

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

In re:) Case No. 14-82161
)
HEARING HELP EXPRESS, INC.) Chapter 11
)
Debtor.) Honorable Thomas M. Lynch

**FOURTH AMENDED DISCLOSURE STATEMENT WITH RESPECT TO
BETTER HEARING, LLC'S SECOND AMENDED PLAN OF REORGANIZATION,
DATED JUNE 6, 2016**

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Dated: July 18, 2016

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF BETTER HEARING, LLC'S SECOND AMENDED PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE DATED JUNE 6, 2016 (AS SUBSEQUENTLY AMENDED IN ACCORDANCE WITH THE TERMS THEREOF AND APPLICABLE LAW, THE "PLAN"). THE INFORMATION CONTAINED HEREIN MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THE EXHIBITS ANNEXED TO THE PLAN, AND THE PLAN SUPPLEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN SHALL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF ANY OF THE DEBTOR AND DEBTOR IN POSSESSION IN THESE CASES SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

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

INTERESTS IN ANY OF THE DEBTOR AND DEBTOR IN POSSESSION IN THESE CASES.

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I. INTRODUCTION

Better Hearing, LLC (“BHL”) is the senior secured lender to Hearing Help Express, Inc. (the “Debtor” or “HHE”) and holds a fully-perfected first lien on and security in substantially all of the Debtor’s assets. Under prior orders of the Bankruptcy Court, the time period to challenge such liens has expired. On July 14, 2014 (the “Petition Date”), when the Debtor filed its voluntary petition for Chapter 11 commencing this case (the “Chapter 11 Case”), the amount of BHL’s secured claim against the Debtor exceeded \$2,400,000.

Better Hearing, LLC submits this disclosure statement (the “Disclosure Statement”) pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”), for use in the solicitation of votes on the Better Hearing, LLC’s Second Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (as amended, supplemented or otherwise modified, the “Plan”). A copy of the Plan is attached hereto as Appendix A. Each capitalized term used but not defined in this Disclosure Statement shall have the meaning ascribed thereto in the Plan. All references in the Disclosure Statement to monetary amounts refer to United States currency, unless otherwise expressly provided.

This Disclosure Statement sets forth certain information regarding the Debtor’s prepetition operating and financial history, its reasons for seeking protection and reorganization under chapter 11 of the Bankruptcy Code, significant events that have occurred during the Chapter 11 Case, and the anticipated organization, operations and financing of the Debtor upon successful emergence from chapter 11 of the Bankruptcy Code. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of Confirmation of the Plan, certain risk factors associated with the Plan and the securities to be issued under the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Claims entitled to vote for or against the Plan must follow for their votes to be counted.

By order entered on [], the Bankruptcy Court has approved this Disclosure Statement as containing “adequate information” under section 1125 of the Bankruptcy Code to enable a hypothetical, reasonable investor typical of Holders of Claims against, or Interests in, the Debtor to make an informed judgment as to whether to accept or reject the Plan, and has authorized its use in connection with the solicitation of votes with respect to the Plan. APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. In voting for or against the Plan, Holders of Claims or Interests entitled to vote should not rely on any information relating to the Debtor and its business, other than that contained in this Disclosure Statement, the Plan, the Plan Supplement, and all exhibits and appendices hereto and thereto.

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests that are (a) “impaired” by a plan of reorganization and (b) entitled to receive a distribution under such plan are entitled to vote on the plan. Under the BHL Plan, Claims in Classes 3, 5, 9, and 10 are Impaired by and entitled to retain property or receive a distribution under the Plan; accordingly,

the Holders of Claims in those Classes are entitled to vote to accept or reject the Plan. Claims in Classes 1, 2, 4, 7, and 8 are Unimpaired by the Plan; accordingly, the Holders of those Claims are conclusively presumed to have accepted the Plan. For purposes of solicitation and voting, BHL deems Class 6 Interests as neither receiving nor retaining any property under the Plan, and, therefore, deemed to reject the Plan under section 1126(g) of the Bankruptcy Code. Holders of Interests in Class 6 shall therefore not be entitled to vote for or against the Plan.

FOR A DESCRIPTION OF THE PLAN AND VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLAN, PLEASE SEE ARTICLE IV OF THIS DISCLOSURE STATEMENT, ENTITLED "SUMMARY OF THE PLAN OF REORGANIZATION," AND ARTICLE V OF THIS DISCLOSURE STATEMENT, ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED."

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATING TO THE PLAN, CERTAIN EVENTS THAT HAVE OCCURRED IN THE CHAPTER 11 CASES AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH BHL BELIEVES THAT THE SUMMARIES OF THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE AS OF THE DATE HEREOF, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY (A) DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS AND (B) MAY CHANGE AS PERMITTED BY THE PLAN AND APPLICABLE LAW. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. BHL DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

NOTHING CONTAINED HEREIN SHALL BE DEEMED TO CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION AS TO HOLDERS OF CLAIMS OR INTERESTS. YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL CONSEQUENCES OF THE PLAN.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. EXCEPT WITH RESPECT TO THE PRO FORMA FINANCIAL PROJECTIONS SET FORTH IN APPENDIX B ANNEXED HERETO (THE "PROJECTIONS") AND EXCEPT AS OTHERWISE SPECIFICALLY AND EXPRESSLY STATED HEREIN, THIS DISCLOSURE STATEMENT DOES NOT REFLECT ANY EVENTS THAT MAY OCCUR SUBSEQUENT TO THE DATE HEREOF AND THAT MAY HAVE A MATERIAL IMPACT ON THE INFORMATION CONTAINED IN THIS

DISCLOSURE STATEMENT. BHL DOES NOT UNDERTAKE ANY OBLIGATION TO, AND DO NOT INTEND TO, UPDATE THE PROJECTIONS; THUS, THE PROJECTIONS WILL NOT REFLECT THE IMPACT OF ANY SUBSEQUENT EVENTS NOT ALREADY ACCOUNTED FOR IN THE ASSUMPTIONS UNDERLYING THE PROJECTIONS. FURTHER, BHL DOES NOT ANTICIPATE THAT ANY AMENDMENTS OR SUPPLEMENTS TO THIS DISCLOSURE STATEMENT WILL BE DISTRIBUTED TO REFLECT SUCH OCCURRENCES. ACCORDINGLY, THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCE IMPLY THAT THE INFORMATION HEREIN IS CORRECT OR COMPLETE AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. MOREOVER, THE PROJECTIONS ARE BASED ON ASSUMPTIONS THAT, ALTHOUGH BELIEVED TO BE REASONABLE BY BHL, MAY DIFFER FROM ACTUAL RESULTS.

BHL BELIEVES THAT THE PLAN WILL ENABLE THE DEBTOR TO SUCCESSFULLY REORGANIZE AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR AND THE HOLDERS OF ALL CLAIMS AND INTERESTS. BHL URGES ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT THE PLAN.

II. GENERAL INFORMATION CONCERNING THE DEBTOR

A. The Debtor's Business

Hearing Help Express, Inc. is reputedly the largest United States mail order company marketing hearing aids, batteries and related accessories directly to senior citizens. HHE is an Illinois C-Corp. The family-controlled private corporation has 90 shareholders, with the Hovis family owning the majority (52.2%) of the shares.

B. Summary of Assets

The Debtor has filed Schedules with the Bankruptcy Court that detail the assets owned by it as of the Petition Date. Such assets include cash on hand, bank accounts and investments, security deposits, insurance policies, stock interests, accounts receivable, intellectual property, vehicles, office equipment, furnishings and supplies, machinery, fixtures, equipment and supplies used in business, inventory, and other items of personal property the Debtor held as of the Petition Date. The Schedules provide asset values on a net book basis, which are not reflective of actual values. Information regarding the Debtor's assets is also available in the liquidation analysis attached hereto as Appendix D.

As of the Petition Date, the Debtor claimed the aggregate estimated book value of assets as \$31,702,844.00. Two-thirds of that amount, \$21,000,000 was ascribed to the Debtor's customer list. The next highest valued asset listed by the Debtor were loans made to two insiders, James E. Hovis and Laura C. Steubing, in the total amount of \$5,637,282.00. The Debtor values its intellectual property at \$2,000,000; no particulars as to the actual assets included in that valuation were listed. Inventory and accounts receivable were valued at just slightly over

\$1,000,000 in total. On information and belief, BHL believes that these valuations are overstated and in a liquidation scenario, the assets may be insufficient to repay the secured claim of BHL.

C. Historical Financial Information and Events Leading to Commencement of the Chapter 11 Case

According to HHE's internal cash basis profit and loss statements, the Debtor experienced operating losses for each of the three years prior to the filing of its bankruptcy case. Losses for the year 2011 were \$1,306,950. Losses for 2012 were \$1,242,418. Losses for 2013 were \$1,180,056. These losses were likely the result of several soured investments funded by the Debtor in the years 2006 through 2008. These investments were in the form of loans made either to the investment target directly or through loans to Mr. Hovis, who then relented the funds to the investment target.

III. THE CHAPTER 11 CASE

A. Continuation of Business; Stay of Litigation

On July 14, 2014, the Debtor filed a petition for relief under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtor has continued to operate as debtor in possession subject to the supervision of the Bankruptcy Court and in accordance with the Bankruptcy Code. The Debtor is authorized to operate its business and manage its assets in the ordinary course, with transactions outside of the ordinary course of business requiring Bankruptcy Court approval.

An immediate effect of the filing of the Debtor's bankruptcy petition was the imposition of the automatic stay under the Bankruptcy Code which, with limited exception, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against property of the Estate and the continuation of litigation against the Debtor.

B. First Day Motions

In the first days of the Chapter 11 Cases, the Debtor filed several applications and motions seeking certain relief by virtue of so-called "first day orders." First day motions and orders are intended to facilitate the transition between a debtor's prepetition and postpetition business operations by approving certain regular business practices that may not be specifically authorized under the Bankruptcy Code or as to which the Bankruptcy Code requires prior approval by the Bankruptcy Court. The first day motions filed in the Chapter 11 Cases are typical of motions filed in large chapter 11 cases across the country. Such motions sought, among other things, the following relief: interim use of cash collateral (as further discussed below); retention of counsel; and an extension of time to file the Schedules.

C. Retention of Professionals

The Debtor is represented in the Chapter 11 Cases by Barrick, Switzer, Long, Balsley & Van Evera, LLP.

D. Authorization to Use Cash Collateral

The Debtor's Cash on hand as of the Petition Date, and substantially all Cash received by the Debtor during the Chapter 11 Cases, constitute "cash collateral." Cash collateral is defined in section 363 of the Bankruptcy Code and includes, but is not limited to, "cash, negotiable instruments, documents of title, securities, deposit accounts, . . . other cash equivalents. . . and . . . proceeds, products, offspring, rents or profits of property subject to a security interest. . ." 11 U.S.C. § 363(a). Under the Bankruptcy Code, the Debtor is prohibited from using, selling or leasing cash collateral unless either the appropriate creditors consent or the Bankruptcy Court, after notice and a hearing, authorizes such action. Within days of the Petition Date, the Debtor sought authority to use cash collateral.

BHL, along with another lender that subsequently sold its claims to BHL, and the Debtor reached agreement on an interim basis authorizing the Debtor to use Cash Collateral pursuant to an agreed-upon budget approved by the Bankruptcy Court. The Debtor's authority to continue to use Cash Collateral has been consensually extended throughout the duration of this Chapter 11 Case. With the agreement of BHL, the Debtor is presently authorized to use Cash Collateral through and including July 27, 2016 pursuant to an interim order authorizing its use of Cash Collateral and the budget attached thereto.

E. Proposed Sale of the Debtor and Subsequent Motions to Lift Stay and for Chapter 11 Trustee

Starting with its initial pleadings, the Debtor indicated that its contemplated exit from bankruptcy process would be through a Section 363 sale of substantially all of its assets. To that end, in September 2014, the Debtor sought, and was granted, authority to retain Caber Hill Advisors as a business broker for the purpose of obtaining a buyer. Despite vigorous marketing efforts, no offer was presented to the Bankruptcy Court to purchase the Debtor's assets, and the Debtor's retention of Caber Hill Advisors expired.

In late 2015, BHL filed a motion to lift the automatic stay so that it could foreclose on its security interests in the Debtor's assets based upon, among other things, a lack of progress made in reorganizing this Chapter 11 Case. CAN Capital subsequently filed a motion seeking the appointment of a Chapter 11 Trustee. In response to these motions, the Debtor agreed to file a plan of reorganization, filing its first in December, 2015. In light of the initiation of the plan process, BHL and CAN Capital agreed to withdraw their motions without prejudice.

BHL does not believe the Debtor's plan to be feasible for multiple reasons and will be contesting confirmation of that plan. Among other things, the Debtor's plan allows Mr. Hovis to retain his controlling ownership of the Debtor and fails to mandate that he and his family members repay the multi-million dollar loans listed in Debtor's schedules.

F. BHL'S Plan of Reorganization

In light of the Debtor's failure to sell its business or propose a confirmable plan, BHL proposes the Plan described in this Disclosure Statement. As described more fully herein, this

Plan provides a real commitment for an infusion of cash necessary to fund the Plan's proposed obligations, stabilize and grow the business and result in a dividend to Unsecured Creditors that would not occur in a liquidation.

IV. SUMMARY OF THE PLAN OF REORGANIZATION

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS UNDER THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR, THE REORGANIZED DEBTOR AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND/OR SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

A. Chapter 11 of the Bankruptcy Code and Plans of Reorganization Generally

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and other stakeholders. Upon the filing of a petition for relief under chapter 11, section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the chapter 11 case.

The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the Bankruptcy Court makes the plan binding upon the debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor or equity security holder in the debtor, whether or not such creditor or equity security holder (a) is impaired under or has accepted the plan or (b) receives or retains any property under the plan. Subject to certain limited exceptions, and other than as provided in the plan itself or the confirmation order, the confirmation order discharges the debtor

from any debt that arose prior to the date of confirmation of the plan and substitutes for such debt the obligations specified under the confirmed plan, and terminates all rights and interests of equity security holders.

The terms of the Plan are based upon, among other things, BHL's assessment of the Reorganized Debtor's ability to achieve the goals of its business plan, make the distributions contemplated under the Plan and pay its continuing obligations in the ordinary course of its business. Under the Plan, Claims against and Interests in the Debtor are divided into Classes according to their relative seniority and other criteria.

If the Plan is confirmed by the Bankruptcy Court and consummated, (a) Claims in certain Classes will be reinstated or modified and receive distributions equal to the full amount of such Claims, (b) Claims in certain other Classes will be modified and receive distributions constituting a partial recovery on such Claims and (c) Claims and Interests in certain other Classes will receive no recovery on account of such Claims or Interests. On the Effective Date and at certain times thereafter, the Reorganized Debtor will distribute Cash, securities and other property on account of certain Classes of Claims as provided in the Plan. The Classes of Claims against and Interest in the Debtor created under the Plan, the treatment of those Classes under the Plan and the securities and other property to be distributed under the Plan are described below.

B. Classification and Treatment of Claims and Interests

Type of Claim or Interest	Description and Treatment under Plan
<p>Unclassified — Administrative Expense Claims</p> <p>Estimated Aggregate Allowed Amount: Approximately \$0</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Administrative Expense Claims are unimpaired. Except to the extent the holder of an Allowed Administrative Claim agrees otherwise, each holder of an Allowed Administrative Claim shall be paid in respect of such Allowed Claim (a) the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes an Allowed Claim, or upon such other terms as may be agreed upon by the holder of such Allowed Claim, or (b) such lesser amount as the holder of such Allowed Administrative Claim and the Debtor prior to the Effective Date and the Reorganized Debtor following the Effective Date might otherwise agree.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Unclassified — Priority Tax Claims</p> <p>Estimated Aggregate Allowed Amount: \$4,470.89</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Priority Tax Claims are unimpaired. Except as otherwise provided under the Plan (and excluding Class 9), each holder of an Allowed Priority Tax Claim shall be paid in respect of such Allowed Claim either (a) the full amount thereof, without post-petition interest or penalty, in Cash, as soon as practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes an Allowed Claim or upon such other terms as may be agreed upon by the holder of such Allowed Claim and the Debtor prior to the Effective Date and the Reorganized Debtor following the Effective Date might otherwise agree, or (at the election the Reorganized Debtor). Without limitation, Illinois Department of Revenue shall have an allowed priority tax claim in the amount of \$4,198.47 and the Illinois Department of Employment Security shall have an allowed priority tax claim in the amount of \$272.42 in full and complete satisfaction of all Priority Tax Claims.</p> <p>Estimated Percentage Recovery: 100%</p>

Type of Claim or Interest	Description and Treatment under Plan
<p>Unclassified — Reclamation and Section 503(b)(9) Claims</p> <p>Estimated Aggregate Allowed Amount: \$10,000</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Reclamation and Section 503(b)(9) Claims are unimpaired. The Debtor may have received certain reclamation demand letters and the same will be investigated for allowance. Reclamation creditors are advised that any alleged right of reclamation is subordinate to the claims of BHL under Section 546(c)(1) and have no value, but such creditors may have claims under Section 503(b)(9). As of the Bar Date, the Section 503(b)(9) claims (for the value of goods received during the 20 days prior to the Petition Date) were asserted in an amount not more than approximately \$10,000.00, subject to review, investigation and possible objection by the Reorganized Debtor. All allowed Section 503(b)(9) claims will be paid in same manner as Administrative Claims set forth above.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Unclassified — Fee Claims</p> <p>Estimated Aggregate Allowed Amount:</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Fee Claims are unimpaired. Each holder of an Allowed Fee Claim shall receive 100% of the unpaid amount of such Allowed Fee Claim in Cash on the Effective Date or as soon as practicable after such Fee Claim becomes an Allowed Claim.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 1 — Other Priority Claims</p> <p>Estimated Aggregate Allowed Amount: Approximately \$ unknown</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Other Priority Claims are unimpaired. Each holder of an Allowed Other Priority Claim shall be paid in respect of such Allowed Claim (a) the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes an Allowed Claim, or upon such other terms as may be agreed upon by the holder of such Allowed Claim, or (b) such lesser amount as the holder of such Allowed Other Priority Claim and the Reorganized Debtor following the Effective Date might otherwise agree.</p> <p>Estimated Percentage Recovery: 100%</p>

Type of Claim or Interest	Description and Treatment under Plan
<p>Class 2 — Miscellaneous Secured Claims</p> <p>Estimated Aggregate Allowed Amount: Approximately \$10,000</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Miscellaneous Secured Claims are unimpaired. To the extent there are any Allowed Secured Claims in this Class (and excluding any Secured Claims that are subject of a different treatment as provided in a separate Secured Class), each such Claim shall be deemed to be a separate subclass. Any Allowed Secured Claim which constitutes a possessory or mechanic’s lien claim, shall be treated as Class 2 claims. At the option of the Debtor or the Reorganized Debtor, holders of Class 2 Claims shall receive (i) the return of the collateral securing such Allowed Secured Claim; (ii) the Net Proceeds realized by the Debtor or Reorganized Debtor from the disposition of the collateral securing such Allowed Secured Claim; (iii) cash in the full amount of the Allowed Secured Claim as soon as practicable after the later of (a) the Effective Date and (b) the date on which such Secured Claims becomes and Allowed Secured Claim, or upon such terms as may be agreed to by the holder of such Allowed Secured Claim; or (iv) repayment of their Allowed Secured Claim in 48 monthly installments on account of principle plus interest at the rate of 5% commencing on the first day of the first month following the Effective Date (and such claims may be prepaid in whole or in part by the Reorganized Debtor without penalty).</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 3 — CAN Capital Claim</p> <p>Estimated Aggregate Allowed Amount: Approximately \$87,500</p> <p>Impaired, entitled to vote.</p>	<p>The Class 3 Claim of CAN Capital, in the amount of \$119,250.00 which is impaired under the Plan, shall receive on the Effective Date the sum of \$87,500, consisting of \$80,000 in full and final satisfaction of all secured and unsecured claims against the Debtor or third party and \$7,500 in full satisfaction of any Claims for attorney’s fees, including any claims under 11 U.S.C. 503 (b)(3) and (4). On the Effective Date and subject to receipt of the sums referenced herein, all liens of CAN Capital (and its predecessors, successors and assigns) on the CAN Capital Collateral shall be deemed discharged. Upon receipt of the Payment Amount, all the Claims made (or that could have been made) in adversary proceeding no. 15-96034 styled Hearing Help Inc. v CAN Capital Asset Servicing, Inc. f/k/a/ New Logic Business Loans, Inc. (the “Adversary Proceeding”) shall</p>

Type of Claim or Interest	Description and Treatment under Plan
	<p>be deemed resolved and the Claims made in the Adversary Proceeding against CAN Capital shall be dismissed with prejudice. The motion filed by CAN Capital in the Adversary Proceeding asking for authority to add BHL as a party shall be withdrawn, with prejudice. Nothing contained herein or in the Plan shall constitute an admission that CAN Capital is entitled to recover any attorney’s fees under their contract or applicable law and rights (absent confirmation of this Plan) to object to the same (and/or the claims of CAN Capital) are preserved.</p> <p>CAN Capital is impaired and, therefore, is entitled to vote. Any CAN Capital Co-Obligors shall be deemed released.</p> <p>Expected Percentage Recovery: 74%</p>
<p>Class 4 — Convenience Class</p> <p>Estimated Aggregate Allowed Amount: 20,000.00</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, Allowed Convenience Class Claims are unimpaired. This Class shall consist of the Allowed Unsecured Claims of those entities having (i) an Allowed Unsecured Claim in an amount no greater than \$1,000.00 or (ii) an Allowed Unsecured Claim in an amount greater than \$1,000.00 but which is reduced to \$1,000.00 by an irrevocable written election of the holder of such Claim made in a properly delivered Ballot, <i>provided, however</i>, that any General Unsecured Claim that was originally Allowed in excess of \$1,000.00 may not be subdivided into Multiple General Unsecured Claims of \$1,000.00 or less for purposes of receiving treatment as a Convenience Class Claim. Each holder of a Class 4 Claim shall be paid in respect of such Allowed Claim (a) the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes an Allowed Claim, or upon such other terms as may be agreed upon by the holder of such Allowed Claim, or (b) such lesser amount as the holder of such Allowed Unsecured Claim and the Reorganized Debtor following the Effective Date might otherwise agree.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 5 — General Unsecured Claims</p> <p>Estimated Aggregate Allowed</p>	<p>Under the Plan, Allowed General Unsecured Claims are impaired. Unless otherwise agreed to by the holder of an Allowed General Unsecured Claim, each holder of a General Unsecured Claim shall receive the following: (i)</p>

Type of Claim or Interest	Description and Treatment under Plan
<p>Amount: Approximately \$2,015,295 (per the Debtor's Third Amended Plan)</p> <p>Impaired, entitled to vote.</p>	<p>on the Effective Date or as soon as practicable thereafter, each such holder shall receive its Pro Rata share of the Class 5 Pool on account of the amount of such Allowed Claim; and (ii) from time to time each such holder shall receive their Pro Rata Share of the Hovis Litigation Proceeds and Causes of Action.</p> <p>Expected Percentage Recovery: 17.3% - 84.7% (estimated high-low range dependent upon results from Hovis Litigation)</p>
<p>Class 6 — Debtor Interests</p> <p>Impaired, deemed not entitled to vote (per section 1126(g) of the Bankruptcy Code).</p>	<p>Under the Plan, Holders of Debtor's Interests are impaired. On the Effective Date, all Interests shall be deemed cancelled, null and void and of no force and effect.</p> <p>Expected Percentage Recovery: 0%</p>
<p>Class 7 — Secured Claim of GFC Leasing</p> <p>Estimated Aggregate Allowed Amount: \$6,021.15</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, the Allowed Class 7 Claim of GFC Leasing is unimpaired. The Holder of this claim in the amount of \$6,021.15 shall be paid in full within 30 days of the Effective Date.</p> <p>Expected Percentage Recovery: 100%</p>
<p>Class 8 — Secured Claim of DELL</p> <p>Estimated Aggregate Allowed Amount: \$9,744.41</p> <p>Unimpaired, not entitled to vote.</p>	<p>Under the Plan, the Allowed Class 8 Claim of DELL is unimpaired. The Holder of this claim in the amount of \$9,744.41 shall be paid in full within 30 days of the Effective Date.</p> <p>Expected Percentage Recovery: 100%</p>

Type of Claim or Interest	Description and Treatment under Plan
<p>Class 9 — IRS Priority Tax Claims</p> <p>Estimated Aggregate Allowed Amount: Approximately \$506,782.82</p> <p>Impaired, entitled to vote.</p>	<p>Under the Plan, the Allowed IRS Priority Tax Claim is impaired. That claim, in the amount of \$506,782.82, shall be treated as follows:</p> <p>(a) The Class 9 IRS Tax Claim shall be allowed in the amount of \$506,782.82 as of the Effective Date.</p> <p>(b) The IRS Tax Claim shall be paid as follows: The Reorganized Debtor shall pay the IRS Tax Claim in full by equal monthly installments over thirty-eight (38) months, commencing on the first Business Day of the first calendar month after the Effective Date, with an interest rate of four percent (4%) per annum, monthly payments that are calculated on the basis of a thirty-eight (38) month amortization schedule, and payment due in full on the thirty-eighth (38th) month after the Effective Date.</p> <p>(c) The IRS shall suspend any and all supplemental and related proceeding against the Debtor, James Hovis, Catherine Hovis and Laura Stuebing (collectively “IRS Co-obligors”), so long as no event of default with respect to the payments in (b) above occurs.</p> <p>Estimated Percentage Recovery: 100%</p>
<p>Class 10 — Allowed Secured Claims of BHL</p> <p>Allowed Amount: \$2,475,454.00</p> <p>Impaired, entitled to vote.</p>	<p>Under the Plan, the Allowed Claim of BHL is impaired. The Allowed Claim of BHL shall be treated as follows:</p> <p>(i) BHL shall have an Allowed Secured Claim in the amount of \$2,000,000, secured by a first priority lien on all of the Reorganized Debtor’s Assets (and continue to be secured by any BHL Co-Obligors) which shall be repaid over 48 months in quarterly installments with interest at 5% per annum. Interest only for first year with the first year deferred quarterly payments to be made in month 48; and (ii) BHL shall receive 80% of Reorganized Debtor’s Interests. The BHL Allowed Secured Claim in the amount of \$2,000,000 shall continue to be secured by the BHL Loan Documents, as amended from time to time.</p> <p>Estimated Percentage Recovery: 73%</p>

C. Means for Implementing Plan

On the Effective Date and automatically and without further action, (i) each existing officer of the Debtor will be deemed to have resigned, (ii) the new board members/officers of the Reorganized Debtor shall be those identified in the Plan Supplement by the Plan Funders, and (iii) the Reorganized Debtor shall be authorized and empowered to take all such actions and measures necessary to implement and administer the terms and conditions of the Plan. Debtor's Operating Agreement/By Laws will be amended as of the Effective Date to the extent necessary to incorporate the provisions of the Plan and to prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code. The rights and interests of the New Common Stock Interests shall be governed by and controlled pursuant to the terms and conditions of the Reorganized Debtor's Operating Agreements, which shall be included in and filed with the Plan Supplement. The Reorganized Debtor shall be managed by I-Management under the terms of a certain Management Agreement between Reorganized Debtor and I-Management which shall commence on the Effective Date. I-Management is a wholly-owned subsidiary of a multi-million dollar global medical device company, which is registered with the SEC and listed on Nasdaq, that was incorporated in 1930. The company has successfully served the hearing health industry for nearly 40 years, having partnerships with many significant industry participants. The current management team has been together for over a decade, including Joseph Longval, who will be appointed to the board of directors of the reorganized HHE. Through I-Management, the Reorganized Debtor will have access to working capital from the parent company on as-needed basis. I-Management has been given an option by BHL to acquire the 80% of Reorganized Debtor's interests on or before December 31, 2016.

From and after the Effective Date, the Reorganized Debtor shall hold and administer the following Reserves:

Class 5 Pool Escrow - \$350,000

Cure Escrow - \$25,000

Plan Expense Reserve - \$100,000

CAN Capital Reserve - \$87,500

All of the Reserves shall vest with the Reorganized Debtor on the Effective Date and any amounts remaining in the Reserves under Section 5.2(i) thru (iii) of the Plan shall be retained by Reorganized Debtor.

Except as otherwise provided for in the Plan or the Confirmation Order, on the Effective Date, without any further action, the Reorganized Debtor will be vested with all of the Property of the Estate (including all Avoidance Actions, Causes of Action and the Hovis Litigation), free and clear of all Claims, Liens and Interests, and shall have all of the powers of a corporation under applicable law. As of the Effective Date, the Reorganized Debtor may operate its business and use, acquire and dispose of property and settle and compromise claims or interests without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The Plan Administrator may also object to Administrative Claims, Priority Claims, Professional Fee Claims, Convenience Class Claims and Claims in Class 5 and distribute the Class 5 Pool Escrow and proceeds from the Hovis Litigation in accordance with the terms and conditions of the Plan Administrator Agreement attached to the Plan Supplement.

D. Disposition of Unexpired Leases and Executory Contracts

1. Assumption of Executory Contracts and Unexpired Leases

(a) Assumption and Rejection

As of the Effective Date, all executory contracts and unexpired leases to which the Debtor is a party shall be deemed to be and shall be rejected by the Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for those executory contracts and unexpired leases that: (1) previously have been assumed or rejected by order of the Bankruptcy Court or by operation of the Bankruptcy Code, (2) are the subject of a motion to assume which is pending as of the Effective Date, (3) are identified as being assumed on the Notice of Assumption, which is to be filed as part of the Plan Supplement, or (4) are otherwise assumed pursuant to the terms of the Plan in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. The executory contracts and unexpired leases listed on the Notice of Assumption shall be assumed by the Reorganized Debtor as of the Effective Date. Notwithstanding the foregoing or anything in the Plan to the contrary, the BHL reserves the right to amend the Notice of Assumption to (x) delete any executory contract or any unexpired lease therefrom, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be rejected by the Debtor or (y) add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be assumed upon or shall be deemed to have been assumed as of the Effective Date. BHL shall provide notice of any amendments to the Notice of Assumption to the counterparties to the executory contracts or unexpired leases affected by such amendments. The listing of a document on the Notice of Assumption shall not constitute an admission by BHL or the Debtor that such document is an executory contract or an unexpired lease or that the Debtor has any liability thereunder.

(b) Approval of Assumption or Rejection

Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute (i) approval of the Bankruptcy Court, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to the Plan, as such contracts may have been amended prior to or during the Chapter 11 Case, and (ii) approval of the Bankruptcy Court, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected under the Plan. The approval of the Bankruptcy Court of the assumption or rejection of the executory contracts and unexpired leases pursuant to the Plan shall in no way affect any guarantees of such executory contracts and unexpired leases provided by any party that is not a Debtor in the Chapter 11 Case.

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

All proofs of claim with respect to Claims arising from the rejection of executory contracts or leases shall, unless another order of the Bankruptcy Court provides for an earlier date, be filed with the Bankruptcy Court within thirty (30) days after the mailing of notice of

Effective Date. All proofs of claim with respect to Claims arising from the rejection of executory contracts shall be treated as Class 5 General Unsecured Claims, as applicable, for purposes of a distribution pursuant to the Plan, unless and until the Person or Entity asserting such Claim obtains an order of the Bankruptcy Court upon notice to the Debtor, that allows the Claims in another Class under the Plan. Unless otherwise permitted by Final Order, any proof of claim that is not filed before the earlier of the Bar Date or the Confirmation Hearing (other than those Claims arising from the rejection of executory contracts or leases which may be filed within thirty (30) days after mailing of the notice of Effective Date as set forth above) shall automatically be disallowed as a late filed Claim, without any action by the Reorganized Debtor, and the holder of such Claim shall be forever barred from asserting such Claim against the Debtor, the Estate, the Reorganized Debtor or property of Reorganized Debtor. The Hovis Entities and Hovis shall not be entitled to receive any distributions on account of any rejection damage claims or any other claims unless and until they repay to the Reorganized Debtor all amounts which are the subject of the Hovis Litigation.

E. Provisions Regarding Distribution

1. Timing of Distribution; Disputed Claims

Except as otherwise provided herein or as ordered by the Bankruptcy Court, distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Effective Date or as soon thereafter as is practicable. Any distribution to be made on the Effective Date pursuant to this Plan shall be deemed as having been made on the Effective Date if such distribution is made on the Effective Date or as soon thereafter as is practicable. Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day. Except as otherwise provided in the Plan or by order of the Bankruptcy Court, distributions to be made on the Effective Date on account of Claims that are Allowed as of the Effective Date and are entitled to receive distributions under the Plan shall be made by the Plan Administrator on the Effective Date or as promptly thereafter as practicable. For purposes of calculating a Pro Rata share, the amount of the total Allowed Claims in each Class shall be calculated as if all unresolved Disputed Claims in each Class were allowed in the full amount thereof.

2. Delivery of Distribution

Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made at the address set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Reorganized Debtor or its agents, unless the Debtor, has been notified in writing of a change of address, including by the filing of a proof of claim or Administrative Claim request that contains an address for a holder of a Claim different from the address for such holder reflected on any Schedule.

On the Effective Date, the Reorganized Debtor shall issue to the Plan Funders 100% of the New Common Stock (in percentages agreed to by them), which shall constitute all of the issued and outstanding New Common Stock as of the Effective Date.

Under the Plan, payments of fractions of cents or allocations of fractions of shares shall not be made. Whenever any payment of a fraction of a cent under the Plan would otherwise be called for, the actual payment made will reflect a rounding down of such fraction to the nearest whole dollar. The Reorganized Debtor and the Plan Administrator shall not be required to make any distributions in an amount less than twenty-five dollars (\$25).

3. Delivery of and Unclaimed Distributions

(a) Delivery of Distributions

Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made at the address set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Reorganized Debtor or its agents, unless the Debtor, has been notified in writing of a change of address, including by the filing of a proof of claim or Administrative Claim request that contains an address for a holder of a Claim different from the address for such holder reflected on any Schedule.

(b) Unclaimed Distribution

If any distribution remains unclaimed for a period of ninety (90) days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the holder of an Allowed Claim or Interest entitled thereto, such unclaimed property shall be forfeited by such holder, whereupon all right, title and interest in and to the unclaimed property shall be held in reserve by the Reorganized Debtor to be distributed Pro Rata to holders of Allowed Claims in such Class in accordance with this Plan, or if all Allowed Claims in such Class have been satisfied or reserved for in accordance with the Plan, then such unclaimed property will be distributed to the Reorganized Debtor.

4. Time Bar to Cash Payments

Checks issued by the Reorganized Debtor or Plan Administrator on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtor or Plan Administrator by the Holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of (i) the first anniversary of the Effective Date or (ii) ninety (90) days after the date of issuance of such check, if such check represents a final payment hereunder on account of such Claim. After such date, all claims in respect of voided checks shall be discharged and forever barred and the right to all moneys from the voided checks shall revert to the Reorganized Debtor.

5. Compliance with Tax Requirements

Any federal, state, or local withholding taxes or other amounts required to be withheld under applicable law shall be deducted from distributions hereunder. All Persons holding Claims shall be required to provide any information necessary to effect the withholding of such taxes.

6. Setoffs; Claims Defenses

The Reorganized Debtor or Plan Administrator, as applicable, may, pursuant to section 558 of the Bankruptcy Code or applicable non-bankruptcy law, set off or recoup against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim): (i) the postpetition claims, rights, causes of action and defenses of any nature; (ii) setoff claims or recoupment against any Governmental Authority related to Priority Tax Claims; and (iii) prepetition claims, rights and causes of action, that the Reorganized Debtor may hold against the Holder of such Allowed Claim, that may be offset against such Allowed Claims; provided that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtor of any such claims, rights, causes of action, or defenses that the Reorganized Debtor may possess against such Holder.

7. Interest On Claims

Unless otherwise specifically provided for in the Plan, the Confirmation Order, or any contract, instrument, release, settlement agreement, consent decree or other agreement or document entered into in connection with the Plan, and required by applicable bankruptcy law (including, for purposes of rendering a Class of Claims Unimpaired), post-petition interest shall not accrue or be paid on Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Without limiting the generality of the foregoing, interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

F. Objections to Claims

From and after the Effective Date, the Reorganized Debtor and the Plan Administrator shall have the exclusive authority to object to, settle, compromise, withdraw, assign or litigate to judgment any and all Claims and objections to such Claims. All objections to Claims, including Administrative Expense Claims, but excluding Professional Fee Claims, must be filed by the Objection Deadline. Nothing herein shall limit the right, as applicable, of the United States Trustee to object to Administrative Expense Claims.

G. Reorganized Debtor's Corporate Structure, Management and Operation

On the Effective Date and automatically and without further action, (i) each existing officer of the Debtor will be deemed to have resigned, (ii) the new board members/officers of the Reorganized Debtor shall be those identified in the Plan Supplement by the Plan Funders, and (iii) the Reorganized Debtor shall be authorized and empowered to take all such actions and measures necessary to implement and administer the terms and conditions of the Plan. Debtor's Operating Agreement/By Laws will be amended as of the Effective Date to the extent necessary to incorporate the provisions of the Plan and to prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code. The rights and interests of

the New Common Stock Interests shall be governed by and controlled pursuant to the terms and conditions of the Reorganized Debtor' Operating Agreements, which shall be included in and filed with the Plan Supplement. The Reorganized Debtor shall be managed by I-Management under the terms of a certain Management Agreement between Reorganized Debtor and I-Management which shall commence on the Effective Date.

H. Confirmation and/or Consummation

1. Condition to Confirmation

The Plan shall not be confirmed unless and until the following conditions have been satisfied in full or waived by the Plan Funders:

(i) The Confirmation Order shall be in form and substance satisfactory to the Plan Funders, which Confirmation Order shall approve all provisions, terms and conditions of the Plan; and

(ii) No amendments, modifications, supplements or alterations shall have been made to the Plan or any document delivered in connection therewith, without the express written consent of the Plan Funders (which consent may be granted, withheld, or conditioned in their respective sole discretion).

2. Conditions to Effective Date

The Plan shall not become effective unless and until each of the following conditions has been satisfied in full or waived by the Plan Funders:

(i) The Bankruptcy Court shall have entered the Confirmation Order by July 29, 2016 (or such other date as agreed to in the sole discretion of the Plan Funders) and such Order shall be in form and substance satisfactory to the Plan Funders;

(ii) All escrow and reserve accounts described in the Plan have been adequately funded; and

(iii) The Confirmation Order shall have become a Final Order.

3. Waiver of Conditions

The Plan Funders may waive, to the extent permitted by law, any of the foregoing conditions without leave or order of the Bankruptcy Court and without any formal action.

4. Failure of Conditions

In the event that the conditions specified above have not occurred on or before sixty (60) days after the Confirmation Date, the Confirmation Order may be vacated upon order of the Bankruptcy Court after motion made by the Plan Funders or any party in interest and an opportunity for parties in interest to be heard.

I. Releases, Discharge, Injunctions, Exculpation and Indemnification

1. Discharge

Except as otherwise provided for in the Plan or in the Confirmation Order, in accordance with section 1141(d) of the Bankruptcy Code, entry of the Confirmation Order acts as a discharge effective as of the Effective Date of all debts, Claims against, Liens on, and Interests in the Debtor, its assets and Property, which debts, Claims, Liens and Interests arose at any time before the entry of the Confirmation Order. The discharge of the Debtor shall be effective as to each Claim and Interest, regardless of whether a proof of Claim or Interest was filed or whether the Claim or Interest was Allowed or whether the holder of the Claim or Interest votes to accept the Plan. On the Effective Date, as to each and every discharged Claim and Interest, any holder of such Claim or Interest shall be precluded from asserting such Claim or Interest against the Debtor, Reorganized Debtor, Plan Funders or their assets or properties. Without in any way limiting the foregoing, the Discharge provided herein shall apply to CAN Capital.

2. Exculpation

On the Effective Date, the Plan Funders and all of their respective direct and indirect parents, subsidiaries and affiliates, together with each of their respective present and former shareholders, members, managers, general partners, limited partners, officers, directors, employees, agents, representatives, attorneys and advisors or consultants (solely in their capacities as such) shall be deemed released by the Debtor (its shareholders, officers, directors and employees) and all holders of Claims or Interests, of and from any claims, obligations, rights, causes of action and liabilities for any act or omission occurring solely during the period from the Petition Date through the date immediately preceding the Effective Date, generally, including, without limitation, any act or omission occurring during or relating to the Chapter 11 Case, the Plan Funding Equity Commitments, the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which constitute willful misconduct or gross negligence, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and under the Bankruptcy Code.

3. Releases

(a) Releases by the Debtor

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or the Plan Supplement, for good and valuable consideration provided by each of the Released Parties, which consideration includes the discharge of a substantial portion of the BHL Loan, and the provision of the services of the Released Parties in facilitating the expeditious implementation of the transactions contemplated hereby), on the Effective Date and effective as of the Effective Date, the Released Parties are deemed released and discharged by the Debtor and its Estate from any and all direct, indirect or derivative claims, obligations, rights, suits, judgments, Liens, damages, causes of action, remedies, liabilities, claims or rights of contribution and indemnification, and all other controversies of every type, kind, nature, description or character whatsoever, including any derivative claims asserted on behalf of the Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or fixed, currently existing or hereafter arising, in law, at equity, whether for tort, fraud, contract, recharacterization or, that the Debtor or Reorganized Debtor would have been legally entitled to assert, including, but not limited to, any claim or cause of action arising from or relating to the Debtor, the Chapter 11 Case, the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place, in each case to the extent incurred on or prior to the Effective Date, other than in each case claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence.

(b) Third Party Releases

As of the Effective Date, in consideration for the obligations of the Released Parties under the Plan and the Cash, Cash equivalents, other contracts, instruments, releases, agreements, or documents to be entered into or delivered in connection with the Plan, each Releasor is deemed to forever release, waive, and discharge the Released Parties from any and all direct, indirect or derivative claims, obligations, rights, suits, judgments, Liens, damages, causes of action, remedies, liabilities, claims or rights of contribution and indemnification, and all other controversies of every type, kind, nature, description or character whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, contingent or fixed, currently existing or hereafter arising, in law, at equity, whether for tort, fraud, recharacterization, contract or otherwise, that are based on any act, omission, transaction, or other occurrence taking place on or prior to the Effective Date, including, but not limited to, any claim or cause of action arising from or relating to the Debtor, the Chapter 11 Case, the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the negotiation, formulation, or preparation of the Plan and Disclosure Statement; provided, however, that the foregoing "Third Party Release" shall not operate to release the Reorganized Debtor's right to enforce obligations, or the rights of creditors to enforce the Reorganized Debtor's obligations, under the Plan and the contracts, instruments, releases, agreements, and documents

delivered thereunder. For the avoidance of doubt, the Releasors hereby waive any rights or benefits under California Civil Code Section 1542 or any similar state law, which provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with Debtor and any rights or benefits under similar laws. The Confirmation Order shall specifically provide for the foregoing releases.

4. Injunctions

On the Effective Date, the Debtor, the Reorganized Debtor and the Releasors shall be permanently enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind, including asserting any setoff, right of subrogation, contribution, indemnification or recoupment of any kind, directly or indirectly, or proceeding in any manner in any place inconsistent with the releases granted to the Released Parties pursuant to the Plan. The Confirmation Order shall specifically provide for such injunction.

On and after the Confirmation Date, except to enforce the terms and conditions of the Plan before the Bankruptcy Court, all Persons or Entities who have held, hold or may hold any Claim against or Interest in the Debtor is, with respect to any such Claim or Interest, permanently enjoined from and after the Confirmation Date from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Debtor, Reorganized Debtor, or Plan Funders or any of its properties, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or Entities and all of their respective direct and indirect parents, subsidiaries and affiliates, together with each of their respective present and former shareholders, members, managers, general partners, limited partners, officers, directors, employees, agents, representatives, attorneys and advisors or consultants, or any property of any of the foregoing (collectively, the "Protected Parties"); (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means whether directly or indirectly, against any of the Protected Parties of any judgment, award, decree or order; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against any of the Protected Parties; (d) asserting any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against any obligation due to any of the Protected Parties (except to the extent expressly asserted in a timely filed proof of claim); and (e) taking any actions in any place and in any manner whatsoever that do not conform to or comply with the provisions of the Plan. Notwithstanding the foregoing, nothing contained herein shall alter, effect or impair the rights of Reorganized Debtor to commence any Causes of Action or the Hovis Litigation against any Person, all of which are specifically preserved.

5. Term of Injunctions and Stays

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code or otherwise and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

J. Preservation of Rights of Action

Except to the extent that any Claim is Allowed during the Chapter 11 Cases or expressly by the Plan, nothing, including, but not limited to, the failure of the Debtor or the Reorganized Debtor to object to a Claim or Interest for any reason during the pendency of the Chapter 11 Case, shall affect, prejudice, diminish or impair the rights and legal and equitable defenses of the Debtor, the Reorganized Debtor, or the Plan Administrator, as applicable, with respect to any Claim or Interest, including, but not limited to, all rights of the Debtor, the Reorganized Debtor or the Plan Administrator, as applicable, to contest or defend themselves against such Claims or Interests in any lawful manner or forum when and if such Claim or Interest is sought to be enforced by the Holder thereof.

Further, except as otherwise provided in the Plan, all Causes of Action, including Avoidance Actions and the Hovis Litigation, shall automatically be retained and preserved and will vest in and be transferred to the Reorganized Debtor. Pursuant to section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor and the Plan Administrator will retain and have the exclusive right to enforce and prosecute such Causes of Action (including Avoidance Actions and Hovis Litigation) against any Entity, that arose before the Effective Date, other than those expressly released or compromised as part of or pursuant to the Plan.

In addition, except to the extent that any Claim is Allowed, the Plan Administrator or the Reorganized Debtor, as applicable, may, but shall not be required to, set off against any Claims and the payments or distributions to be made pursuant to the Plan in respect of such Claims, any and all debts, liabilities, Causes of Action (including Avoidance Actions and the Hovis Litigation) and claims of every type and nature whatsoever which the Estate, the Debtor or the Reorganized Debtor may have against Holders of Claims, but neither the failure to do so nor the allowance of any such Claims, whether pursuant to the Plan or otherwise, shall constitute a waiver or release by the Debtor of any such claims or Causes of Action (including Avoidance Actions and the Hovis Litigation) the Debtor may have against such Holders, and all such claims and Causes of Action (including Avoidance Actions and the Hovis Litigation) which are not expressly released pursuant to the Plan shall be reserved to and retained by the Reorganized Debtor.

K. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain after the Effective Date exclusive jurisdiction of all matters arising out of, arising in or related to, the Chapter 11 Cases to the fullest extent permitted by applicable law, including, without limitation, jurisdiction with respect to the following:

- (a) Claims. To determine the allowance, extent, classification, or priority of Claims against the Debtor upon objection by the Reorganized Debtor;
- (b) Injunction, etc. To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Bankruptcy Court, to issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to herein, and to determine all matters that may be pending before the Bankruptcy Court in the Chapter 11 Case on or before the Effective Date with respect to any Person or Entity;
- (c) Professional Fees. To determine any and all applications for allowance of compensation and expense reimbursement of Professionals for periods before the Effective Date, and objections thereto, as provided for in the Plan;
- (d) Certain Priority Claims. To determine the allowance, extent and classification of any Priority Tax Claims, Other Priority Claims, Administrative Claims or any request for payment of an Administrative Claim;
- (e) Dispute Resolution. To resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan and/or Confirmation Order and the making of distributions hereunder and thereunder;
- (f) Executory Contracts and Unexpired Leases. To determine any and all motions for the rejection, assumption, or assignment of executory contracts or unexpired leases, and to determine the allowance and extent of any Claims resulting from the rejection of executory contracts and unexpired leases;
- (g) Actions. To determine all applications, motions, adversary proceedings (including any Avoidance Actions, Causes of Action and the Hovis Litigation), contested matters, actions, and any other litigated matters instituted (either before or after the Effective Date) in the Chapter 11 Case by or on behalf of the Debtor and Reorganized Debtor;
- (h) General Matters. To determine such other matters, and for such other purposes, as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code or other applicable law;

- (i) Plan Modification. To modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out its intent and purposes;
- (j) Aid Consummation. To issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person or Entity, to the full extent authorized by the Bankruptcy Code;
- (k) Protect Property. To protect the Property of the Debtor and Reorganized Debtor from adverse Claims or Liens or interference inconsistent with this Plan, including to hear actions to quiet or otherwise clear title to such property based upon the terms and provisions of this Plan or to determine a purchaser's exclusive ownership of claims and causes of actions retained under this Plan;
- (l) Abandonment of Property. To hear and determine matters pertaining to abandonment of Property of the Estate;
- (m) Implementation of Confirmation Order. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated; and
- (n) Final Order. To enter a final order closing the Chapter 11 Case.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Debtor, including with respect to the matters set forth above, nothing in the Plan will prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

L. Amendment, Alteration and Revocation of Plan

With the written approval of the Plan Funders, BHL may alter, amend or modify the Plan in accordance with section 1127 of the Bankruptcy Code or as otherwise permitted at any time prior to the Confirmation Date. After the Confirmation Date and prior to the substantial consummation of the Plan, and in accordance with the provisions of section 1127(b) of the Bankruptcy Code and the Bankruptcy Rules, BHL, with the written approval of the Plan Funders and so long as the treatment of Holders of Claims or Interests under the Plan is not adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, prior notice of such proceedings shall be served in accordance with Bankruptcy Rules 2002 and 9014.

BHL reserves the right, at any time prior to Confirmation of the Plan, to withdraw the Plan. If the Plan is withdrawn or if the Confirmation Date does not occur, the Plan shall be null

and void and have no force and effect. In such event, nothing contained in the Plan or herein shall be deemed to constitute a waiver or release of any claims by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

M. Plan Implementation Documents

The documents necessary to implement the Plan include the Plan Funding Equity Commitments, Liquidation Analysis, the designation of the Post-Confirmation Officers of the Reorganized Debtor, Amended By-Laws for Reorganized Debtor and contracts to be assumed.

Such documents will be submitted in substantially the form to be implemented on the Effective Date as part of the Plan Supplement, which will be filed with the Clerk of the Bankruptcy Court on or before the date that is ten (10) days before the Confirmation Hearing. All documents in the Plan Supplement shall be in form, scope, and substance satisfactory to the Plan Funders. Upon such filing, all documents included in the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Interests may obtain a copy of any document included in the Plan Supplement upon written request to counsel for BHL.

V. CERTAIN RISK FACTORS TO BE CONSIDERED

The Holders of Claims in Classes 3, 5, and 9 should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), before deciding whether to vote to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks associated with the Plan and its implementation.

A. General Considerations

The Plan sets forth the means for satisfying Claims against the Debtor. Holders of certain Claims and Interests neither receive nor retain any property on account of such Claims and Interests pursuant to the Plan. Nevertheless, reorganization of the Debtor's business and operations under the proposed Plan avoids the potentially adverse impact of a liquidation on the Debtor's customers, suppliers, employees, communities and other stakeholders.

B. Certain Bankruptcy Considerations

Even if all voting Impaired Classes vote in favor of the Plan, and if with respect to any Impaired Class deemed to have rejected the Plan the requirements for “cramdown” are met, the Bankruptcy Court may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtor, and that the value of distributions to dissenting Holders of Claims and Interests will not be less than the value such Holders would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. Although BHL believes that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion. See Appendix D annexed hereto for a liquidation analysis of the Debtor.

If a liquidation or protracted reorganization were to occur, there is a significant risk that the value of the Debtor’s enterprise would be substantially eroded to the detriment of all stakeholders.

The Debtor’s future results are dependent upon the successful confirmation and implementation of a plan of reorganization. Failure to obtain this approval in a timely manner could adversely affect the Debtor’s operating results, as the Debtor’s relations with its customers and suppliers may be harmed by protracted bankruptcy proceedings. Furthermore, BHL cannot predict the ultimate amount of all of the Debtor’s liabilities that will be subject to a plan of reorganization. Once a plan of reorganization is approved and implemented, the Debtor’s operating results may be adversely affected by the possible reluctance of prospective lenders, customers and suppliers to do business with a company that recently emerged from bankruptcy proceedings.

C. Claims Estimations

There can be no assurance that any estimated Claim amounts set forth in this Disclosure Statement are correct. The actual Allowed amount of Claims likely will differ in some respect from the estimates. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, the actual Allowed amount of Claims may vary from those estimated herein.

D. Conditions Precedent to Consummation

The Plan provides for certain conditions that must be satisfied (or waived) prior to confirmation of the Plan and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

E. Inherent Uncertainty of Financial Projections

The Projections set forth in Appendix B hereto cover the projected operations of the Reorganized Debtor. These Projections are based on numerous assumptions that are an integral part of the Projections, including confirmation and consummation of the Plan in accordance with its terms, realization of the operating strategy of the Reorganized Debtor, industry performance, no material adverse changes in applicable legislation or regulations, or the administration thereof, or regulations, exchange rates or generally accepted accounting principles, general business and economic conditions, competition, retention of key management and other key employees, absence of material contingent or unliquidated litigation, indemnity or other claims, and other matters. Certain additional material assumptions are disclosed on the first page of Appendix B.

To the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and are based on assumptions considered reasonable by the Debtor, the assumptions and estimates underlying the Projections are subject to business, economic and competitive uncertainties and contingencies. Accordingly, the Projections are only educated, good faith estimates and are necessarily contingent in nature. It can be expected that some or all of the assumptions in the Projections will not be realized and that actual results will vary from the Projections, which variations may be material and may increase over time. The projected financial information contained herein should not be regarded as a guaranty by BHL, BHL's advisors or any other Person that the Projections can or will be achieved.

F. Certain Tax Considerations

There are a number of income tax considerations, risks and uncertainties associated with consummation of the Plan. Interested parties should read carefully the discussions set forth in Article VII regarding certain U.S. federal income tax consequences of the transactions proposed by the Plan.

VI. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Certain U.S. Federal Income Tax Consequences of the Plan

THE FOLLOWING DISCUSSION SUMMARIZES CERTAIN ANTICIPATED U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTIONS PROPOSED BY THE PLAN. THIS SUMMARY IS PROVIDED FOR INFORMATION PURPOSES ONLY AND IS BASED ON THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), TREASURY REGULATIONS PROMULGATED THEREUNDER, JUDICIAL AUTHORITIES, AND CURRENT ADMINISTRATIVE RULINGS AND PRACTICE, ALL AS IN EFFECT AS OF THE DATE HEREOF AND ALL OF WHICH ARE SUBJECT TO CHANGE OR DIFFERING INTERPRETATION, POSSIBLY WITH RETROACTIVE EFFECTS THAT COULD ADVERSELY AFFECT THE U.S. FEDERAL INCOME TAX CONSEQUENCES DESCRIBED BELOW.

THIS SUMMARY DOES NOT ADDRESS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM IN LIGHT OF ITS PARTICULAR FACTS AND CIRCUMSTANCES OR TO CERTAIN TYPES OF HOLDERS OF CLAIMS SUBJECT TO SPECIAL TREATMENT UNDER THE CODE (FOR EXAMPLE, NON-U.S. TAXPAYERS, FINANCIAL INSTITUTIONS, BROKER-DEALERS, INSURANCE COMPANIES, TAX-EXEMPT ORGANIZATIONS, AND THOSE HOLDING CLAIMS THROUGH A PARTNERSHIP OR OTHER PASSTHROUGH ENTITY). IN ADDITION, THIS SUMMARY DOES NOT DISCUSS ANY ASPECTS OF STATE, LOCAL, OR NON-U.S. TAXATION AND DOES NOT ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF CLAIMS THAT ARE UNIMPAIRED UNDER THE PLAN OR HOLDERS OF CLAIMS THAT ARE NOT ENTITLED TO RECEIVE OR RETAIN ANY PROPERTY UNDER THE PLAN.

IN COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, YOU ARE HEREBY ADVISED THAT THIS DISCUSSION IS NOT WRITTEN WITH THE INTENT THAT IT BE USED, AND IT IN FACT CANNOT BE USED, TO AVOID PENALTIES IMPOSED UNDER THE CODE. THIS DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OF THE PLAN AND CANNOT BE USED TO PROMOTE, MARKET OR RECOMMEND TO ANOTHER PERSON ANY TAX- RELATED IDEA OR TRANSACTION.

A SUBSTANTIAL AMOUNT OF TIME MAY ELAPSE BETWEEN THE DATE OF THIS DISCLOSURE STATEMENT AND THE RECEIPT OF A FINAL DISTRIBUTION UNDER THE PLAN. EVENTS SUBSEQUENT TO THE DATE OF THIS DISCLOSURE STATEMENT, SUCH AS ADDITIONAL TAX LEGISLATION, COURT DECISIONS, OR ADMINISTRATIVE CHANGES, COULD AFFECT THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREUNDER. NO RULING HAS BEEN OR IS EXPECTED TO BE SOUGHT FROM THE INTERNAL REVENUE SERVICE (THE "IRS") WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN OR IS EXPECTED TO BE OBTAINED BY BHL WITH RESPECT THERETO.

EACH HOLDER OF A CLAIM IS STRONGLY URGED TO CONSULT ITS TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN TO SUCH HOLDER.

B. U.S. Federal Income Tax Consequences to the Debtor

1. Cancellation of Indebtedness Income

Under the Code, a U.S. taxpayer generally must include in gross income the amount of any discharged indebtedness (“COD”) realized during the taxable year. COD income generally equals the difference between the adjusted issue price of the indebtedness discharged and the sum of the amount of any cash, the issue price of any new debt instruments and the fair market value of any stock or other property transferred in satisfaction of the discharged indebtedness. COD income also includes any interest that has been previously accrued and deducted but remains unpaid at the time the indebtedness is discharged. COD income generally does not include the discharge of indebtedness to the extent payment of the liability would have given rise to a deduction. The Reorganized Debtor may realize COD income. The Reorganized Debtor will not include such COD income in gross income for federal income tax purposes, however, because the indebtedness will be discharged while the Reorganized Debtor is under the jurisdiction of a court in a title 11 bankruptcy case. Instead, the Reorganized Debtor may generally be required to reduce certain tax attributes (e.g., net operating losses, and collectively, “Tax Attributes”) by the amount of the COD income excluded from gross income by reason of the Chapter 11 Cases. The reduction in Tax Attributes will occur on the first day of the taxable year following the realization of such COD income (i.e., after the determination of the Debtor’s taxable income or loss for the current year).

2. Accrued Interest

To the extent a portion of the consideration issued to holders of Claims is attributable to accrued but unpaid interest, the Debtor may be entitled to interest deductions in the amount of such accrued interest to the extent such interest is otherwise deductible under the Code and not already deducted. Accordingly, the Debtor may be entitled to interest deductions in the amount of such accrued interest to the extent such interest is otherwise deductible under the Code and not already deducted.

C. U.S. Federal Income Tax Consequences to Certain Claim and Interest Holders

1. Holders of Secured Claims

A holder of a Secured Claim who receives Cash will be required to recognize gain or loss for U.S. federal income tax purposes equal to the difference between such Holder’s adjusted tax basis, if any, in the Secured Claim and any Cash received in exchange therefore.

Notwithstanding the discussion in the prior paragraph, the consummation of the Plan generally should not be a taxable event for a holder of a Secured Claim whose legal, equitable and contractual rights are Reinstated pursuant to the Plan.

Consideration received by holders of Secured Claims will, pursuant to the Plan, be allocated first to the principal amount of such Claim as determined for U.S. federal income tax purposes and then to accrued interest, if any, with respect to such Claim. Holders of Secured

Claims should include the portion, if any, of the consideration received which is allocable to accrued interest as ordinary income, to the extent not previously included in income.

2. Holders of Debtor Interests (Class 6)

The Debtor's Interests will be extinguished. Whether the Holders of such Interests will recognize a loss, a deduction for worthless securities or any other tax treatment will depend upon facts and circumstances that are specific to the nature of the Holder and its Interests.

HOLDERS OF DEBTOR'S INTERESTS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE FEDERAL INCOME TAX CONSEQUENCES OF THE EXTINGUISHMENT OF THEIR INTERESTS.

3. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS OR INTERESTS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

VII. FEASIBILITY OF THE PLAN AND BEST INTERESTS OF CREDITORS

A. Feasibility of the Plan

In connection with confirmation of the Plan, the Bankruptcy Court will be required to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor.

To support their belief in the feasibility of the Plan, BHL has relied upon the Projections, which are annexed to this Disclosure Statement as Appendix B.

The Projections indicate that the Reorganized Debtor should have sufficient cash flow to pay and service any post-Confirmation debt obligations and to fund its operations. The Projections reveal that the Reorganized Debtor will have positive annual free cash flow for each of the next three fiscal years. Moreover, the Reorganized Debtor will have significantly reduced indebtedness as of the Effective Date. Accordingly, BHL believes that the Plan complies with the financial feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

B. Acceptance of the Plan

As a condition to Confirmation, the Bankruptcy Code requires that each Class of Impaired Claims vote to accept the Plan, except under certain circumstances as summarized below.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the Plan. Thus, Holders of Claims in each of Classes 3, 5, 9, and 10 will have voted to accept the Plan only if two-thirds (2/3) in amount and a majority in number of the Claims actually voting in each Class cast their Ballots in favor of acceptance. Holders of Claims who fail to vote are not counted as either accepting or rejecting a plan.

C. Best Interests Test

As noted above, even if a plan is accepted by each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the best interests of all holders of claims or interests that are impaired by the plan and that have not accepted the plan. The “best interests test”, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

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

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

interests. The liquidation would also prompt the rejection of a large number of executory contracts and unexpired leases and thereby significantly enlarge the total pool of unsecured claims by reason of resulting rejection damages claims.

Once the bankruptcy court ascertains the recoveries in liquidation of secured creditors and priority claimants, it must determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If such probable distribution has a value greater than the distributions to be received by such creditors and equity security holders under a chapter 11 plan, then such plan is not in the best interests of creditors and equity security holders.

D. Liquidation Analysis

For purposes of the Best Interests Test, in order to determine the amount of liquidation value available to Creditors, BHL prepared a liquidation analysis, annexed hereto as Appendix D (the "Liquidation Analysis"). The Liquidation Analysis sets forth the estimated gross and net recoveries from the Debtor's assets both in a forced chapter 7 liquidation scenario and a more orderly chapter 11 liquidation scenario. In a chapter 7 liquidation, BHL estimates a gross recovery of \$2,023,744, with attendant trustee fees and liquidation expenses of approximately \$101,187 (which would be paid out of such proceeds before distribution to creditors), for a net recovery to the Estate of only \$1,922,557, none of which would likely be available for distribution to Holders of General Unsecured Claims. In the chapter 7 liquidation scenario, therefore, the net recovery would be insufficient to satisfy even the BHL Secured Claim, let alone any tranche of Unsecured Claims. BHL notes that this is not materially different from the conclusions reached by the Debtor in its Disclosure Statement accompanying its plan of reorganization.

The Plan, which proposes to make available up to \$925,000 in Cash, plus all claims and causes of action of the Debtor's Estate (including Avoidance Actions and the Hovis Litigation) existing on the Petition Date for the benefit of Unsecured Creditors, thus proposes to distribute more to these classes than BHL believes such classes would receive in a chapter 7 liquidation. These conclusions are premised upon the assumptions set forth in Appendix D.

Note that BHL believes that any liquidation analysis with respect to the Debtor is inherently speculative. The liquidation analysis for the Debtor necessarily contains estimates of the net proceeds that would be received from a forced sale of assets and/or business units, as well as the amount of Claims that would ultimately become Allowed Claims. Claims estimates are based solely upon a review of the Claims filed and the Debtor's books and records. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims set forth in the Liquidation Analysis.

E. Application of the "Best Interests" of Creditors Test to the Liquidation Analysis and the Valuation

It is impossible to determine with certainty the value each Holder of Claims in Class 5 will receive as a percentage of its Allowed Claim. This difficulty in estimating the value of

recoveries for such Holders is primarily due to the uncertainty surrounding the amount of prepetition Unsecured Claims that ultimately will be allowed and the amount of proceeds from the Hovis Litigation that will ultimately be recovered.

Notwithstanding the difficulty in quantifying recoveries with precision, BHL believes that the financial disclosures and projections contained herein imply a greater recovery to Holders of Claims in Impaired Classes than the recovery available in a chapter 7 liquidation. Accordingly, BHL believes that the “best interests test” of section 1129 of the Bankruptcy Code is satisfied.

F. Confirmation Without Acceptance of All Impaired Classes: The “Cramdown” Alternative

In the event any Class votes to reject the Plan, BHL will seek confirmation of the Plan pursuant to the “cramdown” provisions of the Bankruptcy Code.

Section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted the plan. The Bankruptcy Court may confirm a plan at the request of a debtor if the plan “does not discriminate unfairly” and is “fair and equitable” as to each impaired class that has not accepted the plan. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank. BHL believes the Plan does not discriminate unfairly with respect to any Claims because no Claims are entitled to payment under the absolute priority rule until all other senior Creditors have been paid in full.

A plan is fair and equitable as to a class of unsecured claims that rejects a plan, under section 1129(b)(2)(B) of the Bankruptcy Code, if the plan provides, among other things, (a) “that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim”; or (b) “the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property.”

A plan is fair and equitable as to a class of equity interests that rejects a plan if the plan provides (a) that each holder of an interest included in the rejecting class receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest or (b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property at all.

BHL believes that it will meet the “fair and equitable requirements of section 1129(b) of the Bankruptcy Code because no Holder of any Claim or Interest junior to any other Claims will receive any distribution on account of such junior Claim or Interest until the senior Claims are paid in full. As such, in the event it becomes necessary to “cramdown” the Plan over the

rejection of any Classes, BHL will demonstrate at the Confirmation Hearing that the Plan does not discriminate unfairly and is fair and equitable.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

BHL believes that the Plan affords Holders of impaired Claims the potential for the greatest realization on the Debtor's assets and, therefore, is in the best interests of such Holders. If, however, the requisite acceptances are not received, or the Plan is not confirmed and consummated, the theoretical alternatives include: (a) formulation of an alternative plan or plans of reorganization, (b) liquidation of the Debtor under chapter 7 or chapter 11 of the Bankruptcy Code, or (c) sale of the Debtor as a going concern under section 363.

A. Alternative Plan(s) of Reorganization

If the requisite acceptances are not received or if the Plan is not confirmed, BHL or any other party in interest could attempt to formulate and propose a different plan or plans of reorganization. Such a plan or plans might involve either a reorganization and continuation of the Debtor's business or an orderly liquidation of assets.

BHL believes the Plan enables Creditors to realize the greatest possible value under the circumstances and has the greatest chance to be confirmed and consummated. Unsecured Creditors will receive approximately a 17.3 to 84.7% distribution (subject to adjustment based on allowed claims) depending upon the outcome of the Hovis Litigation. Although the Debtor has proposed a plan of reorganization that asserts a 100% payment to all creditors and interest holders, BHL believes that the Debtor's plan is unconfirmable or if confirmed, is most likely to collapse under the great weight of debt assumed under the Plan. Further, Debtor's Disclosure Statement includes the statement of an individual named Dr. Kochkin. Dr. Kochkin, however, has not been qualified as an expert in this matter. Any statement attributed to Dr. Kochkin should not be viewed as expert testimony or as an endorsement of the Debtor's Plan.

B. Liquidation under Chapter 7 or Chapter 11

If no plan is confirmed, the Debtor's case may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the Debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. It is impossible to predict with certainty how the proceeds of the liquidation would be distributed to the respective Holders of Claims against or Interests in the Debtor. It is, however, possible to predict that BHL would assert that it held security interests in all assets to be liquidated, likely resulting in nothing to distribute to any other Class of Claims or Interests.

BHL believes that in a liquidation under chapter 7, given the premium in the enterprise value of the Debtor's business over the liquidation value of their assets (as described above), and the additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants and other professionals to assist such trustees would cause a substantial diminution in the value of the Debtor's Estate. The assets available for distribution to Creditors

would be reduced by such additional expenses and by Claims, some or most of which would be entitled to priority, arising by reason of the liquidation and from the rejection of leases and other executory contracts in connection with the cessation of operations and the failure to realize the greater going concern value of the Debtor's assets. More importantly, conversion to a chapter 7 liquidation would likely result in the immediate cessation of the Debtor's business, as most chapter 7 trustees are disinclined to continue operations.

The Debtor could also be liquidated pursuant to the provisions of a chapter 11 plan of reorganization. In a liquidation under chapter 11, the Debtor's assets could theoretically be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7, thus resulting in a potentially greater recovery. Conversely, to the extent the commencement of a liquidation resulted in the Debtor's business incurring operating losses, the Debtor's efforts to liquidate its assets over a longer period of time could theoretically result in a lower net distribution to Creditors than they would receive through a chapter 7 liquidation. Nevertheless, because there would be no need to appoint a chapter 7 trustee and hire new professionals, a chapter 11 liquidation might be less costly than a chapter 7 liquidation and thus provide larger net distributions to Creditors than in a chapter 7 liquidation. Any recovery in a chapter 11 liquidation, while potentially greater than in a chapter 7 liquidation, would also be highly uncertain.

BHL believes that any alternative liquidation under chapter 11 is a much less attractive alternative to Creditors than the Plan because of the greater return anticipated by the Plan.

IX. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Interests

Approval by the Bankruptcy Court of this Disclosure Statement means that the Bankruptcy Court has found that this Disclosure Statement contains information of a kind and in sufficient and adequate detail to enable Holders of Claims to make an informed judgment whether to accept or reject the Plan.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR THEREIN OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

IF THE PLAN IS APPROVED BY THE REQUISITE VOTE OF HOLDERS OF CLAIMS ENTITLED TO VOTE AND IS SUBSEQUENTLY CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR, WHETHER OR NOT THEY WERE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS ALL HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR ENTITLED TO VOTE ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS

APPENDICES AND SCHEDULES CAREFULLY AND IN THEIR ENTIRETY BEFORE DECIDING TO VOTE EITHER TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT AND THE PLAN ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN.

No solicitation of votes may be made except after distribution of this Disclosure Statement and no person has been authorized to distribute any information concerning the Debtor other than the information contained herein. No such information will be relied upon in making a determination to vote to accept or reject the Plan.

B. Voting Rights

Pursuant to the provisions of the Bankruptcy Code, only Holders of Claims and Interests in classes that are (a) treated as “impaired” by the plan of reorganization and (b) entitled to receive a distribution under such plan are entitled to vote on the plan. In the Chapter 11 Case, under the Plan, Holders of Claims in Classes 3, 5, 9 and 10 are entitled to vote on the Plan. Claims in other Classes are either (i) Unimpaired and their Holders are deemed to have accepted the Plan, or (ii) receiving no distributions under the Plan and their Holders are deemed to have rejected the Plan. Holders of Class 6 Interests will neither receive nor retain any property on account of such Interests under the Plan and, accordingly, Holders of Class 6 Interests are deemed to reject the Plan under section 1126(g) of the Bankruptcy Code and the Holders of Class 6 Interests are not entitled to vote to accept or reject the Plan.

Only Holders of Allowed Claims in the voting Classes are entitled to vote on the Plan. A Claim which is unliquidated, contingent or disputed is not an Allowed Claim, and is thus not entitled to vote, unless and until the amount is estimated or determined, or the dispute is determined, resolved or adjudicated in the Bankruptcy Court or another court of competent jurisdiction, or pursuant to agreement with the Debtor. However, the Bankruptcy Court may deem a contingent, unliquidated or disputed Claim to be allowed on a provisional basis, for purposes only of voting on the Plan so long as such creditor files the appropriate pleadings in a timely manner so as to allow the Court to grant such relief.

Holders of Allowed Claims in the voting Classes may vote on the Plan only if they are Holders as of the Voting Record Date, which is June 22, 2016.

C. Solicitation Materials

In soliciting votes for the Plan pursuant to this Disclosure Statement, BHL will send, or otherwise cause to be sent, to Holders of Claims who are entitled to vote copies of (a) the Disclosure Statement and Plan, (b) the notice of, among other things, (i) the date, time and place of the hearing to consider confirmation of the Plan and related matters and (ii) the deadline for filing objections to confirmation of the Plan (the “Confirmation Hearing Notice”), (c) one or

more Ballots (and return envelopes) to be used in voting to accept or to reject the Plan and (d) other materials as authorized by the Bankruptcy Court.

Upon approval of this Disclosure Statement, the Bankruptcy Court entered an order that, among other things, determines the dates, procedures and forms applicable to the process of soliciting votes on the Plan and establishes certain procedures with respect to the tabulation of such votes (the "Solicitation Order"). Parties in interest may obtain a copy of the Solicitation Order through the Bankruptcy Court's electronic case filing system or by making written request upon BHL's counsel.

If you are the Holder of a Claim who is entitled to vote, but you did not receive a Ballot, or if your Ballot is damaged or illegible, or if you have any questions concerning voting procedures, you may contact counsel for BHL, Jim Morgan, at (312) 456-3414 or jem@h2law.com.

D. Voting Procedures, Ballots and Voting Deadline

After carefully reviewing the Plan and this Disclosure Statement, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying Ballot. You should complete and sign your original Ballot (copies will not be accepted) and return it in the envelope provided. In addition, if your Ballot is for a Class 6 General Unsecured Claim, you are asked to indicate whether you elect to reduce your Claim to the lesser of \$1,000 or the amount of your Claim and have it treated as an Allowed Class 4 Administrative Convenience Claim.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN AUGUST 19, 2016, AT 4:00 P.M. CENTRAL TIME (THE "VOTING DEADLINE") BY THE FOLLOWING:

Clerk of the Courts
US Bankruptcy Court
Western Division
327 South Church Street
Rockford, IL 61101

UNLESS OTHERWISE PROVIDED IN THE INSTRUCTIONS ACCOMPANYING THE BALLOTS, FAXED BALLOTS WILL NOT BE ACCEPTED. BALLOTS THAT ARE RECEIVED BUT NOT SIGNED WILL NOT BE COUNTED. BALLOTS THAT ARE SIGNED BUT DO NOT SPECIFY WHETHER THE HOLDER ACCEPTS OR REJECTS THE PLAN MAY BE DEEMED TO ACCEPT THE PLAN. DO NOT RETURN ANY STOCK CERTIFICATES, DEBT INSTRUMENTS OR OTHER EVIDENCE OF YOUR CLAIM WITH YOUR BALLOT.

Copies of this Disclosure Statement, the Plan and any appendices and exhibits to such documents are available through the Bankruptcy Court's website. If you have any questions about (a) the procedure for voting your Claim, (b) the packet of materials that you have received, or (c) the amount of your Claim, or if you wish to obtain, at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d), an additional copy of the Plan, this Disclosure Statement or any appendices or exhibits to such documents, please contact counsel for BHL, Jim Morgan at (312) 456-3414 or jem@h2law.com.

BHL URGES ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT THE PLAN AND RETURN THEIR BALLOTS BY THE VOTING DEADLINE.

E. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled the Confirmation Hearing for August 31, 2016, at 11:00 a.m. Central Time. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing. Objections to confirmation of the Plan or proposed modifications to the Plan, if any, must (i) be in writing, (ii) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party, (iv) state with particularity the basis and nature of any objection to the Plan and (v) be filed, together with proof of service, with the Court and served on the parties listed in the Confirmation Hearing notice, in each case so as to be actually received on or before August 19, 2016. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

F. Waivers of Defects, Irregularities, Etc.

All questions with respect to the validity, form, eligibility (including time of receipt), acceptance and revocation or withdrawal of Ballots will be determined by the Bankruptcy Court. As indicated below under "Withdrawal of Ballots; Revocation," effective withdrawals of Ballots must be delivered to counsel for BHL or the Voting Agent, if applicable, prior to the Voting Deadline. BHL reserves the absolute right to contest the validity of any such withdrawal. BHL also reserves the right to reject or to seek rejection of any and all Ballots not in proper form. BHL further reserves the right to waive or seek a waiver of any defects or irregularities or conditions of delivery as to any particular Ballot. Neither BHL nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of ballots nor will any of them incur any liabilities for failure to provide such notification. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) may be invalidated by the Bankruptcy Court.

G. Withdrawal of Ballots; Revocation

Any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. A notice of withdrawal, to be valid, must (a) contain the description of the Claim(s) to which it relates and the aggregate principal amount represented by such Claim(s), (b) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (c) contain a certification that the withdrawing party owns the Claim(s) and possesses the right to withdraw the vote sought to be withdrawn and (d) be received by the Clerk of Courts in a timely manner via regular mail, delivery or courier. As stated above, BHL expressly reserves the absolute right to contest the validity of any such withdrawals of Ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of Ballots which is not received in a timely manner by the Clerk of Courts will not be effective to withdraw a previously cast Ballot.

H. Voting Rights of Disputed Claimants

Holders of Disputed Claims whose Claims are (a) asserted as wholly unliquidated or wholly contingent in Proofs of Claim filed prior to the Voting Record Date or (b) whose Claims are asserted in Proofs of Claim as to which an objection to the entirety of the Claim is pending as of the Voting Record Date (collectively, the “Disputed Claimants”) are not permitted to vote for or against the Plan except as provided in the Solicitation Order. Disputed Claimants may be able to obtain a Ballot for voting on the Plan by filing a motion under Bankruptcy Rule 3018(a) seeking to have their Claims temporarily Allowed for voting purposes (a “Rule 3018 Motion”). Any such Rule 3018 Motion must be filed and served upon BHL’s counsel and the Voting Agent, if applicable, no later than 5:00 p.m. (Eastern time) on the fourteenth (14th) day after the later of (i) the Solicitation Date and (ii) the date of service of an objection, if any, to such claim. The Ballot of any Creditor filing such a motion will not be counted unless temporarily allowed by the Bankruptcy Court for voting purposes, after notice and a hearing. Any party timely filing and serving a Rule 3018 Motion will be provided a Ballot and be permitted to cast a provisional vote to accept or reject the Plan. If and to the extent that BHL and such party are unable to resolve the issues raised by the Rule 3018 Motion prior to the Voting Deadline established by the Bankruptcy Court, then at the Confirmation Hearing the Bankruptcy Court will determine whether the provisional Ballot should be counted as a vote on the Plan. Nothing herein affects BHL’s right to object to any Proof of Claim after the Voting Record Date. With respect to any such objection, BHL may request that any vote cast by the Holder of the Claim subject to the objection be disallowed and not counted in determining whether the requirements of section 1126(c) of the Bankruptcy Code have been met.

I. Further Information; Additional Copies

If you have any questions or require further information about the voting procedures for voting your Claim or about the package of materials you received, or if you wish to obtain an additional copy of the Plan or this Disclosure Statement, or any exhibits or appendices to such documents (at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d) or the Solicitation Order), please contact BHL’s counsel, Jim Morgan: (312) 456-3414 jem@h2law.com

X. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, BHL believes that confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, BHL urges all Holders of Claims in Classes 3, 5, 9, and 10 to vote to ACCEPT the Plan, and to complete and return their ballots so that they will be RECEIVED on or before August 19, 2016 at 4:00 p.m. prevailing Central Time.

DATED: July 18, 2016

Respectfully submitted,

Better Hearing, LLC.

By: /s/ Thomas H. Roberts III

Name: Thomas H. Roberts III

Title: Manager/Member

Appendix A

Better Hearing, LLC's Second Amended Plan of Reorganization, Dated as of June 6, 2016

[See Exhibit A]

Appendix B

Financial Projections [PROVIDED IN THE PLAN SUPPLEMENT]

Appendix C

Liquidation Analysis

[PROVIDED IN THE PLAN SUPPLEMENT]

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