IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
iGPS COMPANY LLC,[1]	)	Case No. 13-11459 (KG)
Debtor.	)	

DISCLOSURE STATEMENT WITH RESPECT TO THE CHAPTER 11 PLAN FOR iGPS COMPANY LLC PROPOSED BY THE DEBTOR

Dated: August 27, 2013

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ATTORNEYS FOR THE DEBTOR
AND DEBTOR IN POSSESSION

[1] The last four digits of iGPS Company LLC's federal tax identification number are 6297. The location of iGPS Company LLC's corporate headquarters and the service address is c/o Winter Harbor LLC, 265 Franklin St., 10th Floor, Boston, Massachussetts 02110.

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SCHEDULES AND EXHIBITS

I.

INTRODUCTION

All capitalized terms used in the Disclosure Statement and not defined herein shall have the meanings ascribed thereto in the Plan (see Section 1.1 of the Plan, Definitions). For ease of reference, all defined terms used in the Disclosure Statement that are not defined in the Plan are listed on Schedule 1 to this Disclosure Statement with reference to the page number where the term is defined. Unless otherwise stated, all references herein to "Schedules" and "Exhibits" are references to schedules and exhibits to this Disclosure Statement, respectively.

BY ORDER DATED OCTOBER ___, 2013 (THE "DISCLOSURE STATEMENT ORDER"), THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE "BANKRUPTCY COURT") APPROVED THE DISCLOSURE STATEMENT (THE "DISCLOSURE STATEMENT") RELATING TO THE CHAPTER 11 PLAN FOR iGPS COMPANY LLC (THE "DEBTOR") PROPOSED BY THE DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE "COMMITTEE"). THE DISCLOSURE STATEMENT INCLUDES AND DESCRIBES THE CHAPTER 11 PLAN FOR THE DEBTOR, DATED AUGUST 27, 2013 (THE "PLAN"), A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "A". CLASS 1 – PRIORITY CLAIMS AND CLASS 2 – NON-LENDER SECURED CLAIMS ARE UNIMPAIRED UNDER THE PLAN AND ARE THEREFORE DEEMED TO HAVE ACCEPTED THE PLAN, AND CLASS 4 –EQUITY INTERESTS IS NOT ENTITLED TO A DISTRIBUTION UNDER THE PLAN AND IS THEREFORE DEEMED TO HAVE REJECTED THE PLAN. CLASS 3 – UNSECURED CLAIMS IS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN. ACCORDINGLY, THE DEBTOR IS SOLICITING ACCEPTANCES OF THE PLAN FROM ALL HOLDERS OF UNSECURED CLAIMS.

THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTEREST OF AND PROVIDES THE HIGHEST AND MOST EXPEDITIOUS RECOVERIES TO HOLDERS OF CLAIMS. ALL HOLDERS OF UNSECURED CLAIMS ARE URGED TO VOTE IN FAVOR OF THE PLAN.

VOTING INSTRUCTIONS ARE CONTAINED IN THE DISCLOSURE STATEMENT ORDER, A TRUE AND CORRECT COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "B". IN ADDITION, THE SOLICITATION PACKAGE ACCOMPANYING EACH OF THE BALLOTS CONTAINS APPLICABLE VOTING INSTRUCTIONS. **TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED, EXECUTED AND ACTUALLY RECEIVED BY 4:00 P.M. (PREVAILING EASTERN TIME), ON NOVEMBER ___, 2013 (THE "VOTING DEADLINE").**

FOR YOUR ESTIMATED PERCENTAGE RECOVERY UNDER THE PLAN, PLEASE SEE THE CHART SET OUT IN "OVERVIEW OF THE PLAN – SUMMARY OF DISTRIBUTIONS UNDER THE PLAN," BELOW.

II.

NOTICE TO HOLDERS OF CLAIMS

The purpose of this Disclosure Statement is to enable you, as a creditor whose Claim is impaired under the Plan, to make an informed decision in exercising your right to accept or reject the Plan. See "Confirmation and Consummation Procedures."

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE PLAN AND TO THE EXHIBITS AND SCHEDULES ANNEXED TO THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (THE "BANKRUPTCY RULES") AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW 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 THE DEBTOR 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, THE DEBTOR.

On October ___, 2013, after notice and a hearing, the Bankruptcy Court entered the Disclosure Statement Order pursuant to section 1125 of the Bankruptcy Code, finding that the Disclosure Statement contains information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor typical of the holders of the Unsecured Claims against the Debtor to make an informed judgment with respect to the acceptance or rejection of the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE PLAN OR OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.**

Each holder of an Unsecured Claim entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtor and certain of the professionals it has retained, no person has been authorized to use or promulgate any information concerning the Debtor, its business or the Plan other than the information contained in this Disclosure Statement, and if other information is given or made, such information may not be relied upon as having been authorized by the Debtor. You should not rely on any information relating to the Debtor, its business or the Plan other than that contained in this Disclosure Statement and the Schedules and Exhibits hereto.

After carefully reviewing this Disclosure Statement, including the attached Schedules and Exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot, and return the same to the address set forth on the ballot, in the enclosed, postage prepaid, return envelope so that it will be actually received by AlixPartners, LLC (the "Solicitation Agent" or "Claims Agent," as applicable), no later than the Voting Deadline. All votes to accept or reject the Plan must be cast by using the appropriate ballot. Votes which are cast in any other manner will not be counted. **All ballots must be actually received by the Solicitation Agent no later than November ___, 2013 at 4:00 p.m., Prevailing Eastern Time. For detailed voting instructions and the name, address and phone number of the person you may contact if you have questions regarding the voting procedures, see the Disclosure Statement Order attached hereto as Exhibit "B".**

DO NOT RETURN ANY OTHER DOCUMENTS WITH YOUR BALLOT.

You will be bound by the Plan if it is accepted by the requisite holders of Unsecured Claims and confirmed by the Bankruptcy Court, even if you do not vote to accept the Plan or if you are the holder of an unimpaired Claim. See "Confirmation and Consummation Procedures."

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing") on November ___, 2013, at __:___ __.m., Prevailing Eastern Time, before the Honorable Kevin Gross, Chief United States Bankruptcy Judge of the United States Bankruptcy Court for the District of Delaware. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before November ___, 2013, in the manner described in the Disclosure Statement Order attached hereto as Exhibit "B".

THE DEBTOR BELIEVES THAT THE PLAN MAXIMIZES RECOVERIES TO CREDITORS AND URGES ALL HOLDERS OF UNSECURED CLAIMS TO VOTE TO ACCEPT THE PLAN.

III.

EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11.

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code pursuant to which a debtor may reorganize its business for the benefit of its creditors, equity holders and other parties in interest. The Debtor commenced the chapter 11 case, Case No. 13-11459 (KG) (the "Chapter 11 Case"), with the filing by the Debtor of a voluntary petition for relief under chapter 11 of the Bankruptcy Code on June 4, 2013 (the "Petition Date").

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of a debtor in property as of the date the petition is filed. Sections 1101, 1107 and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee. In the Chapter 11 Case, the Debtor remained in possession of its property and continued to operate its business as a debtor in possession until the sale of substantially all of its assets was consummated on August 1, 2013 (the "Sale"). See "The Chapter 11 Case – Continued Operations" and "The Chapter 11 Case – Sale of the Debtor's Business."

The filing of a chapter 11 petition triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, among other things, for an automatic stay of all attempts by creditors or other third parties to collect prepetition claims from the debtor or otherwise interfere with its property or business. Exempted from the automatic stay are governmental authorities seeking to exercise regulatory or policing powers. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed chapter 11 plan.

The formulation of a chapter 11 plan is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying claims against and interests in a debtor's estate. Unless a trustee is appointed, only a debtor may file a plan during the first 120 days of a chapter 11 case (the "Filing Period"), and the debtor will have 180 days to solicit acceptance of such plan (the "Solicitation Period" and, collectively with the Filing Period, the "Exclusive Periods"). However, section 1121(d) of the Bankruptcy Code permits the bankruptcy court to extend or reduce the Filing Period and Solicitation Period upon a showing of "cause." The Filing Period and Solicitation Period may not be extended beyond 18 months and 20 months, respectively, from the Petition Date. In this Chapter 11 Case, the Debtor filed the Plan within the applicable Filing Period and, accordingly, no other creditor or party in interest may file a plan during the Exclusive Periods.

B. Chapter 11 Plan.

A chapter 11 plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of a debtor's assets. In either event, upon confirmation of the plan, the plan becomes binding on a debtor and all of its creditors and equity holders, and the prior obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan. For a description of key components of the Plan, see "Overview of the Plan," below.

After a chapter 11 plan has been filed, the holders of impaired claims against and equity interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of Unsecured Claims against the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Debtor's solicitation of votes on the Plan.**

C. Confirmation of a Chapter 11 Plan.

If all classes of claims and equity interests accept a chapter 11 plan, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied. See "Confirmation and Consummation Procedures – Confirmation of the Plan." **The Debtor believes that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code.**

Chapter 11 of the Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a plan for the bankruptcy court to determine that the class has accepted the plan. See "Confirmation and Consummation Procedures."

In addition, classes of claims or equity interests that are not "impaired" under a chapter 11 plan are conclusively presumed to have accepted the plan and thus are not entitled to vote. Furthermore, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. See "Confirmation and Consummation Procedures." Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or equity interests in an impaired class. **Class 1 – Priority Claims and Class 2 – Non-Lender Secured Claims are unimpaired under the Plan and are not entitled to vote on the Plan. Class 4 –Equity Interests will not receive a distribution under the Plan and is not entitled to vote on the Plan. Class 3 – Unsecured Claims is entitled to vote on the Plan.**

In general, a bankruptcy court also may confirm a chapter 11 plan even though fewer than all the classes of impaired claims against and equity interests in a debtor accept such plan. For a chapter 11 plan to be confirmed, despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan. See

"Confirmation and Consummation Procedures – Cramdown." **The Plan has been structured so that it will satisfy the foregoing requirements for the Debtor as to Class 4 – Equity Interests, and can therefore be confirmed over the objection of Class 4 – Equity Interests.**

IV.

OVERVIEW OF THE PLAN

The Plan provides for the treatment of Claims against and Equity Interests in the Debtor in the Chapter 11 Case (No. 13-11459 (KG)).

A. Summary of the Terms of the Plan.

The Plan is built around the following key elements:

- On the Effective Date, the authority, power and incumbency of the Debtor shall terminate, and vest in the Liquidation Trustee, and all remaining Assets of the Debtor shall become assets of the Liquidation Trust. As described in Section VI.E. herein, substantially all of the Assets of the Debtor (excluding, among other things, certain Avoidance Actions and Causes of Action of the Estate) were sold in the Debtor's Chapter 11 Case to iGPS Logistics, LLC (the "Buyer") for, among other things: (i) $2.5 million in Cash, (ii) waiver of over $150 million in senior secured Claims against the Debtor under the Prepetition Credit Facility (as defined below) and (iii) assumption by the Buyer of various Claims against the Debtor, including certain prepetition payables and employee liabilities, the DIP Claims, cure claims under executory contracts assumed and assigned to the Buyer and certain Administrative and Priority Claims through the Sale Closing Date (as defined below).
- The Liquidation Trustee shall, among other things, (i) be authorized to take all steps necessary to wind down the affairs of the Debtor, (ii) have the power and authority to hold, manage, sell and distribute the assets of the Liquidation Trust to the holders of Allowed Claims, (iii) hold the assets of the Liquidation Trust for the benefit of the holders of Allowed Claims, (iv) have the power and authority to hold, manage, sell and distribute Cash or non-Cash assets of the Liquidation Trust obtained through the exercise of its power and authority, (v) have the power and authority to prosecute and resolve, in the name of the Debtor and/or the name of the Liquidation Trustee, the Estate's Avoidance Actions and Causes of Action, (vi) have the power and authority to perform such other functions as are provided in the Plan and (vii) have the power and authority to administer the closure of the Chapter 11 Case.
- On the Effective Date, the Oversight Committee shall be formed, consisting of three members selected by the Committee, as reasonably acceptable to the Debtor, and shall oversee the implementation and administration of the Liquidation Trust and the Plan.
- Allowed Priority Claims and Allowed Non-Lender Secured Claims are unimpaired under the Plan, and holders of such claims shall be paid in full.

- Allowed Unsecured Claims are impaired under the Plan, and holders of such claims shall receive their Pro Rata Share of the Available Proceeds, which is defined as, at any time, the amount of Cash on hand in the Liquidation Trust on and after the Effective Date, excluding amounts sufficient to pay in Cash and in full all (i) Allowed Non-Lender Secured Claims, Allowed Administrative Claims, Allowed Tax Claims and Allowed Priority Claims and (ii) Liquidation Trust Expenses.
- Allowed Equity Interests are impaired under the Plan, and holders of such Equity Interests shall neither receive nor retain any property under the Plan on account of such Equity Interests.

B. Summary of Distributions Under the Plan.

The following is a summary of the distributions under the Plan. It is qualified in its entirety by reference to the full text of the Plan, which is attached to this Disclosure Statement as Exhibit "A". In addition, for a more detailed description of the terms and provisions of the Plan, see "The Chapter 11 Plan" section of this Disclosure Statement.

The claim amounts set forth below are based on information contained in the Debtor's Schedules and filed proofs of claim, and reflect what the Debtor believes to be reasonable estimates of the likely resolution of currently outstanding disputed Claims. The amounts utilized may differ materially from the outstanding filed Claim amounts.

The following chart summarizes the estimated Plan Distributions to holders of Allowed Claims and each class on the Plan Distribution Date (unless otherwise provided):[2]

Administrative and Tax Claims

Claims[3]	Treatment of Claims
Administrative Claims Estimated Allowed Claims: $___	On the Plan Distribution Date, each holder of an Allowed Administrative Claim, other than a Pre-Closing Administrative Claim, shall receive (i) the amount of such holder's Allowed Administrative Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by the Liquidation Trustee and such holder; provided, that such treatment shall not provide a return to such holder having a present value as of the Effective Date in excess of such

[2] There can be no assurance that the estimated Claim amounts set forth herein are correct, and the actual amount of Allowed Claims may differ 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 underlying assumptions prove incorrect, the actual amount of Allowed Claims may vary from those estimated herein.

[3] Administrative Claims and Tax Claims are treated in accordance with section 1129(a)(9) of the Bankruptcy Code. Pursuant to section 1123(a)(1) of the Bankruptcy Code, such Claims are not designated as classes of Claims for the purposes of the Plan.

	holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtor may be paid at the Debtor's election in the ordinary course of business at any time prior to the occurrence of the Effective Date. For the avoidance of doubt, all Allowed Pre-Closing Administrative Claims shall be paid by the Buyer in accordance with the Sale Order (as defined below). **Estimated Recovery: 100% of Allowed Claim**
Tax Claims Estimated Allowed Claims: $___	At the election of the Buyer, each holder of an Allowed Tax Claim will receive in full satisfaction of such Allowed Tax Claim (a) payments from the Buyer in Cash, in regular installments over a period ending not later that five (5) years after the Petition Date, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim; (b) a lesser amount in one Cash payment from the Buyer as may be agreed upon in writing by such holder; or (c) such other treatment from the Buyer as may be agreed upon in writing by such holder; provided, that such agreed upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the amount of such holder's Allowed Tax Claim or that is less favorable than the treatment provided to the most favored nonpriority Unsecured Claims under the Plan. **Estimated Recovery: 100% of Allowed Claim**

Lender and DIP Claims

Claims[4]	**Treatment of Claims**
Lender Claims Estimated Allowed Claims: $0	In accordance with the Sale Order and the Asset Purchase Agreement, all Lender Claims against the Debtor were waived on the Sale Closing Date, and holders of such Claims shall not receive any Plan Distributions. **Estimated Recovery: None**

[4] Lender Claims and DIP Claims have been waived or satisfied in full on the Sale Closing Date and are not designated as classes of Claims for the purposes of the Plan.

DIP Claims Estimated Allowed Claims: $0	In accordance with the Sale Order and the Asset Purchase Agreement, all DIP Claims against the Debtor were satisfied in full by the Buyer on the Sale Closing Date, and holders of such Claims shall not receive any Plan Distributions. **Estimated Recovery: None**

Claims and Equity Interests

Classes of Claims	Treatment of Classes of Claims
Class 1 – Priority Claims[5] Estimated Allowed Claims: $___ Unimpaired	Each holder of an Allowed Priority Claim against the Debtor shall be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all legal, equitable and contractual rights of each holder of an Allowed Priority Claim in respect of such Claim shall be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such holder of an Allowed Priority Claim shall be paid on the Plan Distribution Date in full and in Cash. **Estimated Recovery: 100% of Allowed Claim**
Class 2 – Non-Lender Secured Claims Estimated Allowed Claims: $___ Unimpaired	Each holder of an Allowed Non-Lender Secured Claim against the Debtor shall be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all legal, equitable and contractual rights of each holder of an Allowed Non-Lender Secured Claim in respect of such Claim shall be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such holder of an Allowed Non-Lender Secured Claim shall be paid on the Plan Distribution Date in full and in Cash. **Estimated Recovery: 100% of Allowed Claim**
Class 3 – Unsecured Claims Estimated Allowed Claims: $___ Impaired	Each holder of an Allowed Unsecured Claim against the Debtor shall receive, on the Plan Distribution Date, its Pro Rata Share of the

[5] Certain of the Allowed Priority Claims will be funded pursuant to that certain letter agreement by and between, among others, the Debtor and Bank of America, N.A., which letter agreemenet was assumed by the Debtor by order of the Bankruptcy Court on July 29, 2013.

	Available Proceeds. **Estimated Recovery: ___% of Allowed Claim**
Class 4 – Equity Interests Estimated Allowed Equity Interests: N/A Impaired	On the Effective Date, all Equity Interests in the Debtor shall be cancelled, and each holder of an Equity Interest in the Debtor shall neither receive nor retain any property under the Plan on account of such interest. **Estimated Recovery: None**

V.

GENERAL INFORMATION

The discussion below briefly describes the Debtor and its business.

A. Business of the Debtor.

The Debtor was founded in 2006 and was headquartered in Orlando, Florida with a state-of-the art National Sales and Innovation Center located in Bentonville, Arkansas and served over 100 manufacturers and over 2,000 retailers. The Debtor was the first and only plastic pallet pooling rental and leasing company in the United States, offering shippers and receivers advanced and cost-efficient pallet-based shipping solutions.

The Debtor's innovative, lightweight, 100 percent recyclable plastic pallets (which were 35 percent lighter than wood pallets) provided significant environmental benefits over traditional pallets and were embedded with radio-frequency identification ("RFID") tags that facilitated the cost-effective shipment of products from manufacturers to distributors and retailers. The RFID technology in the Debtor's pallets enabled customers to track shipments in real time, which reduced the logistical cost of shipping and permited shippers and receivers to track, trace and monitor shipments across the supply chain. The Debtor's largest customers included SC Johnson and Kraft Foods, as well as many of the country's largest retail receivers, such as Costco and Wal-Mart.

Although the cost of one of the Debtor's pallets was significantly greater than the cost of a wood pallet, because the Debtor's pallets were more durable and required less maintenance over their lifespan, the Debtor was able to rent its pallets at a cost competitive with those made of wood. Each of the Debtor's pallets was in service longer and used with greater frequency than a wood pallet, reducing the long-term cost to the Debtor and its customers.

The Debtor generated revenue through two pallet pooling rental systems (the "Pooling Systems"). Under the traditional pallet pooling system (the "Traditional Pooling System"), the Debtor rented the pallets to its customers and charged its customers for their specific usage fees, which included pallet rental fees. In the Traditional Pooling System, a manufacturer entered an order for pallets into the Debtor's Internet-based system and the order was sent to Ryder Integrated Logistics, Inc. ("Ryder"), a third party transportation, logistics and supply chain management company, for sourcing and optimization of freight. The order was then scanned at

the optimal Debtor affiliated third party depot location (the "Third Party Depots") and sent to the manufacturer's facility.[6] At the manufacturer's facility, the pallets were loaded with goods, scanned and shipped to a retailer's distribution center or other location. The retailer used the pallets in its facility and returned the pallets to a Third Party Depot after the retailer was finished using the pallets for that specific shipment. The pallets were then scanned back into the system upon receipt at the Third Party Depot.

In addition to the Traditional Pooling System, which utilized Third Party Depots for the distribution and collection of the Debtor's pallets, the Debtor had also instituted an i-Depot program in order to reduce the amount of time a pallet remained at a Third Party Depot. Under the i-Depot program, retailers agreed with the Debtor to become i-Depots,[7] and each respective retailer (i.e., an "i-Depot") scaned, sorted, inspected, cleaned and segregated the pallets at its facility. Like the Third Party Depots, i-Depots fulfilled orders and shipped pallets directly to manufacturers. In exchange, i-Depot operators received a per-pallet handling and inspection fee from the Debtor. In essence, the i-Depot program operated like the Traditional Pooling System, but reduced the need for Third Party Depots and improved the overall efficiency of the Pallet Pooling Systems.

The Debtor operated a nationwide network of approximately 10 million pallets,[8] and as of the Petition Date, approximately 50 retailers were serving as i-Depots, providing approximately 165 depot locations in addition to approximately 45 Third Party Depot locations. The Pooling Systems implemented by the Debtor allowed customers to contract for the exact number of pallets they needed, rather than having to stock for peak seasons and keep unused pallets in storage. Furthermore, the consistent weight and uniform dimensions of the Debtor's plastic pallets allowed customers to plan their shipments to closer specifications and improve the volume of goods moved per load.

Prior to the Petition Date, the Company employed approximately 140 employees. Immediately prior to the Petition Date, however, the Company reduced its workforce significantly. The Debtor had gross revenues of approximately $153,919,000, $172,189,000, and $118,457,000 for 2010, 2011, and 2012 respectively.

B. Prepetition Capital Structure

On November 24, 2009, the Debtor entered into that certain Loan and Security Agreement, dated as of November 24, 2009 (as amended, supplemented, modified or otherwise in effect from time to time, the "Prepetition Credit Facility"), among the Debtor, as borrower, certain financial institutions from time to time party thereto, as lenders (collectively, the

[6] The Debtor utilized Belacon Pallet Services, LLC ("Belacon"), pursuant to that certain Depot Facility Service Provider Agreement dated July 1, 2009, to locate and provide management to oversee the operations of the Debtor's Third Party Depots.

[7] Approximately one-half of the i-Depots had contracted with the Debtor to provide i-Depot services, and the remaining i-Depots operated as i-Depots pursuant to a general understanding between the Debtor and the i-Depot.

[8] As discussed below, however, a significant number of pallets were damaged and unusable.

"Prepetition Lenders"), JPMorgan Chase Bank, N.A. and Suntrust Bank, as Co-Syndication Agents, Banc of America Securities LLC, J.P. Morgan Securities Inc. and Suntrust Robinson Humphrey, Inc., as Joint Lead Arrangers and Joint Book Running Managers, and Bank of America, N.A., as Administrative and Collateral Agent (the "Prepetition Agent").[9] The Prepetition Credit Facility was an asset-based lending facility used by the Debtor for working capital and capital expenditures and initially provided the Debtor with a borrowing capacity of $250,000,000.[10]

As of the Petition Date, the principal amount outstanding under the Prepetition Credit Facility was approximately $148.8 million. The maturity date, or Revolver Termination Date (as defined in the Prepetition Credit Facility), was November 22, 2013. The Debtor's obligations under the Prepetition Credit Facility were secured by substantially all of the Debtor's assets, including goods and inventory (e.g., the pallets), intellectual property and all of the Debtor's deposit accounts.

As of the Petition Date, the Debtor estimated that it had no, or virtually no, unrestricted cash or cash equivalents and approximately $400,000 of cash collateral in its accounts. During the Cash Dominion Period (as defined in the Prepetition Credit Facility), all of the Debtor's cash or cash equivalents were swept on a daily basis from its JPMorgan lockbox account as a result of its default (as described below) under the Prepetition Credit Facility. Accordingly, prior to the Petition Date, the Debtor's cash or cash equivalents were swept during the Cash Dominion Period (except during the forbearance period, described below) on a daily basis to pay down the amount outstanding on the Prepetition Credit Facility, and the Prepetition Lenders, with 100% consent or a waiver from 51%, would allow the Debtor to draw down additional funds to pay its operating expenses as they came due.

As described in Section V.D.5. herein, on the Petition Date and immediately prior to the commencement of the Debtor's Chapter 11 Case, the Prepetition Credit Facility was acquired by the Buyer.

The Debtor is a privately-held Delaware limited liability company. Substantially all of the Debtor's voting membership interests are held by various funds managed or advised by Pegasus Capital Advisors, L.P. or Kelso & Company, L.P.

C. The Debtor's Management

As of the Petition Date, the Debtor's officers and directors were:

Name	Title

[9] As described more fully below, the Prepetition Agent and the Prepetition Lenders sold their claims and interests under the Prepetition Credit Facility immediately prior to the Petition Date.

[10] Pursuant to the Forbearance Agreement (defined below) and amendments thereto, the Prepetition Agent, on behalf of the Prepetition Lenders, subsequently reduced the borrowing capacity under the Prepetition Credit Facility to approximately $151,000,000 (or such other amount as set forth in a budget approved in connection with the Forbearance Agreement).

Steve Marton	Director
Philip Berney	Director
Greg Gish	Director
Chris Collins	Director
Richard DiStasio	Director/Chief Executive Officer
Steve Dutton	Director
Joe Montana	Director
Meredith Neizer	Chief Operating Officer
Gary Glass	General Counsel
Dianne Giannetto	Director of Human Resources
Tod Sizemore	Controller
Walter Myers	Vice President of Finance
Thomas Leach	Vice President of Sales and Manufacturing
April Kuga	Vice President of iDepots and Retail Development
Shaun Martin	Chief Restructuring Officer

D. Events Leading to the Commencement of the Chapter 11 Case.

Prior to the Petition Date, the Debtor encountered significant challenges due to higher than forecasted numbers of unreturned and damaged pallets, which resulted in an event of default under the Prepetition Credit Facility. Accordingly, the Prepetition Agent, on behalf of the Prepetition Lenders, asserted that it was no longer obligated to provide funding under the Prepetition Credit Facility.

1. Damaged Pallets and Dispute With Pallet Manufacturer

In 2006, the Debtor entered into a Manufacturing Supply Agreement (as subsequently amended, the "Supply Agreement") with Schoeller Arca Systems Services, B.V. and Schoeller Arca Systems, Inc. (together "SAS") under which SAS would manufacture, supply and repair pallets for use by iGPS. The Supply Agreement included a product warranty by SAS that required SAS to replace damaged pallets.

The pallets supplied to the Debtor by SAS incurred damages at a higher rate than the Debtor predicted. Over time, as the number of damaged pallets rose, the Debtor thereafter notified SAS it was in material breach of the Supply Agreement. The Debtor and SAS engaged in settlement discussions in 2011 to resolve their dispute, and entered into a number of subsequent amendments to the Supply Agreement. The parties were unable to resolve these issues, and consequently, proceeded to arbitration in May 2011 in accordance with the terms of the Supply Agreement with the Debtor asserting, among other things, that SAS had breached the Supply Agreement.

A panel of arbitrators held a hearing from October 24, 2012 through October 31, 2012, and on or about March 20, 2013, entered its Partial Final Award of Arbitrators (the "SAS Arbitral Award") finding, among other things, that SAS breached the Supply Agreement and, as

such, was liable to the Debtor for the resulting damages to the business and was also required to honor its warranty obligations or pay monetary damages for its failure to perform. The amount of damages was to be determined at a later hearing.

The SAS Arbitral Award and all claims of the Debtor against SAS were acquired by the Buyer pursuant to the Sale as described in Section VI.E. herein.

2. Notice of Default and Subsequent Negotiations With the Prepetition Lenders

In late 2011, the Debtor advised the Prepetition Agent that it was unable to locate approximately 1,500,000 of its pallets, and on or about January 18, 2012, the Debtor reported to the Prepetition Agent and the Prepetition Lenders that it needed to adjust its accounting estimates of unaccounted for pallets. As a consequence, on January 20, 2012, the Prepetition Agent delivered a notice of default to the Debtor claiming that certain material events of default had occurred under various provisions of the Prepetition Credit Facility.

Specifically, the Prepetition Agent alleged that events of default had occurred by reason of: (i) the Debtor's alleged breach of its representations and warranties under Section 9.2 of the Prepetition Credit Facility (i.e., no Prepetition Credit Facility document contains any untrue statement of a material fact), and (ii) the Debtor's alleged failure to keep accurate and complete records of its pallets, in breach of Section 8.3.1 of the Prepetition Credit Facility. Additionally, the Prepetition Agent alleged that additional events of default may have occurred by reason of: (i) a "loss" of collateral (consisting of unaccounted for pallets) in an amount that exceeds insurance coverage therefor by more than $5,000,000, in breach of Section 11.1(h) of the Prepetition Credit Facility, and (ii) unintentional inaccuracies in certain "Borrowing Base Certificates" as a result of the adjustment in accounting methodology and the inclusion on such Borrowing Base Certificates of the unaccounted for pallets. As a result of the alleged events of default, the Prepetition Agent demanded that the Debtor make mandatory prepayments under the Prepetition Credit Facility, thereby causing the Debtor to fully deplete its available cash.

The Prepetition Lenders subsequently granted a limited waiver of the aforementioned defaults pursuant to that certain Third Amendment to Loan and Security Agreement dated May 30, 2012,[11] but the Debtor failed to comply with its 2011 financial reporting obligations, as required by Section 10.1.2 of the Prepetition Credit Facility, which resulted in an additional event of default of the Prepetition Credit Facility. The Debtor's failure to timely provide such financial reports, however, was due to Ernst & Young LLP's delay in issuing the reports due to certain concerns expressed by the Debtor's former CEO and founder, Bobby L. Moore, who is currently litigating against the Debtor in an employment dispute. These concerns were ultimately resolved, but the delay nonetheless resulted in an additional default. As a result of these defaults, all of the Debtor's cash or cash equivalents during the Cash Dominion Period were swept on a daily basis from its JPMorgan lockbox account by the Prepetition Agent.

[11] There were six amendments to the Prepetition Credit Facility. The first amendment was dated as of May 25, 2010, the second dated as of July 13, 2010, the third dated as of May 30, 2012, the fourth dated as of October 9, 2012, the fifth dated as of December 26, 2012, and the sixth dated as of April 16, 2013.

Following the additional event of default for failure to comply with the 2011 financial reporting obligations, the Debtor met with the Prepetition Lenders in an attempt to reach a consensual resolution of the alleged events of default and related disputes. As negotiations continued, on October 9, 2012, the parties entered into a Forbearance Agreement and Fourth Amendment to Loan and Security Agreement (as subsequently amended, the "Forbearance Agreement") pursuant to which the Prepetition Lenders agreed to forbear from exercising remedies under the Prepetition Credit Facility through December 14, 2012. By separate amendments to the Forbearance Agreement, the forbearance period was subsequently extended through April of 2013. Notably, however, the Prepetition Agent and the Prepetition Lenders did not agree to any further waiver of any events of default under the Prepetition Credit Facility.

The extended forbearance period provided the parties with additional time to explore and consider all alternatives to maximize the value of the Debtor's assets and business, including an additional equity infusion, refinancing of the obligations under the Prepetition Credit Facility, or a sale of the Debtor's assets as a going concern. Ultimately the Debtor, together with its advisors, and after consultation with the Prepetition Agent and the Prepetition Lenders and their respective advisors, determined that a sale of substantially all of the Debtor's assets as a going concern would provide the maximum value for all stakeholders.

To that end, the Prepetition Agent, on behalf of the Prepetition Lenders, required as a condition to forbearance that the Debtor (i) promptly undertake to develop and diligently pursue a strategic plan to maximize value which includes a budget and timeline for the sale of the Debtor's business as a going concern and the repayment of the Debtor's obligations under the Prepetition Credit Facility and (ii) periodically provide a report to the Prepetition Agent and the Prepetition Lenders concerning the Debtor's progress in the development of such strategic plan, budget and timeline. Pursuant to subsequent amendments to the Forbearance Agreement, the Prepetition Agent further required that (i) on or before January 25, 2013, the Prepetition Agent shall have received the confidential information memorandum that would be used by the Debtor in connection with the solicitation of bids for the sale of the business or substantially all of the Debtor's assets and (ii) on or before February 15, 2013, the Prepetition Agent shall have received a signed letter of intent from a prospective purchaser satisfactory to both the Debtor and the Prepetition Agent. As detailed below, the Debtor satisfied its obligations under the Forbearance Agreement.

3. The Marketing and Sale Process

In December 2012, the Debtor retained Houlihan Lokey Capital, Inc. ("Houlihan"), as its investment banker to assist the Debtor in marketing the Debtor's assets and otherwise pursuing a strategic plan to maximize the value of the Debtor's business as a going concern. After being retained, Houlihan began an extensive marketing of the Debtor's assets. Specifically, Houlihan prepared marketing materials, including a confidential information memorandum (the "CIM"), and contacted over 190 potential financial and strategic investors.

Thereafter, Houlihan distributed the marketing materials and continued to communicate with potential buyers. Of the potential investors contacted by Houlihan, approximately 75 parties executed a confidentiality agreement, received the CIM and were provided access to confidential materials via an online data room. Houlihan received ten non-binding "indication of

interest" letters from potential buyers interested in purchasing substantially all of the Debtor's assets. For several weeks thereafter, Houlihan facilitated due diligence with these potential buyers and continued to entertain inquiries from additional interested parties.

Following the extensive marketing and diligence process, the Debtor, in consultation with its advisors diligently negotiated the terms of an asset purchase agreement with Balmoral Funds LLC ("Balmoral"), but the parties ultimately were unable to reach a final agreement within the time constraints imposed by the Debtor's lack of liquidity.

4. The Prepetition Lenders Limit Funding Under the Prepetition Credit Facility

Notwithstanding the Debtor's cooperation and diligent pursuit of a sale of substantially all of its assets, on or about February 25, 2013, the Prepetition Agent, on behalf of the Prepetition Lenders, notified the Debtor that they would not agree to increase the aggregate principal balance of the Revolver Loan (as defined in the Prepetition Credit Facility) above $151 million (the "Revolver Cap"). Without an increase in the Revolver Cap, the Debtor anticipated that it would not be able to meet its operating expenses.

5. Purchase of the Debtor's Debt

On the Petition Date and immediately prior to the commencement of the Debtor's Chapter 11 Case, the Prepetition Agent and the Prepetition Lenders agreed to sell their claims and interests under the Prepetition Credit Facility to the Buyer, a Delaware limited liability company formed as a joint venture by and among Balmoral, One Equity Partners, a shareholder of SAS, and Jeff and Robert Liebesman. Simultaneously therewith, the Buyer and the Debtor entered into that certain Asset Purchase Agreement, dated as of June 4, 2013 (as amended from time to time), pursuant to which the Buyer agreed to serve as the stalking horse bidder for the sale of substantially all of the Debtor's assets in a competitive and public chapter 11 auction process. Moreover, the Debtor obtained a debtor in possession facility of up to $12 million from Crystal Financial LLC to fund the Debtor's operations during the Chapter 11 Case.

VI.

THE CHAPTER 11 CASE

A. First Day Pleadings and Orders.

On or about the Petition Date, the Debtor filed the following motions with the Bankruptcy Court: motion establishing procedures for utility companies to request adequate assurance of payment; motion authorizing payment of employee wages; motion authorizing continued use of cash management system, bank accounts and business forms and waiving investment and deposit requirements; motion authorizing payment of prepetition trust fund taxes; motion authorizing payment of insurance premiums in the ordinary course and maintaining insurance program; motion authorizing continued customer rebate program; motion enforcing turnover provisions of the Bankruptcy Code; motion authorizing payment of certain essential service providers; motion approving debtor-in-possession financing; motion authorizing rejection of depot facility service provider agreement; motion approving bid procedures; motion

shortening notice and objections periods in connection with the bid procedures motion; and a motion to enforce the automatic stay. Several hearings were held in the Bankruptcy Court on June 6, 2013, on the above-referenced motions and orders granting such motions were entered by the Bankruptcy Court on or about June 6-7, 2013.

B. Appointment of Chief Restructuring Officer.

Shaun Martin of Winter Harbor, LLC ("Winter Harbor"), was appointed as the Chief Restructuring Officer of the Debtor, and Winter Harbor was retained by order of the Bankruptcy Court to assist Mr. Martin in providing restructuring services.

C. Employment of Professionals for the Debtor.

Pursuant to employement applications filed with the Court and subsequent orders entered by the Court, the Debtor has employed the following professionals to assist it with the administration of the Chapter 11 Case: (i) White & Case LLP as counsel; (ii) Fox Rothschild LLP as co-counsel; (iii) Houlihan as investment banker; and (iv) AlixPartners, LLP, as Claims Agent and Administrative Agent. All professionals retained by the Debtor have been, or will be, paid their allowed fees and expenses incurred on behalf of the Debtor pursuant to orders entered by the Bankruptcy Court.

D. Appointment of the Committee.

On June 14, 2013, the Office of the United States Trustee appointed the Committee consisting of Belacon, Ryder and MWW Group LLC. The Committee employed the law firm of McKenna Long & Aldridge LLP to serve as its general bankruptcy counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., to serve as its bankruptcy co-counsel and Emerald Capital Advisors as its financial advisors and consultants. All professionals retained by the Committee have been, or will be under the terms of the Plan, paid their allowed fees and expenses incurred on behalf of the Committee pursuant to orders entered by the Bankruptcy Court. Moreover, the allowed expenses of the Committee members have been, or will be, paid pursuant to orders entered by the Bankruptcy Court.

E. Continued Operations.

The Debtor continued to operate its business until the Sale closed on August 1, 2013. During the period from the Petition Date until the Sale, the Debtor operated its business in the ordinary course.

F. Sale of the Debtor's Business to Buyer.

During the postpetition period Houlihan sent each of the approximately 190 potential investors that were contacted prepetition a customary "teaser" letter that included updated non-confidential information about the Debtor. Houlihan also sent all of the parties who had signed a non-disclosure agreement a copy of the Arbitration Award. In addition, Houlihan also provided access to a data room to any potential bidder who signed a non-disclosure agreement and expressed interest in conducting further due diligence. The data room was originally maintained

by a third party vendor. Starting June 29, 2013, the data room was maintained by White & Case LLP. Any potential bidder who signed a non-disclosure statement was granted access upon request.

A hearing on approval of the bid procedures with respect to the proposed sale of substantially all of the Debtor's assets was held before the Bankruptcy Court on July 1, 2013. In accordance with the bid procedures approved by the Bankruptcy Court at the hearing, all qualified bids were due on July 15, 2013. The auction was held on July 16, 2013, and subsequently adjourned to July 18, 2013. Other than the Buyer no other qualified bids were submitted. As a result, the Buyer's bid, pursuant to which the Buyer (i) assumed all of the Debtor's liabilities under the DIP facility, (ii) provided cash consideration of $2.5 million for distribution pursuant to the Plan, (iii) left certain Avoidance Actions and Causes of Action with the Estate and (iv) assumed all priority tax claims and Pre-Closing Administrative Expense Claims, was selected by the Debtor and the Committee as the highest and best bid.[12]

Following the auction, the Debtor sought approval of the Sale. By order dated July 29, 2013 (the "Sale Order"), the Bankruptcy Court approved the Sale, finding, among other things, that: (i) the bidding and auction process was non-collusive, fair and reasonable, conducted in good faith and resulted in the Debtor obtaining the highest available value for its assets; (ii) the Debtor had demonstrated good, sufficient and sound business purposes and justifications, and compelling circumstances for the sale pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a chapter 11 plan; (iii) that the Asset Purchase Agreement was negotiated, proposed and entered into without collusion, in good faith and from arm's-length bargaining positions; and (iv) that the consideration provided by the Buyer for the purchased assets was fair and reasonable, represented the highest and best offer for the purchased assets and constituted reasonably equivalent value and fair consideration. Following approval by the Bankruptcy Court, the sale closed on August 1, 2013 (the "Sale Closing Date").

G. Claims Bar Date.

On August 15, 2013, the Debtor filed a motion seeking entry of an order (i) establishing bar dates for filing (a) proofs of claim for prepetition claims against the Debtor and (b) requests for payment of certain post-petition administrative expense claims, (ii) establishing ramifications for failure to comply therewith, (iii) approving electronic proof of claim system and form of proof claim and (iv) approving form and manner of bar date notice and publication notice. Specifically, the Debtor has requested that the Bankruptcy Court enter an order establishing the following bar dates: (i) **October 24, 2013 at 5:00 p.m. Eastern Time** as the deadline for each person or entity (other than governmental units, as defined in Section 101(27) of the Bankruptcy Code) to file proofs of claim for prepetition claims against the Debtor; (ii) **October 24, 2013 at 5:00 p.m. Eastern Time** as the deadline for each person or entity to file with the Court requests for payment of certain post-petition administrative expense claims arising on or before the Sale Closing Date (the "Pre-Closing Administrative Expense Claims"), and (iii) **December 2, 2013 at 5:00 p.m. Eastern Time** as the deadline for governmental units to file proofs of claim.

[12] The Buyer's bid reflected significant additional enhancements negotiated by the Committee prior to the Bankruptcy Court's approval of the bid procedures.

VII.

POTENTIAL LITIGATION

A. Avoidance Actions.

The Plan provides that the Liquidation Trust will retain and be authorized to pursue all claims of the Debtor under sections 542, 544, 545, 547, 548, 549, 550, 552 and/or 553 of the Bankruptcy Code after the Effective Date of the Plan for the benefit of the Debtor's Estate, other than those Transferring Avoidance Claims (as defined in the Asset Purchase Agreement) transferred to the Buyer in connection with the Sale.

B. Other Estate Causes of Action.

The Plan provides that the Liquidation Trust will retain and be authorized to pursue all other claims and Causes of Action of the Debtor that were not acquired by the Buyer pursuant to the Asset Purchase Agreement, including (i) claims against Bobby L. Moore, the Debtor's former Chairman and Chief Executive Officer, (ii) potential claims, if any, against Ernst & Young, the Debtor's prepetition accountants, and (iii) potential claims, if any, against present and former officers and directors of the Debtor.

C. Retention of Litigation Claims.

Under the Plan, the Liquidation Trustee will be authorized to prosecute all such claims on behalf of the Liquidation Trust, subsequent to the Effective Date and will determine whether to bring, settle, release, compromise or enforce such claims in accordance with the Plan and the Liquidation Trust Agreement.

D. Pending Litigation.

As of the Petition Date, the following actions were pending: (i) iGPS Company LLC v. Schoeller Arca Systems Services B.V. and Schoeller Arca Systems Inc., ICDR Case No. 50 154 T 00350 11 before the American Arbitration Association, (ii) Bobby L. Moore v. iGPS Company LLC, et al., No. 651907/2011 before the Supreme Court of the State of New York, New York County, (iii) iGPS Company LLC v. Bobby L. Moore, No. 652431/2011 before the Supreme Court of the State of New York, New York County, (iv) iGPS Company LLC v. Pallet World Inc., et al., No. 2012-125012-CZ before the Circuit Court for the County of Oakland, State of Michigan, and (v) iGPS Company LLC v. South West Forest Products, et al., No. CV 2012-000169 before Maricopa County, State of Arizona.

VIII.

THE CHAPTER 11 PLAN

As a result of the Chapter 11 Case and through the Plan, the Debtor submits that creditors will obtain a greater recovery under the Plan than any recovery that would be available if the Assets had been liquidated under chapter 7 of the Bankruptcy Code. The Plan is annexed hereto

as Exhibit "A" and forms part of this Disclosure Statement. The summary of the Plan set forth below is qualified in its entirety by the more detailed provisions set forth in the Plan.

1. Plan Treatment of Claims and Equity Interests.

The classes of Claims against the Debtor and Equity Interests in the Debtor shall be treated under the Plan as follows:

(a) Class 1 – Priority Claims.

Each holder of an Allowed Priority Claim against the Debtor shall be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all legal, equitable and contractual rights of each holder of an Allowed Priority Claim in respect of such Claim shall be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such holder of an Allowed Priority Claim shall be paid on the Plan Distribution Date in full and in Cash.

(b) Class 2 – Non-Lender Secured Claims.

Each holder of an Allowed Non-Lender Secured Claim against the Debtor shall be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all legal, equitable and contractual rights of each holder of an Allowed Non-Lender Secured Claim in respect of such Claim shall be fully reinstated and retained, except as provided in sections 1124(2)(A)-(D) of the Bankruptcy Code, and such holder of an Allowed Non-Lender Secured Claim shall be paid on the Plan Distribution Date in full and in Cash.

(c) Class 3 – Unsecured Claims.

Each holder of an Allowed Unsecured Claim against the Debtor shall receive, on the Plan Distribution Date, its Pro Rata Share of the Available Proceeds.

(d) Class 4 – Equity Interests.

On the Effective Date, all Equity Interests in the Debtor shall be cancelled, and each holder of an Equity Interest in the Debtor shall neither receive nor retain any property under the Plan on account of such interest.

2. Liquidation Trust.

(a) Execution of the Liquidation Trust Agreement.

The Liquidation Trust Agreement, in a form reasonably acceptable to the Debtor and the Committee, shall be executed on or before the Effective Date, and all other necessary steps shall be taken to establish the Liquidation Trust and the beneficial interests therein, which shall be for the benefit of holders of all Allowed Claims. Article VIII of the Plan sets forth certain of the rights, duties and obligations of the Liquidation Trustee. In the event of any conflict between the terms of Article VIII of the Plan and the terms of the Liquidation Trust Agreement, the terms of the Liquidation Trust Agreement shall govern.

(b) Purpose of Liquidation Trust.

The Liquidation Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

(c) Vesting of Assets in the Liquidation Trust; Dissolution of the Debtor.

On the Effective Date, the authority, power and incumbency of the Debtor shall terminate, and vest in the Liquidation Trustee, and all Assets of the Debtor shall become assets of the Liquidation Trust.

(d) Governance of Liquidation Trust.

The Liquidation Trust shall be governed and administered by the Liquidation Trustee, subject to the supervision of the Oversight Committee, as provided under the Plan and the Liquidation Trust Agreement. Notwithstanding anything to the contrary in the Plan, the Oversight Committee shall act in furtherance of, and consistent with, the purpose of the Liquidation Trust and shall act in the best interests of the beneficiaries of the Liquidation Trust.

(e) Role of the Liquidation Trustee.

In furtherance of and consistent with the purpose of the Liquidation Trust and the Plan, the Liquidation Trustee shall (i) be authorized to take all steps necessary to wind down the affairs of the Debtor, (ii) have the power and authority to hold, manage, sell and distribute the assets of the Liquidation Trust to the holders of Allowed Claims, (iii) hold the assets of the Liquidation Trust for the benefit of the holders of Allowed Claims, (iv) have the power and authority to hold, manage, sell and distribute Cash or non-Cash assets of the Liquidation Trust obtained through the exercise of its power and authority, (v) have the power and authority to prosecute and resolve, in the name of the Debtor and/or the name of the Liquidation Trustee, the Estate's Avoidance Actions and Causes of Action, (vi) have the power and authority to perform such other functions as are provided in the Plan and (vii) have the power and authority to administer the closure of the Chapter 11 Case. The Liquidation Trustee shall be responsible for all decisions and duties with respect to the Liquidation Trust and its assets. In all circumstances, the Liquidation Trustee shall act in the best interests of all beneficiaries of the Liquidation Trust and in furtherance of the purpose of the Liquidation Trust.

(f) Cash.

The Liquidation Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

(g) Compensation of the Liquidation Trustee.

The Liquidation Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(h) Retention of Professionals by the Liquidation Trustee.

The Liquidation Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Liquidation Trustee on such terms as the Liquidation Trustee deems appropriate without Bankruptcy Court approval. The Liquidation Trustee may retain any professional who represented parties in interest in the Chapter 11 Case.

(i) Noncertificated Litigation Trust Interests.

The beneficial interests in the Liquidation Trust shall not be certificated, except as otherwise provided in the Liquidation Trust Agreement.

(j) Dissolution of the Liquidation Trust.

The Liquidation Trustee and the Liquidation Trust shall be discharged or dissolved, as the case may be, at such time as (i) all assets of the Liquidation Trust have been liquidated and (ii) all distributions required to be made by the Liqudiation Trustee under the Plan have been made, but in no event shall the Liquidation Trust be dissolved later than five (5) years from the Effective Date unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (and, in the case of any extension, within six (6) months prior to the end of such extension), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidation Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the assets of the Liquidation Trust.

(k) Securities Exempt.

The issuance of any beneficial interests of the Liquidation Trust satisfies the requirements of section 1145 of the Bankruptcy Code and, therefore, such issuance is exempt from registration under the Securities Act of 1933, as amended, and any state or local law requiring registration.

3. Plan Controls.

Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective section in, article of or exhibit to the Plan, as the same may be amended, waived or modified from time to time. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender. This Disclosure Statement may be referred to for purposes of interpretation to the extent any term or provision of the Plan is determined by the Bankruptcy Court to be ambiguous.

IX.

CONFIRMATION AND CONSUMMATION PROCEDURES

A. Overview.

A chapter 11 plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a liquidation of the debtor's assets. In either event, upon confirmation of the plan, it becomes binding on the debtor and all of its creditors and equity holders, and the obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of Unsecured Claims against the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Debtor's solicitation of votes on the Plan.**

If all classes of claims and equity interests accept a chapter 11 plan, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied. Section 1129(a) sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims or equity interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the bankruptcy court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization. **The Debtor believes that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the best interests of creditors' test and the feasibility requirement.**

The Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a chapter 11 plan for the bankruptcy court to determine that the class has accepted the plan. Rather, a class of creditors will be determined to have accepted the plan if the bankruptcy court determines that the plan has been accepted by a majority in number and two-thirds in amount of those claims actually voting in such class. Similarly, a class of equity security holders will have accepted the plan if the bankruptcy court determines that the plan has been accepted by holders of two-thirds of the number of shares actually voting in such class.

In addition, classes of claims or equity interests that are not "impaired" under a chapter 11 plan are conclusively presumed to have accepted the plan and thus are not entitled to vote. Furthermore, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or equity interests in an impaired class. A class is "impaired" if the legal, equitable or contractual rights associated with the claims or equity interests of that

class are modified in any way under the plan. Modification for purposes of determining impairment, however, does not include curing defaults and reinstating maturity on the effective date of the plan. **Class 1 – Priority Claims and Class 2 – Non-Lender Secured Claims are unimpaired, and Class 4 –Equity Interests will not receive a distribution under the Plan. Accordingly, Class 3 – Unsecured Claims is the only class of claims entitled to vote on the Plan.**

The bankruptcy court also may confirm a chapter 11 plan even though fewer than all the classes of impaired claims and equity interests accept such plan. For a chapter 11 plan to be confirmed despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a rejecting class of claims or equity interests if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and equity interests, that the holder of any claim or equity interest that is junior to the claims or equity interests of such class will not receive or retain on account of such junior claim or equity interest any property from the estate, unless the senior class receives property having a value equal to the full amount of its allowed claim.

A plan does not "discriminate unfairly" against a rejecting class of claims or equity interests if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims or equity interests, and (b) no senior class of claims or equity interests is to receive more than 100% of the amount of the claims or equity interest in such class.

The Plan has been structured so that it will satisfy the foregoing requirements as to the rejecting class of Equity Interests, and can therefore be confirmed over the objection of Class 4 - Equity Interests.

B. Confirmation of the Plan.

1. <u>Elements of Section 1129 of the Bankruptcy Code</u>.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the conditions to confirmation under section 1129 of the Bankruptcy Code are satisfied.

Such conditions include the following:

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

b. The Debtor has complied with the applicable provisions of the Bankruptcy Code.

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

d. Any payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

e. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the Debtor or a successor to the Debtor under the Plan and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the Debtor, and the nature of any compensation for such insider.

f. With respect to each impaired class of Claims or Equity Interests, each holder of an impaired Claim or impaired Equity Interest either has accepted the Plan or will receive or retain under the Plan, on account of the Claims or Equity Interests held by such entity, property of a value, as of the Effective Date, that is not less than the amount that such entity would receive or retain if the Debtor was liquidated on such date under chapter 7 of the Bankruptcy Code.

g. In the event that the Debtor does not move to confirm the Plan nonconsensually, each class of Claims or Equity Interests entitled to vote has either accepted the Plan or is not impaired under the Plan.

h. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and Priority Claims will be paid in full, in Cash, on the Effective Date and Tax Claims will be paid in regular installments over a period ending not later that five (5) years after the Petition Date, of a total value, as of the Effective Date, equal to the allowed amount of such Tax Claims.

i. At least one impaired class of Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such class.

j. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any other successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

k. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

The Debtor believes that the Plan will satisfy all the statutory provisions of chapter 11 of the Bankruptcy Code, that it has complied or will have complied with all of the provisions of the Bankruptcy Code, and that the Plan is being proposed and submitted to the Bankruptcy Court in good faith.

2. Acceptance.

A class of Claims will have accepted the Plan if the Plan is accepted, with reference to a class of Claims, by at least two-thirds in amount and more than one-half in number of the Allowed Claims of each such class of Claims. Each class of Equity Interests will have accepted the Plan if the Plan is accepted with reference to a class of Equity Interests, by at least two-thirds in amount of the Allowed Equity Interests of each class of Equity Interests.

3. Best Interests of Creditors Test.

With respect to each impaired class of holders of Claims and Equity Interests, confirmation of the Plan requires that each such holder either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the applicable consummation date under the Plan, that is not less than the value such holder would receive or retain if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

To determine what holders of Claims and Equity Interests of each impaired class would receive if the Debtor was liquidated, the Bankruptcy Court must determine the proceeds that would be generated from the liquidation of the properties and interests in property of the Debtor in a chapter 7 liquidation case. The proceeds that would be available for satisfaction of Unsecured Claims against and Equity Interests in the Debtor would consist of the proceeds generated by disposition of the unencumbered equity in the properties and interests in property of the Debtor and the cash held by the Debtor at the time of the commencement of the liquidation case. Such proceeds would be reduced by the costs and expenses of the liquidation and by such additional administration and priority claims that may result from the use of chapter 7 for the purposes of liquidation.

The costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a trustee in bankruptcy, and the fees that would be payable to additional attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtor during the Chapter 11 Case, such as compensation for attorneys, financial advisors, accountants and costs that are allowed in the chapter 7 case. Whereas the Liquidation Trustee and its counsel has the background and familiarity with the remaining assets to be liquidated to realize the most money for the costs to be incurred to complete the process, a chapter 7 trustee and the persons it employs will need time to develop the necessary industry and debtor specific knowledge necessary to assist the chapter 7 trustee examine and distribute the Debtor's assets. In addition, Claims would arise by reason of the breach or rejection of obligations incurred and executory contracts entered into or assumed by the Debtor during the pendency of the Chapter 11 Case.

The foregoing types of Claims and such other Claims which may arise in the liquidation case or result from the pending Chapter 11 Case would be paid in full from the liquidation

proceeds before the balance of those proceeds would be made available to pay Unsecured Claims arising on or before the Petition Date.

To determine if the Plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of the liquidation of the properties and interests in property of the Debtor (net of the amounts attributable to the aforesaid claims) is then compared with the present value offered to such classes of Claims and Equity Interests under the Plan.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Chapter 11 Case, including (i) the additional costs associated with the appointment of the chapter 7 trustee and (ii) the erosion in value of assets in a chapter 7 case in the context of the expeditious liquidation required under chapter 7, the Debtor has determined that confirmation of the Plan will provide each holder of an Unsecured Claim with a greater recovery than it would receive pursuant to liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

4. Feasibility.

The Bankruptcy Code conditions confirmation of a chapter 11 plan on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor. For purposes of determining whether the Plan satisfies this condition, the Debtor has analyzed the Liquidation Trustee's capacity to service its obligations under the Plan. Based upon its analysis, the Debtor submits that the Liquidation Trustee will be able to make all payments required to be made under the Plan.

C. Cramdown.

In the event that any impaired class does not accept the Plan, the Debtor nevertheless may move for confirmation of the Plan. To obtain such confirmation, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such classes and any other classes of Claims that vote to reject the Plan.

1. No Unfair Discrimination.

A chapter 11 plan "does not discriminate unfairly" if (a) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class, and (b) no class receives payments in excess of that which it is legally entitled to receive for its Claims or Equity Interests. The Debtor believes that under the Plan all impaired classes of Claims and Equity Interests are treated in a manner that is consistent with the treatment of other classes of Claims and Equity Interests that are similarly situated, if any, and no class of Claims or Equity Interests will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims and Allowed Equity Interests in such class. Accordingly, the Debtor believes the Plan does not discriminate unfairly as to any impaired class of Claims or Equity Interests.

2. Fair and Equitable Test.

The Bankruptcy Code establishes different "fair and equitable" tests for classes of secured claims, unsecured claims and equity interests as follows:

a. ***Secured Claims.*** Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim or (iii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

b. ***Unsecured Claims.*** Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

c. ***Equity Interests.*** Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (A) the fixed liquidation preference or redemption price, if any, of such stock or (B) the value of the stock or (ii) the holders of interests that are junior to the stock will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

BECAUSE CLASS 4 – EQUITY INTERESTS IS DEEMED TO REJECT THE PLAN, IF CLASS 3 – UNSECURED CLAIMS ACCEPTS THE PLAN, THE DEBTOR WILL SEEK CONFIRMATION OF THE PLAN PURSUANT TO THE CRAMDOWN PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE.

D. Effect of Confirmation.

Under section 1141 of the Bankruptcy Code, the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor or equity security holder, whether or not the claim or interest of such creditor or equity security holder is impaired under the plan and whether or not such creditor or equity security holder voted to accept the plan. Further, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors and equity security holders, except as otherwise provided in the plan or the confirmation order.

X.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax consequences expected to result from the implementation of the Plan. This discussion is based on the Internal Revenue Code, as in effect on the date of this Disclosure Statement, and on United States

Treasury Regulations in effect (or in certain cases, proposed) on the date of this Disclosure Statement, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below. There can be no assurance that the IRS will not take a contrary view with respect to one or more of the issues discussed below, and no ruling from the IRS has been or will be sought with respect to any issues that may arise under the Plan.

The following summary is for general information only and does not purport to address all of the U.S. federal income tax consequences that may be applicable to any particular holder of an Allowed Claim or Equity Interest. The tax treatment of a holder of an Allowed Claim or Equity Interest, as the case may be, may vary depending upon such holder's particular situation. The following discussion does not address state, local or foreign tax considerations that may be applicable to the Debtor and holders of an Allowed Claim or Equity Interest. This summary does not address tax considerations applicable to holders that may be subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, dealers or traders in securities or currencies, tax-exempt entities, persons that hold an equity interest or a security in a Debtor as a position in a "straddle" or as part of a "hedging," "conversion" or "integrated" transaction for U.S. federal income tax purposes, persons that have a "functional currency" other than the U.S. dollar, persons who acquired an equity interest or a security in a Debtor in connection with the performance of services, or persons who are not United States persons (as defined in the Internal Revenue Code).

EACH HOLDER OF AN ALLOWED CLAIM OR EQUITY INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. THIS DESCRIPTION IS LIMITED TO THE U.S. FEDERAL TAX ISSUES DESCRIBED HEREIN. IT IS POSSIBLE THAT ADDITIONAL ISSUES MAY EXIST THAT COULD AFFECT THE U.S. FEDERAL TAX TREATMENT OF THE MATTER THAT IS THE SUBJECT OF THE DESCRIPTION NOTED HEREIN, AND THIS DESCRIPTION DOES NOT CONSIDER OR PROVIDE ANY CONCLUSIONS WITH RESPECT TO ANY SUCH ADDITIONAL ISSUES. THIS DESCRIPTION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. U.S. Federal Income Tax Consequences of Receipt of Plan Consideration to Holders of Allowed Claims.

1. General Tax Considerations for Holders of Allowed Claims.

The U.S. federal income tax consequences of the receipt of Plan consideration to holders of Allowed Claims may vary depending upon, among other things: the type of consideration received by the holder in exchange for its Claim, including the nature of the indebtedness owing to the holder; whether the holder has previously claimed a bad debt or worthless security deduction in respect of such holder's Claim; and whether such Claim constitutes a "security" for purposes of the reorganization provisions of the Internal Revenue Code.

As noted above, the U.S. Federal income tax consequences of the Plan to holders of Allowed Claims will depend, in part, on whether the indebtedness underlying their Claims constitutes securities for purposes of the reorganization provisions of the Internal Revenue Code. Neither the Internal Revenue Code nor the regulations thereunder define the term "securities." The determination of whether a Claim constitutes a "security" depends upon the nature of the indebtedness or obligation. Important factors to be considered include, among other things, the length of time to maturity, the degree of continuing interest in the issuer, and the purpose of the borrowing. Generally, corporate debt instruments with maturities when issued of less than five years are not considered securities and corporate debt instruments with maturities when issued of ten years or more are considered securities. Claims for accrued interest are generally not considered securities.

In general, to the extent a holder of a debt instrument receives property in satisfaction of interest accrued during the holding period of such instrument, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, such holder may recognize a deductible loss to the extent that any accrued interest claimed or amortized original issue discount ("OID") was previously included in its gross income and is not paid in full.

The extent to which property received by a holder of a debt instrument will be attributable to accrued but unpaid interest is unclear. Pursuant to the Plan, all distributions in respect of any Allowed Claim will be allocated first to the principal amount of such Allowed Claim, and thereafter to accrued but unpaid interest, if any. Certain legislative history indicates that an allocation of consideration between principal and interest provided in a chapter 11 plan generally is binding for U.S. federal income tax purposes. However, there is no assurance that such allocation will be respected by the IRS for U.S. federal income tax purposes.

Each holder of an Allowed Claim is urged to consult its tax advisor regarding the inclusion in income of amounts received in satisfaction of accrued but unpaid interest, the allocation of consideration between principal and interest, and the deductibility of previously included unpaid interest and OID for tax purposes.

2. Certain Other Tax Considerations for Holders of Allowed Claims.

a. *Bad Debt Deduction and Worthless Securities Deduction*

A holder of an Allowed Claim that is not a security for purposes of section 165(g) of the Internal Revenue Code who receives, pursuant to the Plan, an amount of consideration that is less than such holder's tax basis in the claim in exchange of that claim, may be entitled in the year of receipt (or in an earlier year) to a bad debt deduction under section 166(a) of the Internal Revenue Code, or may be entitled to a loss under section 165(a) of the Internal Revenue Code in the year of receipt. A holder of stock or securities, the Allowed Claim with respect to which is wholly worthless, may be entitled to a worthless securities deduction under sections 165(g) and 165(a) of the Internal Revenue Code. The rules governing the timing and amount of such deductions place considerable emphasis on the facts and circumstances of the holder, the obligor, and the instrument with respect to which a deduction is claimed. Any such loss would be limited to the holder's tax basis in the indebtedness or equity interest underlying its claim. Holders of Allowed Claims or Equity Interests, therefore, are urged to consult their tax advisors with respect to their ability to claim such deductions.

b. *Market Discount*

If a holder of an Allowed Claim purchased the underlying security or debt obligation at a price less than its issue price, the difference would constitute "market discount" for U.S. federal income tax purposes. Any gain recognized by a holder on the exchange of its Allowed Claim on the Effective Date should be treated as ordinary income to the extent of any market discount accrued on the underlying securities or debt obligation by the holder on or prior to the date of the exchange. Any additional accrued but unrecognized market discount should carry over to any securities or debt obligation received in a tax-free exchange pursuant to the Plan, and should be allocated among such securities or debt obligation based upon their relative fair market values as of the Effective Date. Any gain recognized by such holder on a subsequent disposition of such securities or debt obligation received under the Plan may be treated as ordinary income to the extent of such accrued but unrecognized market discount.

3. Tax Consequences to Certain Holders of Allowed Claims.

The following summary describes the material U.S. federal income tax consequences to certain holders of Allowed Claims against the Debtor. A holder's tax treatment may vary depending on the holder's particular situation. All holders of Allowed Claims against the Debtor are urged to consult their tax advisors concerning the federal, state, local and other tax consequences of the Plan.

a. *Class 3 – Unsecured Claims*

Pursuant to the Plan, each holder of an Allowed Class 3 – Unsecured Claim will receive, on the Plan Distribution Date, its Pro Rata Share of the Available Proceeds. See "The Chapter 11 Plan – Treatment of Classified Claims and Equity Interests – Class 3 – Unsecured Claims." In general, a holder of an Allowed Unsecured Claim will recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by the holder in satisfaction of its Claim

(other than any Claim for accrued but unpaid interest) and (ii) such holder's adjusted tax basis in such Claim (other than any Claim representing accrued but unpaid interest).

As discussed in Section X.C below, holders will receive a beneficial interest in the Liquidation Trust, entitling them to share in any proceeds from its assets. However, for federal income tax purposes, because the Liquidation Trust has been structured to qualify as a "grantor trust," each holder of an Allowed Unsecured Claim will be treated as directly receiving, and as a direct owner of, its allocable percentage of the assets of the Liquidation Trust. Accordingly, each holder should take into account in determining the "amount realized" in respect of its Claim its share of any cash and the fair market value of its undivided interest in the other underlying assets of the Liquidation Trust (subject to any liabilities assumed by the Liquidation Trust to which such assets are subject) as if received and held directly. The Liquidation Trustee will make a good faith valuation of the assets of the Liquidation Trust, and all parties must consistently use such valuation for all federal income tax purposes. The valuation will be made available as necessary for tax reporting purposes (on an asset or aggregate basis, as relevant).

Any amount a holder receives following the Effective Date as a distribution in respect of an interest in the Liquidation Trust should not be included for federal income tax purposes in the holder's amount realized in respect of its Allowed Claim but should be separately treated as a distribution received in respect of such holder's interest in the Liquidation Trust. See "Tax Treatment of the Liquidation Trust".

Where gain or loss is recognized by a holder in respect of its Allowed Unsecured Claim, the character of such gain or loss (as long-term or short-term capital, or ordinary) will be determined by a number of factors, including the tax status of the holder, whether the Claim in respect of which any property was received constituted a capital asset in the hands of the holder and how long it had been held, whether such Claim was originally issued at a discount or acquired at a market discount, and whether and to what extent the holder had previously claimed a bad debt deduction in respect of such Claim.

B. U.S. Federal Income Tax Consequences to Holders of Contested Claims.

To the extent a Contested Claim is allowed, payments and distributions to the holder of such claim will be made in accordance with the provisions of the Plan governing the class of Allowed Claims to which the respective holder belongs, and will be subject to the same tax consequences that apply to the class of Allowed Claims to which the respective holder belongs.

C. Tax Treatment of the Liquidation Trust.

Upon the Effective Date, the Liquidation Trust shall be established for the benefit of holders of Allowed Claims, whether Allowed on or after the Effective Date.

a. *Classification of the Liquidation Trust*

The Liquidation Trust is intended to qualify as a liquidating trust for federal income tax purposes. In general, a liquidating trust is not a separate taxable entity but rather is treated for federal income tax purposes as a "grantor" trust (i.e., a disregarded entity).

However, merely establishing a liquidating trust does not ensure that it will be treated as a grantor trust for federal income tax purposes. The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. The Liquidating Trust has been structured with the intention of complying with such general criteria. In conformity with Revenue Procedure 94-45, all parties (including the Liquidating Trustee and holders of Allowed Claims) are required to treat, for federal income tax purposes, the Liquidation Trust as a grantor trust of which the holders are the owners and grantors. The following discussion assumes that the Liquidation Trust will be so respected for federal income tax purposes. However, no ruling has been requested from the IRS and no opinion of counsel has been requested concerning the tax status of the Liquidation Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position. Were the IRS successfully to challenge such classification, the federal income tax consequences to the Liquidation Trust and the holders of Allowed Claims could vary from those discussed herein.

b. *General Tax Reporting by the Trust and Beneficiaries*

For all federal income tax purposes, all parties must treat the transfer of the Debtor's assets to the Liquidation Trust as a transfer of such assets directly to the holders (including the Contested Claims), followed by the transfer of such assets by the holders to the Liquidation Trust. Consistent therewith, all parties must treat the Liquidation Trust as a grantor trust of which such holders are the owners and grantors. Thus, such holders (and any subsequent holders of interests in the Liquidation Trust) will be treated as the direct owners of an undivided interest in the assets of the Liquidation Trust for all federal income tax purposes. Pursuant to the Plan, the Liquidation Trustee will determine the fair market value of the assets of the Liquidation Trust as of the Effective Date, and all parties, including the holders, must consistently use such valuation for all federal income tax purposes, such as in the determination of gain, loss and tax basis. The valuation will be made available as necessary for tax reporting purposes (on an asset or aggregate basis, as relevant).

Accordingly, each holder will be required to report on its federal income tax return its allocable share of any income, gain, loss, deduction or credit recognized or incurred by the Liquidation Trust. See "Allocation of Taxable Income and Loss" below. The character of items of income, deduction and credit to any holder and the ability of such holder to benefit from any deductions or losses may depend on the particular situation of such holder.

The federal income tax reporting obligations of a holder are not dependent upon the Liquidation Trust distributing any cash or other proceeds. Therefore, a holder may incur a federal income tax liability with repspect to its allocable share of the income of the Liquidation Trust even if the Liquidation Trust has not made a concurrent distribution to the holder. In general, a distribution of cash by the Liquidation Trust to a holder will not be taxable to the holder as such holder is regarded for federal income tax purposes as already owning the underlying assets or realizing the income.

The Liquidation Trustee will file with the IRS returns for the Liquidation Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Liquidation Trustee will also send to each record holder a separate statement setting forth the information necessary for

such holder to determine its share of items of income, gain, loss, deduction or credit and will instruct the holder to report such items on its federal income tax return or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. Such items generally would be reported on the holder's state and/or local tax returns in a similar manner.

c. ***Allocation of Taxable Income and Loss***

The Plan provides that allocations of Liquidation Trust taxable income shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein on in the Plan) if, immediately prior to such deemed distribution, the Liquidation Trustee had distributed all of its other assets (valued for this purpose at their tax book value) to the holders of the Liquidation Trust interests, taking into account all prior and concurrent distributions from the Liquidation Trust. Similarly, taxable loss of the Liquidation Trust will be allocated by reference to the manner in which an ecnonomic loss would be borne immediately after a liquidating distribution of the remaining assets of the Liquidation Trust. The tax book value of the assets of the Liquidation Trust for this purpose will equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, the regulations and other applicable administrative and judicial authorities and pronouncements.

D. Consequences to Pre-Bankruptcy Holders of Equity Interests.

Pursuant to the Plan, on the Effective Date, all Class 4 –Equity Interests will be canceled, whether surrendered for cancellation or otherwise, and there shall be no distribution to the holders of Class 4 – Equity Interests. Section 165(g) of the Internal Revenue Code allows a "worthless security deduction" for any security that is a capital asset and becomes worthless within the taxable year. Thus, holders of Class 4 –Equity Interests may be entitled to worthless security deductions. The authority governing the timing and amount of a worthless security deduction places considerable emphasis on the facts and circumstances of the holder, the issuer and the instrument with respect to which the deduction is claimed. Holders are therefore urged to consult their tax advisors with respect to their ability to take a worthless security deduction with respect to their Class 4 – Equity Interest.

THE ABOVE SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF ALLOWED CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN.

XI.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtor has concluded that the Plan will maximize recoveries of holders of Claims. The following discussion provides a summary of the analysis of the Debtor supporting its

conclusion that a chapter 7 liquidation of the Debtor will not provide higher value to holders of Claims and Equity Interests.

A. Liquidation Under Chapter 7 of the Bankruptcy Code.

If no chapter 11 plan can be confirmed, the Chapter 11 Case of the Debtor may be converted to a case under chapter 7, in which event a trustee would be elected or appointed to liquidate the properties and interests in property of the Debtor for distribution to its creditors in accordance with the priorities established by the Bankruptcy Code. The Debtor believes that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for under the Plan because (i) the chapter 7 trustee's unfamiliarity with the Debtor and its industry would lead to additional costs for the Estate and (ii) in a liquidation of the Debtor under chapter 11, the Causes of Action retained by the Estate likely will be pursued in a more orderly fashion and over a more extended period of time than in a liquidation under chapter 7, potentially resulting in greater recoveries. Accordingly, the Debtor has determined that confirmation of the Plan will likely provide each holder of a Claim or Equity Interest with a greater recovery than it would receive pursuant to liquidation of the Debtor under chapter 7.

XII.

CONCLUSION

The Debtor believes that the Plan is in the best interest of all holders of Claims, and urges all holders of impaired Claims against the Debtor to vote to accept the Plan and to evidence such acceptance by returning their ballots in accordance with the instructions accompanying the Disclosure Statement.

Dated: August 27, 2013

Respectfully submitted,

iGPS COMPANY LLC

By: 

Name: Shaun Martin
Title: Chief Restructuring Officer

SCHEDULE 1

LIST OF OTHER DEFINED TERMS

Terms in this Schedule 1 are defined in the Disclosure Statement at the pages indicated below.[1]

[1] Certain terms listed on this Schedule 1 may also appear as defined terms in Section 1.1 of the Plan. To the extent there is a conflict between how such terms are defined in the Disclosure Statement and how such terms are defined in the Plan, the Plan shall control.

SCHEDULE 2

SCHEDULE OF REJECTED EXECUTORY CONTRACTS AND UNEXPIRED LEASES

EXHIBIT A

CHAPTER 11 PLAN

EXHIBIT B

DISCLOSURE STATEMENT ORDER