



ENTERED
03/29/2016

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

HAVERHILL CHEMICALS LLC,

Debtor(s).

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**CASE NO. 15-34918
CHAPTER 11**

Marvin Isgur

**ORDER APPROVING DISCLOSURE STATEMENT AND CONFIRMING
SECOND AMENDED JOINT PLAN OF LIQUIDATION**

Haverhill Chemicals LLC (the “Debtor”), together with the Official Committee of Unsecured Creditors of the Debtor (the “Committee”) having filed a Combined Joint Disclosure Statement and Plan of Liquidation, dated February 15, 2016, and amended on February 24, 2016 (as amended, the “Plan”);¹ and a preliminary hearing on the adequacy of the disclosure statement having been held on February 25, 2016; and the Court having entered an order, dated February 25, 2016 (the “Approval Order”), conditionally approving the disclosure statement portion of the Plan (the “Disclosure Statement”), setting a hearing (the “Confirmation Hearing”) to consider confirmation of the Plan, and authorizing the method and transmittal of the Plan to all creditors and holders of equity interests; and it appearing that the Plan and the Approval Order were duly transmitted to all creditors, equity holders and parties in interest as required by the Approval Order, 11 U.S.C. §§ 101 – 1532 (as amended, the “Bankruptcy Code”), the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Bankruptcy Local Rules for the U.S. Bankruptcy Court for the Southern District of Texas; and, it appearing that Ballots were duly transmitted to all creditors entitled to vote on the Plan as required by the Approval Order, and upon the certification filed by counsel to the Debtor, pursuant to Bankruptcy Rule 3018 (the “Balloting Report”), from which it appears that, with respect to impaired classes of Claims and

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.
A copy of the plan is attached as Exhibit 'A'

Interests, (a) holders of Class 1 Claims have voted to accept the Plan; (b) holders of Class 4 Claims have voted to accept the Plan; and (c) holders of Class 5 Interests will retain no property under the Plan, and are therefore conclusively presumed to have rejected the Plan under §1126(g) of the Bankruptcy Code; and the Confirmation Hearing having been held on March 29, 2016; the record of the Confirmation Hearing and the full record of this case; and after due deliberation and sufficient cause appearing therefore, it is hereby

FOUND AND DETERMINED THAT:

A. The Court takes judicial notice of the docket of the case and related proceedings maintained by the Clerk of the Court, including, without limitation, all pleadings and other documents filed, all orders entered, and the transcripts of, and all evidence and arguments made, proffered or adduced at, the hearings held before the Court during the pendency of the case.

B. On September 18, 2015, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Court").

C. On or about October 7, 2015, the Court entered the *Final Order Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code and Granting Adequate Protection* [Dkt. No. 82], as amended by *Stipulation and Agreed Order Amending Final Order Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code and Granting Adequate Protection* [Dkt. No. 171], *Second Stipulation and Agreed Order Amending Final Order Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code and Granting Adequate Protection* [Dkt. No. 202], and *Third Stipulation and Agreed Order Amending Final Order Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code and Granting Adequate Protection* [Dkt. No. 236] (as may be further amended, the "Final Cash Collateral Order").

D. By operation of the Final Cash Collateral Order, the liens of the Agent for the benefit of the Lenders were adjudicated as first-priority, valid, binding, enforceable and properly perfected liens in, to, and against all of the Collateral (as defined in the Final Cash Collateral Order) .

E. Pursuant to the *Order Approving the Sale of Substantially All of Debtor's Assets and Assumption and Assignment of Contracts and Leases* [Dkt. 144] (the "Sale Order"), the Debtor sold substantially all of its assets to ALTIVIA Petrochemicals, LLC ("ALTIVIA"), free and clear of liens and encumbrances (except as otherwise provided in the Sale Order) pursuant to that certain Asset Purchase Agreement between the Debtor and ALTIVIA dated September 18, 2015, as amended by the First Amendment dated as of October 22, 2015 and the Second Amendment dated November 4, 2015 (as amended, the "ALTIVIA APA").

F. Pursuant to Section 6.11(c) of the ALTIVIA APA, ALTIVIA is required to pay or reimburse the Debtor for all costs and expenses of the Transferred Employees' (as defined in the ALTIVIA APA) participation in the Debtor's medical, prescription drug, dental and vision plans from the Closing Date (as defined in the ALTIVIA APA) through November 30, 2015. On February 16, 2016, the Debtor sent ALTIVIA a letter demanding that ALTIVIA reimburse the Debtor \$36,426 for such costs and expenses (the "ALTIVIA Health Care Reimbursement"). As of the date hereof, ALTIVIA has not paid the Debtor the ALTIVIA Health Care Reimbursement amount. At the confirmation hearing, the Court instructed the parties that they may, but are not required to, file a motion for Altivia to show cause why it should not be compelled to comply with all of its obligations and to self-calendar any such motion for a hearing at 9:30 a.m. on April 15, 2016.

G. Pursuant to Section 6.13 of the ALTIVIA APA, the Debtor was to use reasonable efforts (at no cost to the Debtor) for a reasonable period after the Closing (as defined in the ALTIVIA APA), not to exceed sixty (60) days, to keep in place certain Permits (as defined in the

ALTIVIA APA) not transferred at Closing (as defined in the ALTIVIA APA) and to cooperate with ALTIVIA to facilitate the transfer of such Permits. Furthermore, ALTIVIA is required to post such deposits, bonds or other security as necessary to replace any existing deposits, bonds or other security made or posted under any Permits transferred under the ALTIVIA APA. As of the date hereof, ALTIVIA has not posted the bond associated with the RCRA permit to replace the bond previously posted by the Debtor, and the Debtor has incurred costs and may incur additional costs as a result thereof. At the confirmation hearing, the Court instructed the parties that they may, but are not required to, file a motion for Altivia to show cause why it should not be compelled to comply with all of its obligations and to self-calendar any such motion for a hearing at 9:30 a.m. on April 15, 2016.

H. Certain of the Company Records (as defined in the ALTIVIA APA), which belong to the Debtor, continue to be stored at the Facility (as defined in the ALTIVIA APA).

I. Except for the Agent and the Lenders on account of their secured claims against the Debtor, by operation of the Sale Order and § 506(a)(1) of the Bankruptcy Code, all other parties that claim to hold secured claims against the Debtor shall be deemed to hold unsecured claims against the Debtor, subject to the rights of all parties to object to such claims as otherwise provided under the Bankruptcy Code, the Bankruptcy Rules and other orders of this Court.

J. The confirmation of the Plan and related matters are core proceedings within the meaning of 28 U.S.C. § 157, over which the Court has jurisdiction to enter a final order. Venue of the case is proper in this district.

K. At the Confirmation Hearing, the Court found that the Disclosure Statement contains “adequate information” as required by 11 U.S.C. § 1125.

L. The information contained in the Disclosure Statement and evidence adduced at the Confirmation Hearing, along with the record in this Case, was sufficient to enable parties-in-

interest and the Bankruptcy Court to make an informed judgment that the Plan is feasible, is fair and equitable, is in the best interest of all parties-in-interest, and should be approved.

M. All parties-in-interest, including all creditors and equity holders, required to receive notice of the Confirmation Hearing have received due, proper and adequate notice thereof, and no other or further notice of the Confirmation Hearing is required. All such parties had an opportunity to appear and be heard at the Confirmation Hearing.

N. The classification of claims and equity interests under the Plan complies with §1122 of the Bankruptcy Code. The Plan provides for the same treatment for each claim of a particular class, unless the holder of a particular claim agrees to different treatment.

O. The procedures by which the Ballots were distributed and tabulated were fair, properly conducted and in compliance with the Approval Order. Solicitation of acceptances of the Plan was undertaken in compliance with the applicable provisions of the Bankruptcy Code.

P. The Plan complies with all applicable provisions of the Bankruptcy Code as required by § 1129(a)(1).

Q. The proponents of the Plan -- the Debtor and the Committee -- have complied with all applicable provisions of the Bankruptcy Code as required by § 1129(a)(2).

R. The Plan has been proposed in good faith and not by any means forbidden by law and satisfies the requirements of § 1129(a)(3).

S. Any payment made or to be made by the Debtor, for services or for costs and expenses in or in connection with the Case, or in connection with the Plan and incident to the Case, has been approved by, or is subject to the approval of the Court as reasonable, as required by § 1129(a)(4).

T. As of the Effective Date of the confirmed Plan, the Plan provides for the formation of a Distribution Trust, appointment of an Oversight Committee and a Plan

Administrator to oversee the wind-down and dissolution of the estate pursuant to the terms of the Plan and the Distribution Trust Agreement.

U. Goradia Capital LLC does not hold an interest adverse to the estate and its appointment as Plan Administrator is consistent with the interests of holders of claims and with public policy. Accordingly, the Plan satisfies the requirements of § 1129(a)(5) of the Bankruptcy Code.

V. The Plan does not provide for any rate changes requiring the approval of any governmental regulatory commission within the purview of § 1129(a)(6) of the Bankruptcy Code.

W. Based on the liquidation analysis attached as Exhibit A to the Plan, each impaired class of claims or interests will receive under the Plan on account of such claim or interest property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. The proponents of the Plan have satisfied the requirements of § 1129(a)(7).

X. Section 1129(a)(8) of the Bankruptcy Code requires that, with respect to each class of claims or interests, such class has either accepted the Plan or is not impaired under the Plan. Every class of claims or interests either (i) has accepted the Plan, (ii) is not impaired under the Plan, or (iii) is deemed to have rejected the Plan pursuant to § 1126(g) of the Bankruptcy Code. Under the Plan, (a) Classes 1 and 4 are impaired; (b) Classes 2 and 3 are unimpaired and deemed to have accepted the Plan, and (b) Class 5 is deemed to have rejected the Plan. The required number of creditors and amount of creditor claims in Classes 1 and 4 have voted to accept the Plan and satisfies the requirements of Bankruptcy Code § 1126(c).

Y. Notwithstanding the Plan's failure to comply with Bankruptcy Code § 1129(a)(8) with respect to Class 5, the Plan can be confirmed because the Plan complies with Bankruptcy Code §§ 1129(b)(2)(B) and 1129(b)(2)(C). The Plan does not discriminate unfairly with respect

to holders of Class 5 Interests and the Plan does not provide a distribution to any classes junior to such classes that are receiving a distribution under the Plan.

Z. The Plan provides that all holders of allowed administrative claims (other than Professionals) specified in § 507(a)(2) of the Bankruptcy Code will receive cash from the Distribution Trust in an amount equal to any unpaid portion of such allowed administrative claim on the later of: (a) seven (7) business days after the Effective Date; or (b) seven (7) business days after the date such administrative claim becomes an allowed claim. The Plan provides that all holders of allowed priority tax claims specified in § 507(a)(8) of the Bankruptcy Code will receive cash from the Distribution Trust in the amount of such claim as soon as reasonably practicable after the Effective Date or the date such priority tax claim becomes an allowed claim. The Plan, therefore, satisfies the requirements of § 1129(a)(9).

AA. As indicated in the Balloting Report, the Plan has been accepted by at least one impaired class (Classes 1 and 4), determined without including the acceptance of the Plan by any insider. The Plan satisfies Bankruptcy Code § 1129(a)(10).

BB. The Plan satisfies the requirements under Bankruptcy Code § 1129(a)(11). Bankruptcy Code § 1129(a)(11) requires that “[c]onfirmation of the plan is not likely to be followed by the liquidation . . . of the debtor . . . unless such liquidation or reorganization is proposed in the plan.” The Plan proposes to liquidate the Debtor.

CC. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(12) because all payments that are required under that section of the Bankruptcy Code can be feasibly made following the occurrence of the Effective Date under the Plan. Further, none of the payments or actions contemplated in the Plan is dependent on the occurrence of any unlikely contingent event. The structure of the Plan and mechanisms for implementation of the Plan are reasonable and appropriate, and the estate is able to pay (or reserve for) all of the payments required to be made on and after the Effective Date of the Plan.

DD. The Plan provides for the payment of all fees payable under 28 U.S.C. § 1930 in compliance with § 1129(a)(12).

EE. The Plan does not need to satisfy the requirements of Bankruptcy Code § 1129(a)(13), (14) and (15) because the Debtor is not subject to any obligations on account of retiree benefits, as that term is defined in § 1114 of the Bankruptcy Code, the Debtor is not subject to paying a domestic support obligation and the Debtor is not an individual.

FF. The Plan complies with the applicable provisions in § 1129(b) of the Bankruptcy Code. Notwithstanding the deemed rejection of the Plan by Class 5 Interests, the Plan complies with the requirements of Bankruptcy Code § 1129(b)(2)(B) and 1129(b)(2)(C).

GG. The primary purpose of the Plan is not the avoidance of taxes or the avoidance of the application of § 5 of the Securities Act of 1933.

HH. The amount of the Distribution Trust Seed Money is sufficient to fund the Distribution Trust and to satisfy all allowed administrative claims (other than Professionals) and all allowed priority tax claims.

II. Each Professional currently hold funds representing Cash Collateral in its client trust account (the "Professional Trust Funds") in an amount sufficient to satisfy the unpaid amount of all allowed administrative claims of such Professional that are ultimately approved pursuant to an order (a "Final Fee Application Order") approving a final application for allowance of compensation and reimbursement of expenses (a "Final Fee Application") filed by such Professional.

JJ. The release and exculpation provisions of Section VI(J) of the Plan are appropriate under the facts and circumstances of this Case.

KK. The releases of all claims, rights and/or causes of action under Chapter 5 of the Bankruptcy Code by the Debtor on behalf of itself and its estate in connection with the Plan is in

the best interest of the estate, satisfies Bankruptcy Rule 9019 and applicable laws related to settlement of claims by the Debtor's estate.

LL. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in § 1129 of the Bankruptcy Code.

NOW, based on the foregoing findings of fact and conclusions of law, and after due deliberation, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**²

1. **Approval of Disclosure Statement.** Pursuant to 11 U.S.C. § 1125(b) and Federal Rule of Bankruptcy Procedure 3017(b), the Disclosure Statement is approved on a final basis.

2. **Confirmation of Plan.** If there is any conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this Confirmation Order shall control. All objections and responses to, and statements regarding, the Plan, to the extent they have not been withdrawn prior to entry of this Confirmation Order or are not cured by the relief granted herein, are hereby overruled.

3. **Effective Date.** The Effective Date shall occur (if ever) by no later than May 30, 2016 (assuming the conditions precedent in the Plan are satisfied). In the event that the Effective Date has not occurred by May 30, 2016, then (a) the Plan shall never become binding upon any party, (b) the Debtor's use of Cash Collateral (as defined in the Final Cash Collateral Order) shall terminate, and (c) the automatic stay of § 362(a) of the Bankruptcy Code shall be deemed terminated (and the fourteen day stay provided by Bankruptcy Rule 4001(a)(3) shall be deemed waived) without the necessity of any further action by the Agent or any further authorization of the Court in order to permit the Agent and the Lenders to exercise all rights and remedies with respect to all Collateral. Upon the occurrence of the Effective Date, (a) the

² The findings of this Court above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable herein pursuant to Fed. R. Bankr. P. 9014. To the extent any findings of fact shall be determined to be conclusions of law, it shall be so deemed, and vice versa.

Debtor's use of Cash Collateral (as defined in the Final Cash Collateral Order) shall terminate except with respect to the Professional Trust Funds (which are addressed below), and (b) the automatic stay of § 362(a) of the Bankruptcy Code shall be deemed terminated (and the fourteen day stay provided by Bankruptcy Rule 4001(a)(3) shall be deemed waived) without the necessity of any further action by the Agent or any further authorization of the Court in order to permit the Agent and the Lenders to exercise all rights and remedies with respect to all Collateral, other than the Professional Trust Funds (which are addressed below) and the Distribution Trust Assets. Prior to the occurrence of the Effective Date, the Final Cash Collateral Order shall remain in full force and effect, and nothing contained in the Plan or this Order shall alter or modify the Final Cash Collateral Order. After the occurrence of the Effective Date, the Professional Trust Funds held by each Professional shall only be available to pay any unpaid amount of the allowed administrative claims of such Professional that are approved pursuant to a Final Fee Application Order, and the amount of the Professional Trust Funds remaining after payment of such allowed/approved claims shall be remitted to the Agent. For purposes of clarity, the Agent is authorized to debit all amounts held in or deposited into the Debtor's accounts with Bank of America (including account ending 9806) on and after the Effective Date and to apply such amounts to repayment of the Prepetition Indebtedness (as defined in the Final Cash Collateral Order) or any other amounts owing under the Credit Facility.

4. **Distribution Trust.** The Court hereby approves the Distribution Trust Agreement, substantially in the form filed with the Court on March 24, 2016. Subject to the occurrence of the Effective Date, the Oversight Committee shall be comprised of: (i) Marathon Petroleum Company LP; (ii) Pritchard Electric Co.; and (iii) CB&I Stone & Webster Construction Inc. The Plan Administrator of the Distribution Trust shall be Goradia Capital LLC. Both the Oversight Committee and the Plan Administrator shall be bound by the terms of the Distribution Trust Agreement. Pursuant to § 1123(b)(3) of the Bankruptcy Code, the

Oversight Committee shall have standing to prosecute claims previously owned by the estate. Goradia Capital LLC, as Plan Administrator, is authorized to take custody of the Company Records and to have the Company Records transferred, at its expense, from the Facility to a location selected by Goradia Capital LLC.

5. **Binding Plan and Order.** The provisions of the Plan and this order (this “**Order**”) are binding upon the Debtor, its successors, all entities acquiring property under the Plan, all creditors and equity holders of the Debtor, and all other parties in interest. This Order shall be a final determination as to the rights of all claimants and interest holders to participate in the distributions under the Plan, whether or not (a) a proof of claim is filed or deemed filed under § 501 of the Bankruptcy Code, (b) such claim is an allowed claim, or (c) the holder of such claim has voted on or accepted the Plan.

6. **Omission of Reference to Particular Plan Provisions.** The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, and enforceability of such provision and such provision shall have the same validity, binding effect and enforceability as every other provision in the Plan.

7. **Injunction.** All persons who are bound by the Plan, including holders of claims or interests not listed on the Schedules, or listed on the Schedules as disputed, unliquidated or contingent, who did not file proofs of claim or interest by the applicable Bar Date, are hereby enjoined and prevented from: (a) commencing or continuing any suit, action or other proceeding of any kind or nature or employing any process against the Debtor, the estate, the Debtor’s assets, the Distribution Trust, the Distribution Trust Assets, the Oversight Committee, the Plan Administrator or any direct or indirect successor to the Debtor, or to interfere with the consummation or implementation of the Plan and the settlements thereunder or the distributions to be made thereunder, (b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order

against the Debtor, the estate, the Debtor's assets, the Distribution Trust, the Distribution Trust Assets or any direct or indirect successor in interest to the Debtor, or any assets or property of such successor, (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien against the Debtor, the estate, the Debtor's assets, the Distribution Trust, the Distribution Trust Assets or any direct or indirect successor in interest to the Debtor, or any assets or property of such successor, other than as contemplated by the Plan, (d) except as provided herein, asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the Debtor, the estate, the Debtor's assets, the Distribution Trust, the Distribution Trust Assets, or any direct or indirect successor in interest to the Debtor, or any assets or property of such successor, and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan.

8. **Exculpation.** From and after the Effective Date, to the extent permitted under § 1125(e) of the Bankruptcy Code, the Debtor and the estate, the officers and directors of the Debtor, the Committee and each member thereof, the Plan Administrator, the Agent, the Lenders, and the Debtor's and Committee's Professionals shall neither have nor incur any liability to any person for any act taken or omitted to be taken in connection with the case, including the formulation, preparation, dissemination, implementation, confirmation or approval of the Plan; *provided, however*, that the foregoing provisions (a) shall not affect the liability of any person that otherwise would result from any such act or omission to the extent that act or omission is determined in a final, non-appealable order to have constituted gross negligence or willful misconduct and (b) shall not abrogate any applicable disciplinary rules.

9. **Rejection Bar Date.** In accordance with the Plan, all executory contracts and unexpired leases not assumed by a final order of the Court during the Case are deemed rejected as of the Confirmation Date. Each Person who is a party to any executory contract or unexpired lease rejected pursuant to the Plan shall be entitled to file with the clerk of the Court,

no later than thirty (30) days following the Confirmation Date, a proof of claim for damages, if any, alleged to arise from the rejection of such executory contract or unexpired lease. A copy of the proof of claim must also be served on counsel for the Debtor and the Plan Administrator. The failure of such entity to file a proof of claim within the period prescribed herein shall forever bar such person from asserting any claim for damages arising from the rejection of such executory contract. The filing of any such proof of claim shall be without prejudice to any and all rights the Debtor or the Distribution Trust may have to object to the allowance thereof.

10. **Bar Date for Professional Fee Claims.** Professionals requesting compensation or reimbursement of expenses pursuant to §§ 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered prior to the Effective Date must file and serve a Final Fee Application **no later than thirty (30) days after the Effective Date**. All such Final Fee Applications will be subject to the authorization and approval of the Court by entry of a Final Fee Application Order.

11. **Retention of Jurisdiction.** Notwithstanding entry of this Order or the occurrence of the Effective Date, this Court shall retain jurisdiction of this proceeding under the provisions of the Bankruptcy Code, including, without limitation, § 1142(b) thereof and of the Federal Rules of Bankruptcy Procedure to ensure that the intent and the purpose of the Plan is carried out and given effect, to the maximum extent that post-confirmation jurisdiction may be retained by a bankruptcy court. To the maximum extent that post-confirmation jurisdiction may be retained by a bankruptcy court, and without limitation by reason of specification, this Court shall retain jurisdiction for the following purposes:

- a) To consider any modification of the Plan pursuant to § 1127 of the Bankruptcy Code and/or any modification of the Plan after substantial consummation thereof;
- b) To hear and to determine:
 - i) any and all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of the Plan and all other

contracts, instruments, releases and other agreements or documents adopted in connection the Plan or the Distribution Trust Agreement;

- ii) any and all controversies, suits and disputes, if any, as may arise between or among the holders of any claim or interest and the Debtor or the Distribution Trust, including objections to claims;
- iii) any and all claims and causes of action which may exist on behalf of the Debtor; *provided, however*, that the Litigation Claims may, at the discretion of the Distribution Trust, be brought or continued in any appropriate forum or jurisdiction;
- iv) any and all pending applications, motions and litigated matters;
- v) any matters relating to the assumption, assumption and assignment or rejection of any executory contract;
- vi) any issues related to any matters adjudicated in the case;
- vii) any applications, motions and proceedings involving the Debtor or brought on behalf of the Debtor that may be pending on the Effective Date or instituted by the Distribution Trust after the Effective Date; *provided, however*, that the Distribution Trust shall have the right to commence actions in any appropriate forum or jurisdiction;
- viii) any applications for compensation and reimbursement of Professionals;
- ix) resolve any cases, controversies, suits or disputes with respect to any exculpation or other provision contained in the Plan and enter such orders or take such other actions as may be necessary or appropriate to implement or enforce all such provisions; and
- x) enter an order closing this case.

12. **Implementation.** The Debtor or such party as may be designated in the Distribution Trust Agreement, as appropriate, shall have the power to execute any instrument or document to effectuate the transfer of any money or property required by the Plan. In accordance with § 1142 of the Bankruptcy Code, the Debtor (prior to the Effective Date) or such party as may be designated in the Distribution Trust Agreement (after the Effective Date) are authorized, empowered and directed to issue, execute, deliver, file and record any document, and to take any action necessary to appropriate to implement, effect and consummate the Plan and any transactions contemplated thereunder. Subject to the Agent's and Lenders' rights under the

Final Cash Collateral Order and the Plan, the Debtor is authorized and has the standing to recover any remaining money or property owed to the Debtor's estate that does not constitute Distribution Trust Assets including amounts, if any, owed by ALTIVIA under the Sale Order and related transactional documents, including the ALTIVIA Health Care Reimbursement amount.

13. **U.S. Trustee Fees and Reports.** All fees due and payable to the United States Trustee, pursuant to 28 U.S.C. § 1930, shall be paid in full in cash on or prior to the Effective Date. All fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date will be paid from the Distribution Trust until the closing of the case pursuant to § 350(a) of the Bankruptcy Code. The Distribution Trust shall file post-confirmation reports as required by the Office of the United States Trustee.

14. **Release of Avoidance Actions.** By operation of the entry of this Order, the Debtor on behalf of itself and its estate releases any and all claims, rights and/or causes of action under Chapter 5 of the Bankruptcy Code, any and all claims, rights and/or causes of action under fraudulent conveyance and fraudulent transfer laws, and any and all claims, rights and/or causes of action under non-bankruptcy laws vesting in creditors rights to avoid, rescind, or recover on account of transfers including but not limited to all preference laws.

15. **Litigation Claims.** For purposes of clarity, the term "Litigation Claims" (as defined in the Plan) does not include any amounts payable to the Debtor under any agreement between the Debtor and a third party or on account of any accounts receivable, deposits, prepaid amounts, or refunds (other than amounts payable in connection with the claims and causes of action identified in clauses (i) – (iv) of the definition of "Litigation Claims").

16. **Lender Claims.** The entry of this Order shall constitute the allowance of the Lenders' claims against the Debtor in the aggregate principal amount of \$39,704,105.29 (the "Allowed Lender Claim"). Each Lender shall have a separate beneficial interest in the Distribution Trust (which together shall represent 60% of the beneficial interests in the

Distribution Trust), and each Lender's beneficial interest shall be based upon such Lender's pro rata amount of the Allowed Lender Claim as follows: (a) Bank of America, N.A. - \$13,691,070.77; (c) Regions Bank - \$12,321,963.70; and (c) Wells Fargo, N.A. - \$13,691,070.82. As set forth in the Distribution Trust Agreement, the Distribution Trust waives and releases any Litigation Claims against the Agent and the Lenders.

17. **Continuing Validity of Prior Orders.** The entry of this Order and confirmation of the Plan shall not affect the validity, enforceability, terms, conditions, and/or deadlines set forth in any prior orders, stipulations, or judgments previously entered in this case, which orders, stipulations, and judgments shall remain in full force and effect notwithstanding the closing of this case or entry of a final decree.

18. **Import of this Order.** In the event of an inconsistency between the Plan and this Order, this Order shall control.

19. **Filing of Order.** This Order may be filed in any place where state, federal or local law permits filing or recording.

Dated this 29 day of March, 2016.



MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
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	§	CASE NO. 15-34918
HAVERHILL CHEMICALS LLC,	§	CHAPTER 11
	§	
Debtor(s).	§	Marvin Isgur

**SECOND AMENDED JOINT COMBINED DISCLOSURE STATEMENT AND
PLAN OF LIQUIDATION OF HAVERHILL CHEMICALS LLC AND
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

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Dated: February 26, 2016

Exhibit "A"

PLEASE READ THIS COMBINED DISCLOSURE STATEMENT AND PLAN OF LIQUIDATION CAREFULLY. THIS DOCUMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN OF LIQUIDATION WHICH IS ENCLOSED WITHIN THIS COMBINED DOCUMENT. THE DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS BELIEVE THAT ACCEPTANCE OF THE PLAN OF LIQUIDATION IS IN THE BEST INTEREST OF THE DEBTOR AND ITS CREDITORS AND PROVIDES THE HIGHEST AND MOST EXPEDITIOUS RECOVERIES TO HOLDERS OF ALLOWED CLAIMS AGAINST THE DEBTOR

Haverhill Chemicals LLC ("Haverhill" or the "Debtor") and the Official Committee of Unsecured Creditors appointed in the above-referenced case (the "Committee"), respectfully submit this second amended joint combined disclosure statement and plan of liquidation (the "Plan and Disclosure Statement") pursuant to §§ 1125 and 1129 of Title 11 of the United States Code, as amended (the "Bankruptcy Code"). The Plan and Disclosure Statement amends and replaces the original version filed with the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") at docket number 244 in the above-referenced case and the first amended version filed with the Bankruptcy Court at docket number 251.

I.

DESCRIPTION OF THE PLAN AND DISCLOSURE STATEMENT

The purpose of this Plan and Disclosure Statement is to provide creditors and equity holders of the Debtor with adequate information to enable them to make an informed judgment concerning the method by which the Debtor plans to liquidate. The Plan and Disclosure Statement contains the exclusive and final statement of the rights of the Debtor, its creditors, equity holders and other interested parties, and sets forth what (if anything) each of those groups will receive and how they will receive it. It is strongly recommended that the Plan and Disclosure Statement be read in its entirety. If the Bankruptcy Court confirms the Plan and Disclosure Statement, it will become binding on the Debtor, all creditors, equity holders and other interested parties.

You are also urged to read the contents of the Plan and Disclosure Statement in order to determine what rights you may have to vote on or object to the method by which the Debtor plans to liquidate and before making any decision on any such course of action. Particular attention should be directed to the provisions of the Plan and Disclosure Statement affecting or impairing your rights as they existed before the institution of this case. Please note, however, that this document cannot tell you everything about your rights. For instance, this Plan and Disclosure Statement cannot and does not provide a complete description of the financial status of the Debtor, all of the applicable provisions of the Bankruptcy Code, or other matters that may be deemed significant by creditors and other parties in interest. You are also encouraged to consult with your lawyers and/or advisors as you review and consider the Plan and Disclosure Statement to enable you to obtain more specific advice on how the Debtor's actions will affect you.

Creditors whose claims are impaired have the right to vote to accept or reject the Plan and Disclosure Statement. Generally speaking, a claim or interest is impaired if the legal, contractual or

equitable rights of the holder of the claim or interest is altered by the Plan and Disclosure Statement. A class of creditors accepts the Plan and Disclosure Statement when creditors holding two-thirds in amount of such class and more than one-half in number of the claims in such class who actually cast their ballots votes to accept the Plan and Disclosure Statement.

In this case, the Plan and Disclosure Statement contains four (4) classes of claims and one (1) class of interests. The Plan and Disclosure Statement impairs holders of Classes 1 and 4 Claims and Class 5 Interests. Class 5 Interests receive no distribution under the Plan and Disclosure Statement and are, thus, deemed to reject the Plan and Disclosure Statement. **Accordingly, votes will be solicited from Classes 1 and 4 only.**

IN THE OPINION OF THE DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THE PLAN CONTEMPLATES A GREATER RECOVERY THAN IS LIKELY TO BE ACHIEVED UNDER ANY OTHER ALTERNATIVE FOR THE LIQUIDATION OF THE DEBTOR UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OR UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE DEBTOR AND THE COMMITTEE BELIEVE THAT CONFIRMATION OF THE PLAN AND DISCLOSURE STATEMENT IS IN THE BEST INTERESTS OF THE DEBTOR'S CREDITORS AND INTEREST HOLDERS AND RECOMMEND THAT ALL HOLDERS OF CLAIMS VOTE TO ACCEPT THE PLAN.

The following materials are included with this Plan and Disclosure Statement:

1. A copy of an order (the "Disclosure Statement Order") that establishes: (a) the date by which objections to confirmation of the Plan and Disclosure Statement must be served and filed, (b) the date by which all votes with respect to the Plan and Disclosure Statement must be cast, (c) the date of the hearing in the Bankruptcy Court to consider confirmation of the Plan and Disclosure Statement, and (d) other relevant information; and
2. A Ballot for holders of Claims to vote with respect to the Plan and Disclosure Statement.

The adequacy of the disclosures in this Plan and Disclosure Statement was approved by the Bankruptcy Court by the Disclosure Statement Order on February 25, 2016 after notice and hearing pursuant to § 1125 of the Bankruptcy Code. The Bankruptcy Court found that the information contained herein is of the kind, and is sufficiently detailed, to enable a hypothetical, reasonable investor typical of the class being solicited to make an informed judgment concerning the Plan and Disclosure Statement. **HOWEVER, THE BANKRUPTCY COURT HAS NOT CONFIRMED THE PLAN AND DISCLOSURE STATEMENT, NOR IS THIS DOCUMENT OR THE DISCLOSURE STATEMENT ORDER TO BE CONSTRUED AS APPROVAL OR ENDORSEMENT OF THE PLAN AND DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT.**

As stated in the Disclosure Statement Order, the Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan and Disclosure Statement for March 29, 2016 at 10:00 a.m. (the "Confirmation Hearing"). Holders of claims and interests, as well as other parties in interest, may attend this hearing. Objections to confirmation of the Plan and Disclosure Statement, if any, must be in writing and filed with the Bankruptcy Court so as to be received no later than 4:00 p.m. on March 24, 2016,

All Ballots must be completed in full and signed to be counted in the tabulation of the votes and must be received no later than 4:00 p.m. on March 24, 2016 by:

Diamond McCarthy LLP
Counsel to Haverhill Chemicals LLC
909 Fannin, Suite 1500
Houston, Texas 77010
Attn: Kyung S. Lee
Charles Rubio
William Hotze

This document contains a description of the assets, liabilities and affairs of the Debtor, a description and analysis of the plan by which the Debtor intends to liquidate (the "Plan"), and an analysis of alternatives to the Plan.

A. Representations/Limitations

NO PERSON IS AUTHORIZED BY THE DEBTOR IN CONNECTION WITH THE PLAN AND DISCLOSURE STATEMENT OR THE SOLICITATION OF VOTES THEREON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DOCUMENT AND THE EXHIBITS ANNEXED HERETO OR INCORPORATED HEREIN BY REFERENCE OR REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTOR.

THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED BY THE DEBTOR AND THE COMMITTEE IN GOOD FAITH, BASED UPON UNAUDITED INFORMATION AVAILABLE TO THE DEBTOR AS OF THE DATE HEREOF. ALTHOUGH THE DEBTOR AND THE COMMITTEE HAVE USED BEST EFFORTS TO ENSURE THAT SUCH INFORMATION IS ACCURATE, THE INFORMATION CONTAINED HEREIN IS UNAUDITED. THE DEBTOR AND THE COMMITTEE BELIEVE THAT THIS PLAN AND DISCLOSURE STATEMENT COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY CODE.

THE STATEMENTS CONTAINED IN THIS PLAN AND DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND DELIVERY OF THIS PLAN AND DISCLOSURE STATEMENT SHALL NOT CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE OF THIS DOCUMENT AND THE

DATE THE MATERIALS RELIED UPON IN PREPARATION OF THIS PLAN AND DISCLOSURE STATEMENT WERE COMPILED.

THIS DOCUMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AGAINST OR AN INTEREST IN THE DEBTOR.

FAILURE BY A CREDITOR OR INTEREST HOLDER TO TIMELY CAST A BALLOT OR FILE AN OBJECTION TO CONFIRMATION OF THE PLAN AND DISCLOSURE STATEMENT IN ACCORDANCE WITH THE DISCLOSURE STATEMENT ORDER AND THE BANKRUPTCY CODE SHALL CONSTITUTE AN AGREEMENT BY SILENCE TO ACCEPT THE TERMS CONTAINED IN THE PLAN AND DISCLOSURE STATEMENT.

THIS PLAN AND DISCLOSURE STATEMENT PROVIDES FOR INJUNCTIVE RELIEF AS TO THE DEBTOR. THE PERMANENT INJUNCTIONS SET FORTH IN THE PLAN AND DISCLOSURE STATEMENT WILL APPLY TO HOLDERS OF ANY CLAIM, INTEREST, LIEN, ENCUMBRANCE OR DEBT, WHETHER SECURED OR UNSECURED, GRANTED PRIORITY STATUS, INCLUDING PRIORITY TAX (FEDERAL OR STATE), NON-PRIORITY UNSECURED CLAIM OR ANY INTEREST IN THE DEBTOR. CREDITORS AND INTEREST HOLDERS WILL BE BOUND BY THIS INJUNCTIVE PROVISION UNLESS CREDITORS TIMELY FILE OBJECTIONS IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN THE DISCLOSURE STATEMENT ORDER OR HEREIN AND APPEAR AT THE CONFIRMATION HEARING, TO PROSECUTE ANY OBJECTION.

THE DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS URGE ALL HOLDERS OF CLAIMS TO ACCEPT THE PLAN.

B. Definitions

Though certain terms are defined throughout the Plan and Disclosure Statement itself, the following defined terms have the meanings ascribed to them below:

“Claims Objection Deadline” shall be April 1, 2017, subject to further extension by the Bankruptcy Court for cause.

“Confirmation Date” means the date that the Confirmation Order is entered by the Bankruptcy Court in the Chapter 11 Case.

“Confirmation Order” means the Order of the Bankruptcy Court confirming this Plan and Disclosure Statement pursuant to Section 1129 of the Bankruptcy Code.

“Distribution Trust” means the trust established under the Plan and Disclosure Statement as of the Effective Date to hold the Distribution Trust Assets for the benefit of the beneficiaries designated under this Plan and Disclosure Statement.

“Distribution Trust Agreement” means the trust agreement establishing the Liquidating Trust, which shall be (a) filed on the docket in the Chapter 11 Case not less than three business days prior to the Confirmation Hearing, (b) approved in the Confirmation Order, and (c) entered into by the Debtor, the Oversight Committee and the Plan Administrator on the Effective Date. The Distribution Trust Agreement shall contain only those terms that are consistent with the terms of this Plan and Disclosure Statement or that are otherwise acceptable to the Debtor, the Committee, and the Lenders.

“Distribution Trust Assets” means the Distribution Trust Seed Money, the Litigation Claims (or proceeds thereof) and any other assets contributed to the Distribution Trust on behalf of the beneficiaries of the Distribution Trust designated under this Plan and Disclosure Statement.

“Distribution Trust Seed Money” means (A) cash held by the Debtor on the Effective Date equal to the amount necessary to satisfy all allowed administrative and priority claims (other than administrative claims of Professionals) in accordance with this Plan and Disclosure Statement; *provided further* that such amount shall not exceed \$431,918; and (B) fifty percent (50%) of the remaining cash (i.e., cash not included in (A) above) held by the Debtor on the Effective Date up to \$50,000.

“Effective Date” means the date on which all of the conditions to the consummation of this Plan and Disclosure Statement contained in Section VI.M herein have been satisfied or waived as provided in Section VI.M herein and is the effective date of this Plan and Disclosure Statement.

“Litigation Claims” means the following claims and causes of action of the estate in which the Lenders have first-priority perfected security interests, but are being contributed to the Distribution Trust with the consent of the Lenders for use in accordance with this Plan and Disclosure Statement: (i) all claims and causes of action of the Debtor arising out of or relating to the transactions contemplated by or completed in connection with that certain Asset Sale and Purchase Agreement dated August 15, 2011, between Haverhill and Sunoco, Inc. (R&M) and the other documents, agreements, and instruments contemplated thereby or executed in connection therewith, except to the extent such claims and causes of action were sold to ALTIVIA Petrochemicals, LLC (“ALTIVIA”) in accordance with that certain Asset Purchase Agreement, dated September 18, 2015 by and between the Debtor and ALTIVIA (the “Purchase Agreement”), as such sale was approved by the Bankruptcy Court pursuant to the *Order Approving Sale of Substantially All of Debtor’s Assets and Assumption and Assignment of Contracts and Leases* [Docket No. 144] (the “Sale Order”); (ii) all claims and causes of action of the Debtor and its affiliates against Middough Engineering and/or its affiliates related to engineering work performed for the Debtor; (iii) claim against Morgan Materials Inc. for collection of outstanding accounts receivable, (iv) all claims and causes of action that the Debtor may have in pending and proposed class action law suits involving manufacture and use of railcars in the United States in which the Debtor is entitled to participate as plaintiff or beneficiary based on

the Debtor's ownership, lease and/or use of railcars in connection with its business operations prior to the ALTIVIA sale; and (v) all other claims or causes of action of the Debtor.

"Oversight Committee" means the three (3) person board consisting of three (3) members appointed by the Committee, which shall have the rights, duties and obligations set forth in the Distribution Trust Agreement.

"Petition Date" means September 18, 2015, the date on which the Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code.

"Plan Administrator" means the person appointed to administer the Distribution Trust with the rights, duties and obligations set forth in the Distribution Trust Agreement, subject to the authority of the Oversight Committee. As of the Effective Date, the Plan Administrator shall be Goradia Capital LLC.

"Professionals" means any professionals employed in the Chapter 11 Case pursuant to sections 327 or 1103 of the Bankruptcy Code or otherwise and any professionals seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to section 503(b)(4) of the Bankruptcy Code.

II.

BACKGROUND

A. The Debtor's Business and Pre-Petition Financing Facility

A group of investors formed the Debtor in November 2011 to acquire Sunoco, Inc.'s ("Sunoco") chemical manufacturing facility located on six hundred acres near the banks of the Ohio River in Haverhill, Ohio (the "Haverhill Plant"). Goradia Capital LLC assisted the investors in the management of the Debtor. The Haverhill Plant was first constructed in 1961 and, as of the Petition Date, had two phenol production lines and a downstream Bisphenol A ("BPA") line, making the Debtor the only merchant phenol producer with an onsite BPA unit in North America.

Prior to the Petition Date, the Debtor operated the Haverhill Plant with a workforce of approximately one hundred and seventy-three (173) employees. Immediately before the Petition Date, the Debtor reduced its workforce to fifty-three employees and one independent contractor.

The Debtor's business was funded by a pre-petition credit facility. Bank of America, N.A., as Administrative Agent (the "Agent") for the parties identified as "Lenders" (collectively, the "Lenders"), the Lenders, and the Debtor are parties to a Credit Agreement, dated as of October 31, 2011, as amended by First Amendment to Credit Agreement and Waiver dated as of April 29, 2013, Second Amendment to Credit Agreement dated as of April 17, 2014, and Third Amendment to Credit Agreement dated as of July 10, 2014 (as amended, the "Credit Agreement"), pursuant to which the Lenders made the following credit facility available to the Debtor (the "Credit Facility"): (i) a revolving credit facility in the original maximum principal

amount of \$70,000,000 (the “Revolving Credit Facility”); and (ii) a term loan in the original maximum principal amount of \$75,000,000 (the “Term Loan”).

More information about the Debtor’s pre-petition business can be found in the *Declaration of Thomas M. Wells in Support of Chapter 11 Petition and First Day Pleadings* (Docket No. 16 the “Wells Declaration”).

B. Events Leading to the Commencement of the Case

The Debtor took over operations of the Haverhill Plant in late 2011 with plans to implement technology and efficiency improvements while positioning itself to profit from forecasted greater chemical product demand as the post-recession economy improved. In 2012, the Debtor began implementing its strategies, but faced delays and setbacks in realizing efficiency and cost benefits as a result of operating problems with the assets acquired. As a result, the Debtor incurred large capital costs relating to the Haverhill Plant and suffered significant lost production.

By 2013, these ongoing hurdles and high capital expenditures hindered the Debtor’s ability to meet its obligations under its Credit Facility, leading to negotiations with the Lenders and equity holders to restructure and recapitalize the Debtor. However, in 2014, the petroleum market’s unexpected, dramatic and prolonged drop led to a drop in prices for a large part of the Debtor’s products which compounded the operating problems and loss of production.

In an effort to solve the financial difficulties facing the Debtor in 2014 and early 2015, the Debtor explored various opportunities for restructuring its business and operations. The Debtor attempted to refinance the Credit Facility with alternative lending sources. However, continued adverse market conditions, anticipated high capital expenditures, and depressed asset values discouraged other lenders from extending credit on the Debtor’s assets.

The Debtor worked with its existing equity interest holders for a recapitalization of the business through a new \$10 million equity investment. During these negotiations, the United States Environmental Protection Agency (“EPA”) notified the Debtor of a planned environmental inspection and audit of the Haverhill Plant.

Based on industry experience, such EPA inspections take months to complete, divert extensive management and employee resources, interfere with production and potentially result in required capital intensive projects. The planned EPA inspection created significant uncertainty for the equity owners and another set of delays and obstacles to its restructuring and turnaround efforts. In light of these factors, discussions for injection of new equity funding to the Debtor fell through.

Following acceleration of the Credit Facility on June 2, 2015, the Debtor and the Lenders engaged in extensive negotiations regarding the terms for the Debtor’s use of the Lenders’ cash collateral to process the Debtor’s remaining cumene inventory, with the understanding that the Debtor may be required to begin an orderly shutdown of the Haverhill Plant. Following continued negotiations, the Debtor and the Lenders entered into a series of forbearance

agreements through the Petition Date. The forbearance agreements permitted the Debtor to idle the Haverhill Plant – as opposed to a complete shutdown – while the Debtor located a purchaser for the Haverhill Plant.

More information about the Debtor’s pre-petition marketing of the Haverhill Plant can be found in the Wells Declaration.

III.

THE CHAPTER 11 CASE

A. Commencement of Bankruptcy Case

On September 18, 2015, the Debtor filed a voluntary petition for relief (the “Chapter 11 Case”) under Chapter 11 of the Bankruptcy Code, with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”). The Debtor continues to administer its assets as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

On September 29, 2015, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”). The members of the Committee are: (i) Marathon Petroleum Company LP; (ii) Pritchard Electric Co.; and (iii) CB&I Stone & Webster Construction Inc.

B. Debtor’s Use of Cash Collateral

On the Petition Date, the Debtor filed its *Emergency Motion for an Interim Order (A) Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code and Granting Adequate Protection, and (B) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001* [Docket No. 12] (the “Cash Collateral Motion”). In the Cash Collateral Motion, the Debtor acknowledged that computed as of September 18, 2015, the Debtor was liable to the Agent, on behalf of the Lenders, for the Prepetition Indebtedness (as defined in the Cash Collateral Motion) in the aggregate amount of at least \$44,077,700.94.

The Agent, on behalf of the Lenders, has consented to the use of cash collateral throughout the pendency of the Chapter 11 Case in accordance with the budget (as amended from time to time, the “Budget”) approved pursuant to the *Final Order Authorizing the Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code and Granting Adequate Protection*, dated October 7, 2015 [Docket No. 82] (as amended from time to time, the “Final Cash Collateral Order”). The Budget currently expires on April 3, 2016.

Additional information regarding the Debtor’s pre-petition financing facility, post-petition use of cash collateral, and the Lenders’ liens on substantially all of the Debtor’s assets can be found, among other places, in the Final Cash Collateral Order.

C. Asset Sale

On July 3, 2015, Haverhill, with the consent of the Lenders, engaged Balmoral Advisors, LLC (“Balmoral”) to spearhead Haverhill’s efforts to find a buyer for the Haverhill Plant. Exigent circumstances required Balmoral to run a highly focused marketing process based on the limited liquidity available to Haverhill to continue to operate the Haverhill Plant and other business constraints.

After consideration of various other transactions, as described in the Debtor’s *Emergency Motion for (I) an Order Approving (A) Bid Procedures, (B) Sale Notice, (C) Assumption and Assignment Procedures, (D) Bid Protections, and (E) Scheduling Objection Deadlines, Auction and Sale Hearing, and (II) an Order Approving Sale of Substantially All of Debtor’s Assets and Assumption and Assignment of Contracts and Leases* [Docket No. 14] (the “Sale Motion”), on or about September 18, 2015, ALTIVIA and Haverhill executed the Purchase Agreement, subject to higher and better offers.

The sale of substantially all of the Debtor’s assets to ALTIVIA was approved by the Bankruptcy Court by the Sale Order.

The sale of the Haverhill Plant to ALTIVIA generated net cash proceeds of approximately \$2 million, all of which constituted cash collateral of the Lenders.

D. The Debtor’s Schedules and the Establishment of the Claims Bar Date

On October 2, 2015, the Debtor filed its schedules of assets and liabilities and statement of financial affairs [Docket Nos. 74, 75, 102] (as amended, collectively, the “Schedules”). The Schedules set forth the various claims against the estate as well as other information pertaining to transactions to which the Debtor was a party prior to the Petition Date.

The Bankruptcy Court established January 18, 2016 (the “General Bar Date”) as the deadline for non-governmental entities to file proofs of claim, with March 16, 2016 being the deadline for governmental entities to file proofs of claim in accordance with Federal Rule of Bankruptcy Procedure 3002. The Bankruptcy Court also established December 23, 2015 (the “Administrative Bar Date”) as the date by which all persons alleging entitlement to an administrative claim had to file a motion requesting allowance of such claim.

IV.

SUMMARY OF TREATMENT OF CLAIMS AND ESTIMATED RECOVERIES

A. Introduction

The formulation of a chapter 11 plan is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the holders of claims against and interests in a debtor's estate. A chapter 11 plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of the debtor's assets. In either event, upon confirmation of the plan, it becomes binding on the debtor and all of its creditors and equity holders, and the prior obligations owed by the debtor to such parties are compromised and exchanged for the treatments specified in the plan. If all classes of claims and equity interests accept a plan, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied.

Chapter 11 of the Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a chapter 11 plan in order for the bankruptcy court to determine that the class has accepted the plan. Rather, a class of claims will be deemed to have accepted the plan if the bankruptcy court determines that the plan has been accepted by more than a majority in number and at least two-thirds in amount of those claims actually voting in such class. Only the holders of claims who actually vote will be counted as either accepting or rejecting the plan.

In addition, classes of claims or equity interests that are not "impaired" under a chapter 11 plan are conclusively presumed to have accepted the plan under § 1126(f) of the Bankruptcy Code and, thus, are not entitled to vote. Furthermore, classes that are not to receive or retain any property under the plan are conclusively deemed to have rejected the plan under § 1126(g) of the Bankruptcy Code and are also, therefore, not entitled to vote. Accordingly, from those persons who hold claims or equity interests in an impaired class that receive or retain property are entitled to vote with respect to a plan.

Classes 1 and 4 are impaired under the Plan and holders of claims in Classes 1 and 4 are entitled to vote on this Plan and Disclosure Statement; Class 5 Interests will not receive or retain and property under the plan and the holders of interests in Class 5 are deemed to reject the Plan and Disclosure Statement.

B. Brief Overview of the Plan Structure

Subject entirely to the full disclosures made throughout this Plan and Disclosure Statement, the basis of the Debtor's Plan is to liquidate as follows. Pursuant to the Final Cash Collateral Order, the Lenders have been adjudicated to have properly perfected liens and security interests in all of the Debtor's assets, including the Debtor's cash and litigation causes of action. After application of the net cash generated by the sale of substantially all of the Debtor's assets to ALTIVIA, the Lenders are still owed in excess of \$39 million. Thus, without the Lenders' consent, there would be no realistic chance of meaningful recovery for other classes of claims, including allowed administrative, priority and unsecured claims against the Debtor's estate and the Chapter 11 Case would likely be converted to Chapter 7 without confirmation of a plan or any meaningful recovery to any claim holder except the Lenders. However, after extended negotiations among the Debtor, the Committee and the Lenders, the Lenders support confirmation of this Plan and Disclosure Statement, which affords other creditors a meaningful potential for some recovery on their claims.

In order to permit the Debtor and the Committee to pursue confirmation of this Plan and Disclosure Statement, the Lenders consented to a nine-week extension to the Budget (through April 3, 2016), allowing the Debtor to use up to approximately \$175,000 of the Lenders' cash collateral during this nine-week period. This Plan and Disclosure Statement (provided it is confirmed and becomes effective) would authorize the Debtor to contribute up to \$481,918 (i.e., the Distribution Trust Seed Money) of the Lenders' remaining cash collateral to the Distribution Trust, which amounts would then be used to satisfy claims necessary to obtain confirmation of the Plan and Disclosure Statement (i.e. allowed administrative and priority claims) and to fund the Distribution Trust. Additionally, this Plan and Disclosure Statement (provided it is confirmed and becomes effective) contemplates that the Lenders will subordinate their liens on the Litigation Claims to ensure that (i) allowed administrative and priority claims (other than administrative claims of Professionals incurred before the Confirmation Date) are satisfied in accordance with this Plan and Disclosure Statement; and (ii) a distribution of forty percent of the residual Distribution Trust Assets will be paid to holders of allowed Class 4 general unsecured claims.

C. Summary of Debtor's Plan to Liquidate

The following chart provides a summary of treatment of each class of claims (other than administrative and priority tax claims) and an estimate of the recoveries of each class. The treatment provided in this chart is for informational purposes only.

Class	Estimated Allowed Claims	Treatment	Estimated Recovery to Holders of Allowed Claims
Class 1 – Lenders Secured Claims	\$39,700,000	Impaired – entitled to vote	Undetermined ¹
Class 2 – Other Secured Claims	\$0	Unimpaired – not entitled to vote – deemed to accept	100%
Class 3 – Other Priority Claims	\$0	Unimpaired – not entitled to vote – deemed to accept	100%
Class 4 – General Unsecured Claims	\$39,825,557	Impaired – entitled to vote	Undetermined ²
Class 5 – Membership Interests	n/a	Impaired – deemed to reject – not entitled to vote	Cancelled – no distribution

D. Treatment of Fees of the United States Trustee, Administrative Claims and Priority Tax Claims

There are fees payable to the United States Trustee pursuant to 28 U.S.C. §1930(a)(6), which is a non-classified category of Claims. All statutory fees, to the extent unpaid through the Confirmation Date, shall be paid by the Debtor within seven (7) business days after the Confirmation Date. From and after the Confirmation Date through the closing of the Chapter 11 Case, all statutory fees shall be paid by the Debtor (if prior to the Effective Date) or the Plan Administrator (if after the Effective Date).

Except for statutory fees and except to the extent any entity (other than Professionals) entitled to payment of an allowed administrative expense claim agrees to a different treatment, each holder of an allowed administrative expense claim (other than Professionals) shall receive, in full satisfaction of such claim, cash from the Distribution Trust in an amount equal to any unpaid portion of such allowed administrative expense claim within seven (7) business days after the Effective Date or the date that such allowed administrative expense claim becomes an allowed claim, whichever is later.

¹ Though Class 1 and Class 4 recoveries cannot be determined as they are wholly contingent upon the Distribution Trust's ability to liquidate the Litigation Claims, the Plan proposes that Class 1 claims will receive 60% and Class 4 claims will receive 40% of the residual Distribution Trust Assets (including the Litigation Claims) remaining after satisfying the claims and expenses required to be paid from the Distribution Trust Assets as specified in this Plan.

² See FN 1.

Except to the extent any entity entitled to payment of an allowed priority tax claim agrees to a different treatment, each holder of an allowed priority tax claim, if any, shall receive in full satisfaction of such claim cash from the Distribution Trust in an amount equal to any unpaid portion of such allowed priority tax claim (as determined in accordance with Section 1129(a)(9)(C)) within seven (7) business days after the Effective Date and the date that such allowed priority tax claim becomes an allowed claim, whichever is later.

E. Treatment of Claims and Membership Interests

1. Class 1 – Lenders Secured Claims

Class 1 consists of the Lenders' allowed secured claims, which are impaired by the Plan and Disclosure Statement. Each holder of an allowed Class 1 claim (i.e., each of the Lenders) is entitled to vote to accept or reject the Plan and Disclosure Statement.

On the Effective Date, the Agent, for the benefit of the Lenders, shall receive: (i) payment of all cash held by the Debtor other than the Distribution Trust Seed Money; (ii) unless the Agent elects otherwise prior to the Effective Date, assignment of all rights, title and interest of the Debtor in all remaining Collateral (as defined in the Final Cash Collateral Order), except the Distribution Trust Assets; and (iii) a sixty percent (60%) beneficial interest in the Distribution Trust, which interest shall be reduced proportionately with the Class 4 beneficial interest to accommodate any Allowed Claim Interests granted in the Distribution Trust; provided, however, that the Agent may elect prior to the Effective Date to have each Lender's pro rata share of this beneficial interest issued directly to each Lender. The Debtor and the Plan Administrator shall also remit to the Agent, for the benefit of the Lenders, all cash received by the Debtor and the Plan Administrator after the Effective Date that does not constitute a Distribution Trust Asset.

2. Class 2 – Other Secured Claims

Class 2 consists of other secured claims, if any, which are unimpaired by the Plan and Disclosure Statement. There are no known claims in Class 2. Holders of claims in Class 2 are deemed to have accepted the Plan and Disclosure Statement and are not entitled to vote to accept or reject the Plan and Disclosure Statement.

Except to the extent that a holder of an allowed Class 2 claim agrees to a less favorable or different treatment, on, or as soon as is reasonably practicable after the Effective Date or the date such claim becomes an allowed claim, each holder of a Class 2 claim shall receive a surrender of the collateral securing such claim (to the extent such collateral does not constitute "Collateral" and is not subject to a "Replacement Lien" (each as defined in the Final Cash Collateral Order)).

3. Class 3 – Other Priority Claims

Class 3 consists of claims arising under § 507(a) of the Bankruptcy Code, except for any claims arising under § 507(a)(8), i.e. priority tax claims. Class 3 claims, if any, are unimpaired by the Plan and Disclosure Statement. There are no known claims in Class 3. Holders of claims in Class 3 are

deemed to have accepted the Plan and Disclosure Statement and are not entitled to vote to accept or reject the Plan and Disclosure Statement.

Except to the extent that a holder of an allowed Class 3 claim agrees to a less favorable or different treatment, on, or as soon as is reasonably practicable after the Effective Date or the date such claim becomes an allowed claim, each holder of a Class 3 claim shall receive cash in the amount of such claim. To the extent there is insufficient cash to pay the allowed Class 3 claims on the Effective Date, then the holders of such claims shall be paid from the first net proceeds of the Distribution Trust Assets following the satisfaction of all allowed administrative expense claims.

4. Class 4 – General Unsecured Claims

Class 4 consists of all general unsecured claims, which are impaired by the Plan and Disclosure Statement. Each holder of an allowed Class 4 claim is entitled to vote to accept or reject the Plan and Disclosure Statement. The Lenders' deficiency claim will not be a claim under Class 4, but rather be included in the Lender's Class 1 claim.

On the Effective Date, each holder of a Class 4 claim shall receive a pro rata share of a forty percent (40%) beneficial interest in the Distribution Trust, which interest shall be reduced proportionately with the Class 1 beneficial interest to accommodate any Allowed Claim Interests granted in the Distribution Trust.

5. Class 5 – Membership Interests

Class 5 consists of all membership interests, which are impaired by the Plan and Disclosure Statement. Because holders of membership interests will receive no distribution under the Plan and Disclosure Statement, Class 5 shall be deemed to have voted to reject the Plan and Disclosure Statement.

On the Effective Date, all membership interests shall be cancelled, deemed terminated, and of no further force and effect, and the holders of membership interest shall not receive or retain and distribution or property on account of such membership interests.

V.

PROVISIONS REGARDING THE DISTRIBUTION TRUST

A. Power and Authority of the Oversight Committee

The Oversight Committee shall, in addition to any powers set forth in other provisions of the Plan and Disclosure Statement, the Confirmation Order, and/or the Distribution Trust Agreement, and subject to delegation of administrative duties to the Plan Administrator, be empowered to (i) effect all actions and execute all agreements and documents necessary to perform its duties under the Plan and Disclosure Statement and Distribution Trust Agreement; (ii) establish disbursement accounts; (iii) make distributions; (iv) object to and settle claims; (v) employ and compensate professional persons to represent it with respect to its responsibilities; (vi) assert any of the Debtor's claims with

respect to the Litigation Claims including rights of setoff or other legal or equitable defenses; (vii) exercise such other powers as may be vested in the Oversight Committee by the Plan and Disclosure Statement, the Confirmation Order, and/or the Distribution Trust Agreement. The Distribution Trust Agreement shall grant the Oversight Committee full discretion on how to finance, compromise, and dispose of the Litigation Claims and the authority to enter into financing or contingency fee arrangements for the Litigation Claims.

B. The Plan Administrator

Goradia Capital has been selected by the estate to serve as Plan Administrator upon the Effective Date of the Plan and Disclosure Statement. All compensation for the Plan Administrator, including any professionals retained on account of the Plan Administrator or the Distribution Trust, shall be paid from Distribution Trust Assets. The Plan Administrator shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. The Distribution Trust Agreement shall be filed on the docket not less than three business days prior to the Confirmation Hearing and all beneficiaries of the Distribution Trust shall be deemed to have ratified and become bound by the terms and conditions of the Distribution Trust Agreement as of the Effective Date.

C. Funding of and Distributions From the Distribution Trust

On the Effective Date, the Debtor shall transfer to the Distribution Trust: (i) the Distribution Trust Seed Money and (ii) the Litigation Claims, together with such other amount as may be agreed to by the Debtor, the Committee and the Lenders at any time up to the Effective Date. The Confirmation Order shall provide that the Agents' and the Lenders' security interests in the Distribution Trust Seed Money and the Litigation Claims (and proceeds thereof) are subordinated to the rights of the Distribution Trust in and to such property (and proceeds thereof). The Distribution Trust Assets shall be used by the Plan Administrator in a manner provided for in the Plan and Disclosure Statement and the Distribution Trust Agreement. Distributions by the Plan Administrator shall be made in accordance with, and as set forth in, the Distribution Trust Agreement. In the event that the Distribution Trust Seed Money is insufficient to pay the full amount of all allowed administrative and priority claims (excluding administrative claims of Professionals incurred prior to the Confirmation Date), the Confirmation Order shall authorize the Debtor and the Committee to (a) grant holders of such claims beneficial interests in the Distribution Trust in full or partial satisfaction of such allowed claims (such interests, the "Allowed Claim Interests"), or (b) make payment of all or any portion of such claims from other Distribution Trust Assets (such payments, the "Allowed Claim Payments").

The Plan Administrator shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Plan Administrator shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements including, without limitation, requiring that, as a condition to the receipt of distribution, the holder of an allowed claim complete the appropriate IRS Form W-8 or W-9 as applicable to the holder of each allowed claim. Notwithstanding any other provision herein, each holder of an allowed claim that is to receive a

distribution from the Distribution Trust shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by such holder by any governmental unit and no distribution shall be made unless and until such holder has made arrangements to comply with its tax withholding and reporting requirements.

D. Post-Effective Date Expenses of the Distribution Trust

As provided for in the Distribution Trust Agreement and upon the approval of a budget by the Oversight Committee, the reasonable fees and expenses incurred by the Distribution Trust on or after the Effective Date, including the reasonable attorney and professional fees and expenses, shall be paid from Distribution Trust Assets without further court order.

E. Claims Objection Deadline

The Oversight Committee shall file and serve any object to any claims no later than the Claims Objection Deadline; provided, however, that the Claims Objection Deadline may be extended by the Bankruptcy Court from time to time upon motion and notice by the Oversight Committee for cause.

F. Unclaimed Distributions

Distributions to holders of allowed claims shall be made at the address set forth on the respective proof of claim filed by such holder or at the address reflected on the Schedules if no proof of claim was filed. If a distribution is returned to the Distribution Trust as undeliverable, no further distribution shall be made to such holder. Any cash or other unclaimed property distributed by the Distribution Trust shall revert to the Distribution Trust if it is not claimed within three (3) months, including, without limitation, failure of a holder of a claim to cash a distribution check.

VI.

CONFIRMATION REQUIREMENTS AND EFFECT OF CONFIRMATION

A. Alternate Plan

If the Plan and Disclosure Statement is not confirmed, the Debtor, the Committee, or any other party in interest could attempt to formulate a different plan. However, the additional costs, including, among other things, additional professional fees or asserted substantial contribution claims, all of which could constitute administrative claims against the estate, may be so significant that one or more parties could request that the Chapter 11 Case be converted to one under Chapter 7. Moreover, it is unlikely that the Lenders would consent to the use of their cash collateral to cover such administrative expenses. Accordingly, the Debtor and the Committee believe that the Plan and Disclosure Statement enables creditors to realize the very best return under the circumstances.

B. Best Interests Test and Liquidation Analysis

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired claim or interest either (a) accept the Plan and Disclosure Statement or (b) receive or retain under the Plan and Disclosure Statement property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. A hypothetical Chapter 7 liquidation analysis is attached hereto as **Exhibit A**. Because the majority of the Debtor's assets have already been liquidated to cash, the value of any distributions if the Debtor's Chapter 11 Case were converted to a case under Chapter 7 would be less than the value of distributions under the Plan and Disclosure Statement. This is because conversion to Chapter 7 would require the appointment of a Chapter 7 trustee, and, in turn, such trustee's likely retention of new professionals. The "learning curve" that the trustee and the new professionals would face comes with additional costs to the estate and with a delay in time compared to the distributions under the Plan and Disclosure Statement (and prosecution of causes of action). Additionally, a Chapter 7 trustee would be entitled to statutory fees relating to distributions of the already monetized assets made to creditors.

As a result, Debtor and the Committee believe that the estate would have fewer funds to be distributed in a hypothetical Chapter 7 liquidation than they would if the Plan and Disclosure Statement were confirmed, and therefore holders of claims in all of the impaired classes will recover less than in the hypothetical Chapter 7 case. Additionally, and of particular weight and importance to the liquidation analysis, the Plan and Disclosure Statement contains substantial concessions by the Lenders that the Debtor and the Committee believe results in a greater recovery to other claimants. The Lenders have agreed to: (i) fund the nine-week Budget of approximately \$175,000 out of their cash collateral; (ii) fund the Distribution Trust Seed Money toward satisfaction of allowed administrative and priority claims to allow the Plan and Disclosure Statement to go effective; and (iii) the partial subordination of their perfected security interests in the Litigation Claims to recoveries to other classes of claims, including general unsecured claims, as described more fully below.

Given the financial realities of a Chapter 11 case where the Lenders are undersecured by approximately \$40 million, but for the structure of the Plan and Disclosure Statement and the Lenders' support of and concession to such structure, all claims of lower priority than the Lenders' secured claims would almost certainly receive no recovery on account of their claims. Accordingly, the Debtor and the Committee believe that the "best interests" test of Bankruptcy Code Section 1129 is satisfied.

C. Feasibility

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. Because distributions will be made only to the extent of existing assets or future recoveries of Litigation Claims, the Debtor and the Committee believe the Plan and Disclosure Statement is feasible.

D. No Unfair Discrimination

A chapter 11 plan “does not discriminate unfairly” if (a) the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to the legal rights of the non-accepting class, and (b) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The Debtor and the Committee believe that under the Plan and Disclosure Statement all impaired classes of claims and interests are treated in a manner that is consistent with the treatment of other classes of claims and interests that are similarly situated, if any, and no class of claims or interests will receive payments or property with an aggregate value greater than the aggregate value of the allowed claims and allowed interests in such class. Accordingly, the Plan and Disclosure Statement does not discriminate unfairly as to any impaired class of claims or interests.

E. Bar Dates for Professional Fee Claims

Professionals asserting a fee claim for services rendered before the Effective Date must file and serve on the Plan Administrator and such other entities designated by the Bankruptcy Rules, the Confirmation Order or such other orders of the Bankruptcy Court a final fee application no later than thirty (30) days after the Confirmation Date.

Upon resolution of their final fee applications, Professionals shall pay any unpaid allowed fees and expense reimbursements from the retainers or trust funds held by such Professionals on account of such fees and reimbursements and shall remit any remaining retainer or trust funds to the Debtor immediately thereafter; provided, however, that any such payment of fees and expenses shall be subject to compliance with the Budget and the Final Cash Collateral Order. Allowed fees and expenses reimbursements of Professionals incurred after the Confirmation Date may also be paid from the Distribution Trust Assets as an Allowed Claim Payment.

F. Treatment of Executory Contracts

As of the Confirmation Date, all executory contracts that were not specifically assumed or rejected as of the Confirmation Date will be deemed rejected. As part of the asset sale to ALITVIA, the Debtor assumed and assigned to ALITVIA certain agreements with third parties, with cure costs, if any, to be satisfied in accordance with the terms of the Sale Agreement. Any executory contracts and unexpired leases that have not previously been assumed and assigned or rejected under section 365 of the Bankruptcy Code will be rejected pursuant to the Plan. Each counterparty to an executory contract that has not already been assumed or rejected in the Bankruptcy Case shall be entitled to file, no later than thirty (30) days following the Confirmation Date, a proof of claim for any damages arising from the rejection of the contract pursuant to § 365 of the Bankruptcy Code. The failure of the counterparty to a rejected contract to file a proof of claim within the proscribed time period will forever bar such person from asserting any claim for rejection damages. The filing of any such proof of claim on account of rejection damages will not preclude the estate from objecting to such claim if appropriate.

G. Release of Avoidance Actions

As of the Confirmation Date, the Debtor on behalf of itself and its estate releases any and all claims, rights and/or causes of action under Chapter 5 of the Bankruptcy Code, any and all claims, rights and/or causes of action under fraudulent conveyance and fraudulent transfer laws, and any and all claims, rights and/or causes of action under non-bankruptcy laws vesting in creditors rights to avoid, rescind, or recover on account of transfers including but not limited to all preference laws.

H. Effect of Confirmation of the Plan and Disclosure Statement

The Confirmation Order will be the final determination of the rights of all claimants and interest holders to participate in the distributions under the Plan and Disclosure Statement, whether or not (a) a proof of claim or interest is filed, (b) such claim or interest is allowed, or (c) the holder of such claim or interest has accepted the Plan and Disclosure Statement. Because the Plan and Disclosure Statement contemplates the liquidation of the Debtor, the Debtor will not receive a discharge pursuant to section 1141(d) of the Bankruptcy Code.

I. Injunction

ON THE EFFECTIVE DATE, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN AND DISCLOSURE STATEMENT (E.G., SECTION VI.M OF THE PLAN AND DISCLOSURE STATEMENT) OR THE CONFIRMATION ORDER, ALL PERSONS SHALL BE DEEMED TO BE BOUND BY THE TERMS OF THE PLAN AND DISCLOSURE STATEMENT, INCLUDING HOLDERS OF CLAIMS OR INTERESTS NOT LISTED ON THE SCHEDULES, OR LISTED ON THE SCHEDULES AS DISPUTED, UNLIQUIDATED OR CONTINGENT, WHO DID NOT FILE PROOFS OF CLAIM OR INTEREST BY THE APPLICABLE BAR DATE, AND, TO THE EXTENT PERMITTED UNDER SECTION 1141(D)(3) OF THE BANKRUPTCY CODE, WILL BE PROHIBITED FROM:

- A) COMMENCING OR CONTINUING ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND OR NATURE OR EMPLOYING ANY PROCESS AGAINST THE DEBTOR, THE ESTATE, THE DEBTOR'S ASSETS, THE PLAN ADMINISTRATOR OR ANY DIRECT OR INDIRECT SUCCESSOR TO THE DEBTOR, OR TO INTERFERE WITH THE CONSUMMATION OR IMPLEMENTATION OF THIS PLAN AND DISCLOSURE STATEMENT, OR THE DISTRIBUTIONS TO BE MADE HEREUNDER,**
- B) ENFORCING, LEVYING, ATTACHING, COLLECTING OR OTHERWISE RECOVERING BY ANY MANNER OR MEANS, DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST THE DEBTOR, THE ESTATE OR THE DEBTOR'S ASSETS OR ANY DIRECT OR INDIRECT SUCCESSOR IN INTEREST TO**

THE DEBTOR, OR ANY ASSETS OR PROPERTY OF SUCH SUCCESSOR,

- C) CREATING, PERFECTING OR OTHERWISE ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN AGAINST THE DEBTOR, THE ESTATE OR THE DEBTOR'S ASSETS, OR ANY DIRECT OR INDIRECT SUCCESSOR IN INTEREST TO THE DEBTOR, OR ANY ASSETS OR PROPERTY OF SUCH SUCCESSOR OTHER THAN AS CONTEMPLATED BY THE PLAN,**
- D) EXCEPT AS PROVIDED HEREIN, ASSERTING ANY SETOFF, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY OBLIGATION DUE THE DEBTOR, THE ESTATE OR THE DEBTOR'S ASSETS, OR ANY DIRECT OR INDIRECT SUCCESSOR IN INTEREST TO THE DEBTOR, OR ANY ASSETS OR PROPERTY OF SUCH SUCCESSOR, AND**
- E) PROCEEDING IN ANY MANNER IN ANY PLACE WHATSOEVER THAT DOES NOT CONFORM TO OR COMPLY WITH THE PROVISIONS OF THE PLAN AND DISCLOSURE STATEMENT.**

J. Exculpation

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT PERMITTED UNDER SECTION 1125(E) OF THE BANKRUPTCY CODE, THE DEBTOR AND THE ESTATE, THE OFFICERS AND DIRECTORS OF THE DEBTOR, THE COMMITTEE AND EACH MEMBER THEREOF, THE PLAN ADMINISTRATOR, THE AGENT, THE LENDERS, AND THE DEBTOR'S AND COMMITTEE'S PROFESSIONALS SHALL NEITHER HAVE NOR INCUR ANY LIABILITY TO ANY PERSON FOR ANY ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH THE CHAPTER 11 CASE, INCLUDING THE FORMULATION, PREPARATION, DISSEMINATION, IMPLEMENTATION, CONFIRMATION OR APPROVAL OF THE PLAN AND DISCLOSURE STATEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING PROVISIONS (A) SHALL NOT AFFECT THE LIABILITY OF ANY PERSON THAT OTHERWISE WOULD RESULT FROM ANY SUCH ACT OR OMISSION TO THE EXTENT THAT ACT OR OMISSION IS DETERMINED IN A FINAL, NONAPPEALABLE ORDER TO HAVE CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (B) SHALL NOT ABROGATE ANY APPLICABLE DISCIPLINARY RULES. ANY OF THE FOREGOING PARTIES IN ALL RESPECTS SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES UNDER THE PLAN AND DISCLOSURE STATEMENT.

K. Dissolution of the Committee

On the Effective Date, the Committee, to the extent not previously dissolved, will dissolve, and the members of the Committee and their respective Professionals will cease to have any role arising from or related to the Chapter 11 Case. The Professionals retained by the Committee and the respective members thereof will not be entitled to assert any Claim for fees for any services rendered or expenses incurred after the Effective Date, except for reasonable fees for services rendered, and actual and necessary expenses incurred, in connection with any applications for allowance of compensation and reimbursement of expenses pending on the Effective Date or filed and served after the Effective Date; provided, however, that payment of all such fees and expenses shall be subject to compliance with the Budget and the Final Cash Collateral Order.

L. Miscellaneous Provisions of the Plan

The Bankruptcy Court will retain jurisdiction over the Chapter 11 Case after the Confirmation Date and until the case is closed for certain specific purposes. For example, the Bankruptcy Court will, among other things, (a) hear and determine any objections to claims, (b) any and all controversies, suits and disputes (c) hear and determine all applications for compensation by Professionals, and (d) enforce the provisions of the Plan and Disclosure Statement.

M. Effective Date

All payments and disbursements made by the Debtor (including payments to Professionals) prior to the Effective Date shall be governed in all respects by the Budget and the Final Cash Collateral Order. The Effective Date shall not occur, and this Plan and Disclosure Statement shall not be binding upon any party, unless and until each of the following conditions has been satisfied or waived by agreement of the Debtor, the Agent, and the Lenders:

- (i) the Confirmation Order has been entered and has become final and non-appealable;
- (ii) the Debtor holds sufficient available cash to fund the Distribution Trust with the Distribution Trust Seed Money;
- (iii) the Distribution Trust Seed Money is sufficient to satisfy all allowed administrative and priority claims (other than administrative claims of Professionals) required to be paid from the Distribution Trust Seed Money; and
- (iv) the Distribution Trust Agreement has been executed and is acceptable to the Agent and the Lenders.

Upon the occurrence of the Effective Date, (a) the Debtor's use of Cash Collateral (as defined in the Final Cash Collateral Order) shall terminate, and (b) the automatic stay of section 362(a) of the Bankruptcy Code shall be deemed terminated (and the fourteen day stay provided by Bankruptcy Rule 4001(a)(3) shall be deemed waived) without the necessity of any further action by the Agent or

any further authorization of the Bankruptcy Court in order to permit the Agent and the Lenders to exercise all rights and remedies with respect to all Collateral other than the Distribution Trust Assets.

The Effective Date shall occur (if ever) by no later than May 30, 2016. In the event that the Effective Date has not occurred by May 30, 2016, then (a) this Plan and Disclosure Statement shall never become binding upon any party, (b) the Debtor's use of Cash Collateral (as defined in the Final Cash Collateral Order) shall terminate, and (c) the automatic stay of section 362(a) of the Bankruptcy Code shall be deemed terminated (and the fourteen day stay provided by Bankruptcy Rule 4001(a)(3) shall be deemed waived) without the necessity of any further action by the Agent or any further authorization of the Bankruptcy Court in order to permit the Agent and the Lenders to exercise all rights and remedies with respect to all Collateral.

N. Retention of Causes of Action

Pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, the Debtor shall transfer the Litigation Claims (except for those Litigation Claims otherwise released or disposed of under the terms of this Plan and Disclosure Statement) to the Distribution Trust as of the Effective Date. The Oversight Committee of the Distribution Trust shall be the representative of the estate to prosecute all Litigation Claims transferred to the Distribution Trust. The Oversight Committee shall have the right to prosecute, enforce, settle, or otherwise dispose of the Litigation Claims on behalf of the Debtor in accordance with the Distribution Trust Agreement. The Oversight Committee intends to prosecute the Litigation Claims transferred to the Distribution Trust to the extent practicable.

Litigation Claims that are not explicitly identified may not be preserved on a post-confirmation basis. The Debtor has attempted to identify all known Litigation Claims and potential Litigation Claims that are property of the Debtor's estate.

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VII.

CONCLUSION

The Debtor and the Committee believe that the Plan and Disclosure Statement is in the best interest of all holders of claims and interests and urges all holders of impaired claims against the Debtor to vote to accept the Plan and Disclosure Statement and to evidence such acceptance by returning their ballots in accordance with the instructions accompanying this document.

Dated: February 26, 2016

Haverhill Chemicals LLC
Debtor and Debtor-in-Possession

By: 
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Exhibit A

Liquidation Analysis

**Haverhill Chemicals LLC
 Liquidation Analysis**

* There are a number of estimates and assumptions underlying the analysis below that are inherently subject to significant uncertainties and contingencies beyond the control of the Debtor, the Committee and their professionals.

Liquidation and Wind-Down*	Notes	Chapter 7	Chapter 11
Assets			
Cash	1	\$0	\$431,918
Proceeds from liquidation of additional assets	2	\$0	\$50,000
Litigation Proceeds	3	\$0	unknown
Total Assets/Proceeds		\$0	\$481,918
Wind-Down Expenses			
U.S. Trustee Fees	4	\$7,000	\$7,000
Chapter 7 Trustee Fees	5	\$15,000	\$0
Professional Fees	6	\$150,000	\$20,000
Total Wind-Down Expenses		\$172,000	\$27,000
Net Proceeds		-\$172,000	\$454,918
Distribution to Holders of Class 4 Claims (aggregate)	7	\$0	\$9,200

Cash balance estimate is as of the Effective Date.

Notes

- 1 All of the Debtor's cash is cash collateral of the Lenders and is not available to other creditors under Chapter 7.
- 2 The Lenders have a perfected first-priority security interest in all additional assets. Under the Plan, up to \$50,000 of the proceeds of the liquidation of additional assets are used to fund the Distribution Trust (as addressed more fully in the Plan).
- 3 The Lenders have a perfected first-priority security interest in the Debtor's litigation assets and proceeds of such litigation. Under the Plan, holders of Class 4 claims share in net proceeds of litigation at a rate of 40% (as addressed more fully in the Plan).
- 4 Estimate.
- 5 Estimate.
- 6 Estimate. With respect to the estimate in Chapter 11, these amounts represent post-Effective Date fees only.
- 7 Estimate. Assumes that holders of Class 4 claims receive payment of 40% of the remaining assets of the Distribution Trust based upon no recovery on litigation assets.