Trust Assets (directly or through its professionals, in accordance with the Plan); (c) sell, liquidate, transfer, distribute, abandon, or otherwise dispose of the Liquidating Trust Assets (directly or through its professionals) or any part thereof or any interest in the Plan upon such terms as the Liquidating Trustee determines to be necessary, appropriate, or desirable; (d) calculate and make distributions to Holders of Allowed Claims pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (e) comply with the Plan and exercise the Liquidating Trustee's rights and fulfill his or her obligations thereunder; (f) review, reconcile, or object to Claims and resolve such objections as set forth in the Plan; (g) pursue Causes of Action transferred to the Liquidating Trust, including, but not limited to, any Avoidance Actions; (h) subject to Section 3.5 of the Plan, retain and compensate professionals to represent the Liquidating Trustee, as necessary and appropriate to comply with the terms of the Plan and the Liquidating Trust Agreement without further authority from the Bankruptcy Court; (i) establish and maintain a Disputed Claims Reserve; (j) file appropriate Tax returns and other reports on behalf of the Liquidating Trust and pay Taxes or other obligations owed by the Liquidating Trust; (k) exercise such other powers as may be vested in the Liquidating Trustee under the Liquidating Trust Agreement or the Plan, or as deemed by the Liquidating Trustee to be necessary and proper to implement the provisions of the Plan and the Liquidating Trust Agreement; (l) object to the amount of any Claim on the Schedules if the Liquidating Trustee determines in good faith that the Claim is invalid or has previously been paid or satisfied; (m) pay any and all residual statutory fees of the Debtors as provided in Section 2.1.1.b of the Plan; and (n) dissolve the Liquidating Trust in accordance with the terms of the Liquidating Trust Agreement.

3.4.6. **Substantive Consolidation.** As set forth in Section 3.2 of the Plan: (i) all assets (and all proceeds thereof) and liabilities of the Debtors shall be deemed merged or treated as though they were merged into and with the assets and liabilities of each other, (ii) no distributions shall be made under the Plan on account of any intercompany Claims among the Debtors and all such Claims shall be eliminated and extinguished, (iii) all guaranties of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (iv) each and every Claim filed or to be filed in any of the Chapter 11 Cases shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (v) for purposes of determining the availability of the right of set off under section 553 of the Bankruptcy Code, the Debtors shall be treated as one entity so that, subject to the other provisions of section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set off against the debts of any of the other Debtors.

3.5 **Executory Contracts and Unexpired Leases.** To the extent not previously assumed or rejected in accordance with an Order of the Bankruptcy Court, all Executory Contracts, Unexpired Leases, or other agreements will be deemed rejected as of the Confirmation Date. To the extent not previously rejected in accordance with an Order of the Bankruptcy Court, claims arising out of the rejection of an Executory Contract or Unexpired Lease pursuant to Section 4.1 of the Plan must be Filed with the Bankruptcy Court and served on the Notice Parties by no later than thirty (30) days after the notice of entry of the Confirmation Order. Allowed rejection damages claims shall be Class 4 General Unsecured Claims. Any Claims not filed within such applicable time periods will be forever barred from receiving a distribution from the Debtors, the Estate, and/or the Liquidating Trust.

3.6 **Conditions Precedent to Confirmation and Consummation of the Plan.** Article VII of the Plan sets forth the conditions that must occur prior to both Confirmation of the Plan and the occurrence of the Effective Date. This Article also describes the ability of the Debtors and the Committee to together waive such conditions, as well as the effect of non-occurrence of the conditions to the Effective Date, including the vacation of the Confirmation Order. If the Confirmation Order is vacated pursuant to Section 7.4 of the Plan, (1) the Plan will be null and void in all respects; (2) nothing contained in the Plan will (a) constitute a waiver or release of any Claims by or against the Debtors or (b) prejudice in any manner the rights of the Debtors or any other party in interest; and (3) the Liquidating Trust, if already created, shall be promptly dissolved.

3.7 **Miscellaneous Provisions.** Article IX of the Plan contains several miscellaneous provisions, including: (i) the Debtors' payment of statutory fees pursuant to 28 U.S.C. § 1930; and (ii) the dissolution of the Committee.

3.8 **The Professional Fee Claim Bar Date and the Final Fee Hearing.** Section 2.1.1.c.ii of the Plan describes a bar date for all unpaid Fee Claims incurred by Professionals prior to the Effective Date. Final applications for allowance of Fee Claims for services rendered in connection with the Chapter 11 Cases shall be Filed with the Bankruptcy Court no later than thirty (30) days after the Effective Date. Objections to any Fee Claims must be filed and served on the Notice Parties and the requesting party by the later of: (a) sixty (60) days after the Effective Date; (b) thirty (30) days after the filing of the applicable request for payment of the Fee Claim; and (c) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Fee Claim.

#### 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 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.** Unless a member of an impaired class of claims accepts the Plan, the Bankruptcy Court must determine that such plan provides such member of the impaired class of claims and interests a recovery that has a value at least equal to the value of the recovery that each such Person would receive if the debtor was liquidated under Chapter 7 of the Bankruptcy Code on the effective date of such plan.

5.1.2. **Plan is in the Best Interests of Creditors.** As set forth in the Liquidation Analysis, attached hereto as **Exhibit B**, the Debtors believe that the Plan satisfies the best interests test, because, among other things, the recoveries expected to be available to Holders of Allowed Claims under the Plan will be greater than the recoveries expected to be available in a Chapter 7 liquidation.

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.

Substantially all of the Debtors' Assets have already been liquidated during the Cases through the sale consummated by the Debtors pursuant to the Sale Order. The Plan effects a liquidation of the Debtors' remaining Assets through the establishment of the Liquidating Trust. Although a Chapter 7 liquidation would have the same ultimate goal, the Debtors believe that the Plan provides the best source of recovery to holders of Allowed Unsecured Claims. Liquidating the Debtors' estates under Chapter 7 would not provide a timely distribution to holders of Unsecured Claims and would likely provide a smaller distribution to Holders of Allowed Unsecured Claims because of the fees and expenses that would be incurred during a Chapter 7 liquidation, including potential added time and expense incurred by the trustee and any retained professionals in familiarizing themselves with the Cases.

Accordingly, the Debtors believe that the Plan is in the best interests of creditors.

**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 beyond confirmation of the Plan.

**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.**

Holders of Claims 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 and the Plan, before deciding whether to vote to accept or reject the Plan.

**6.1 Certain Bankruptcy Considerations.** Even if the Class votes to accept the Plan, and the requirements for "cramdown" are met with respect to any Impaired Class deemed to have rejected the Plan, the 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 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 Court will reach the same conclusion.

**6.2 Asset Value and Claims 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.

## **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' belief and recommendation that the Plan fairly and equitably provides for the treatment of all Claims against and Interests in the Debtors.

[Signature on Following Page]

IN WITNESS WHEREOF, the Debtors have executed this Plan this ~~21~~<sup>21</sup>st day of July, 2015

Old CSH, Inc. f/k/a Country Stone Holdings, Inc.  
Old CS&S, Inc. f/k/a Country Stone & Soil, Inc.  
Old CS&SM, Inc. f/k/a Country Stone and Soil of Minnesota, Inc.  
Old CS&SW, Inc. f/k/a Country Stone and Soil of Wisconsin, Inc.  
Old CS, Inc. f/k/a Country Stone, Inc.  
Old FWLS, Inc. f/k/a Fort Wayne Landscape Supply, Inc.  
Old GTI, LLC f/k/a Green Thumb of Indiana, LLC  
Old IF, Inc. f/k/a Infinity Fertilizers, Inc.  
Old IL&G, Inc. f/k/a Infinity Lawn and Garden, Inc.  
Old IS, Inc. f/k/a Infinity Seed, Inc.  
Old MPC, Inc. f/k/a Millburn Peat Company, Inc.  
Old QCE, Inc. f/k/a Quad City Express, Inc.  
Old R&DCPI, Inc. f/k/a R & D Concrete Products of Indiana, Inc.  
Old R&DCW, Inc. f/k/a R & D Concrete of Wisconsin, Inc.  
Old R&DP, Inc. f/k/a R & D Concrete Products, Inc.  
Old RIC, Inc. f/k/a Rock Island Contractors, Inc.  
Old WS&G, Inc. f/k/a Wilhelm Sand & Gravel, Inc.

By: \_\_\_\_\_  
Name: Steven Nerger  
Title: Chief Restructuring Officer

**DISCLOSURE STATEMENT EXHIBIT A**

[Joint Proposed Plan]

**DISCLOSURE STATEMENT EXHIBIT B**

[Liquidation Analysis]



Document comparison by Workshare Compare on Monday, August 31, 2015  
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