UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE
(COOKEVILLE DIVISION)

In re:	)	
	)	Case No. 12-05701
JEDD, LLC,	)	Chapter 11
	)	Judge Lundin
Debtor.	)	

DISCLOSURE STATEMENT TO ACCOMPANY CHAPTER 11 PLAN OF LIQUIDATION DATED OCTOBER 18, 2012 FILED BY DEBTOR

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ARTICLE I
INTRODUCTION

On October 18, 2012, JEDD, LLC (the "Debtor") filed its Chapter 11 Plan of Liquidation dated October 18, 2012 (the "Plan") in the United States Bankruptcy Court for the Middle District of Tennessee (the "Court" or the "Bankruptcy Court").

Capitalized terms used in this Disclosure Statement, and not expressly defined in it, are defined in the Plan. A reference in this Disclosure Statement to an "Article" or a "Section" refers to an article or a section of this Disclosure Statement unless specifically indicated otherwise.

This Disclosure Statement describes certain background matters and the material terms of the Plan, but is intended as a summary document only and is qualified in its entirety by reference to the Plan. You should read the Plan to obtain a full understanding of the Plan's provisions.

This Disclosure Statement does not constitute financial or legal advice. You should consult your own advisors and/or attorneys if you have questions about the Plan or this Disclosure Statement.

CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE, UNDER WHICH THIS CASE WAS FILED, REQUIRES THAT THERE BE SUBMITTED TO THE HOLDERS OF PREPETITION CLAIMS AND INTERESTS A COPY OF THE DEBTOR'S PLAN OF LIQUIDATION, OR A SUMMARY OF IT, AS WELL AS A WRITTEN DISCLOSURE STATEMENT APPROVED BY THE COURT (AFTER NOTICE AND HEARING) AS CONTAINING INFORMATION ADEQUATE TO ENABLE HOLDERS OF CLAIMS AND INTERESTS TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

BY ORDER ENTERED _____, 2012, THE COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING SUCH ADEQUATE INFORMATION. THE

COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION BY THE COURT EITHER FOR OR AGAINST CONFIRMATION OF THE PLAN, NOR A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

This Disclosure Statement and the Plan are an integral package. They must be considered together for the reader to be adequately informed.

The information contained in this Disclosure Statement, including the information concerning the Debtor's financial condition and the other information contained herein, is based upon information provided by the Debtor's representatives, or in pleadings or schedules filed in this Chapter 11 bankruptcy case (the "Case" or "Bankruptcy Case"), and has not been subject to an audit or independent review. This Disclosure Statement contains only a summary of the Plan. Each Creditor and Interest Holder is urged to review the Plan prior to voting on it.

The statements contained in this Disclosure Statement are made as of the date of the Disclosure Statement, unless another time is specified. The delivery of this Disclosure Statement shall not under any circumstances create an implication that there has not been any change in the facts set forth since the date of this Disclosure Statement.

Schedules describing the Debtor's assets and liabilities as of the date of the commencement of this Bankruptcy Case are on file with the Clerk of the Bankruptcy Court. They may be viewed electronically at https://ecf.tnmb.uscourts.gov/cgi-bin/login.pl. In addition, counsel for the Debtor have assembled a depository of documents (the "Document Depository") for review, including the schedules of assets, liabilities and executory contracts; statements of financial affairs; and monthly operating reports filed by the Debtor. Some of the items referenced above will be kept in the Document Depository in electronic form. Any creditor or party desiring to view these documents at

the offices of Debtor's counsel should contact Ms. Megan Pyle, a paralegal in the office of Debtor's counsel, at: (615) 244-4994, or mpyle@gsrm.com.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NONBANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST THE DEBTOR, AND/OR INTERESTS IN OR SECURITIES OF THE DEBTOR, SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR. YOU SHOULD CONSULT YOUR OWN COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN UPON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

NO REPRESENTATIONS CONCERNING THE DEBTOR'S PLAN, LIQUIDATION, OR THE VALUE OF THE DEBTOR'S ASSETS ARE MADE OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN, THAT ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE

STATEMENT, IN ARRIVING AT YOUR DECISION AS TO WHETHER TO ACCEPT THE PLAN. ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED IMMEDIATELY TO THE BANKRUPTCY COURT, THE UNITED STATES TRUSTEE OR TO THE UNDERSIGNED COUNSEL FOR THE DEBTOR.

ARTICLE II
HISTORY OF THE DEBTOR AND EVENTS LEADING TO CHAPTER 11 FILING

JEDD, LLC ("JEDD or the "Debtor") is a land development company located in Tennessee that was created to develop property in Fentress County, Tennessee in the area of the Big South Fork National River and Recreation Area. JEDD owns approximately 3,494.37 acres of real estate, all of which is located in Fentress County. In addition, JEDD owns a corporate office and 3,400 square foot model home located on its land. Finally, JEDD holds interests in various other companies: Flat Rock, LLC, a real estate holding company; Nichol Creek Farms, LLC, a real estate holding company; and Tennessee Recreational Property, LLC, a real estate brokerage firm. JEDD's principals are Paul Gates, Paul Wood, Jerry Gernt, Ed Wiley, and Nancy Smith and/or the Estate of Denver Smith. JEDD's ownership and operations have not changed since it filed its Chapter 11 bankruptcy petition (the "Petition") on June 20, 2012 (the "Petition Date"), nor has JEDD sold or transferred any of its acreage or buildings since it filed the Petition.

The idea for the real estate development that eventually became JEDD grew out of a trip Paul Gates and Ken BuShea took with their wives to the Fentress County area in 2003. While traveling in Tennesse, Gates and BuShea met Jerry Gernt and Ed Wiley, who held positions of responsibility in the Estate of Bruno Gernt, which holds approximately 40,000 acres in the Big South Fork area in Fentress County. After some time, the Gates and BuShea families bought property in Fentress County and traveled there regularly. In 2005, Gates, BuShea, Gernt, Wiley,

and Denver Smith discussed the possibility of forming a company to develop property in Fentress County, and decided that a development would be in their interests and in the interest of Jamestown, Tennessee.

Gates and BuShea own an engineering concern in Florida named Fortune 7. In 2005, they formed two subsidiaries of Fortune 7 for the purpose of furthering the Fentress County land development project. One subsidiary named F7 Ventures was slated for the land development portion of the business, and the second subsidiary named Fortune 7 Homes was slated for contracting and building houses on properties sold.

Paul Gates, Ken BuShea, Denver Smith, Jerry Gernt, and Ed Wiley then formed a separate company to carry out the land development project in Tennessee. The company was named JEDD, LLC, and is a Tennessee Limited Liability Company. F7 Ventures is a member and 50% owner of JEDD, and a second company named GYN, LLC, formed by Gernt, Wiley, and Smith, is a member and 50% owner of JEDD. JEDD filed its Articles of Organization with the State of Tennessee on September 2, 2005, and immediately afterwards purchased a 516 acre tract in Fentress County referred to as River Park on the Clear Fork.

In mid-2006, Bowater Incorporated, a Canadian timber firm, elected to sell a significant portion of the land it owned around the United States. JEDD examined the Bowater properties available in Fentress County, which encompassed approximately 4,378 acres across multiple tracts, and found that this land presented JEDD with a unique opportunity to expand its development plan to change the original small-scale development project into a large one. Consequently, JEDD drafted a new development plan in 2006 to address the potential acquisition of the Bowater properties located in Fentress County. JEDD presented its new development plan to Progressive Savings Bank, located in Jamestown, Tennessee and on whose Board of Directors

Ed Wiley served, and other lenders to discuss business conditions and risks. JEDD ultimately purchased the land, and took on loans from Progressive Savings Bank to fund the purchase. The specific loans and associated collateral are outlined in detail in the Debtor's Schedules and Statements of Financial Affairs.

Commensurate with its expanded 2006 plan, JEDD was in full operation by end of 2006 and fully performing by spring of 2007 and between 2007 and 2008, JEDD performed as planned. In late 2007, Clayton Bank approached JEDD about the possibility of JEDD purchasing an additional parcel from the Bowater tracts. JEDD and Clayton Bank reviewed the site, and JEDD purchased the property with funds loaned by Clayton Bank. In early 2008, JEDD began to explore the possibility of entering into partnership with other companies to generate capital to fulfill its operational and financial objectives. By late 2008, JEDD entered into a partnership with SW Real Income Fund, LLC ("SWRIF), a company headquartered in Nashville, Tennessee. JEDD's performance in 2007 and 2008 demonstrated that its development plan was viable and that the partnership with SWRIF would deliver appropriate capital to fulfill the objectives. The structure of the partnership created by JEDD and SWRIF provided that JEDD would assign approximately half of its holdings to the SWRIF fund in exchange for a capital account and specific funding expectations under the management of JEDD. During the period October 2008 through July of 2009, SWRIF contributed approximately $1 Million in capital to JEDD.

Following the collapse of the stock market in October, 2008, the principals of JEDD and SWRIF quickly recognized that the economy was in unprecedented turmoil, sales were not expected under any conditions, and SWRIF would have difficulty delivering the promised capital to JEDD. Although JEDD had projected $1 Million in real estate sales during the fourth quarter

of 2008, JEDD in fact sold no properties in the fourth quarter. SWRIF decided to suspend its activities, while JEDD planned to continue operating in order to meet its financial obligations until the economy could recover. On realizing that the economic recovery would take some time to materialize, JEDD liquidated assets and took on further loans in order to continue meeting its financial obligations. In addition, JEDD and SWRIF decided to cooperatively unwind their partnership over the course of 2010 and 2011. After the termination of the partnership, JEDD retained all of its original holdings minus the Hunters Ridge and Airport Plaza developments, the assets and debt guarantees of which SWRIF assumed.

In 2011 JEDD formulated a plan to use the timber and minerals located on its properties to generate income while it prepared to liquidate some of its real estate to cover its obligations. JEDD sought a $400,000.00 loan from Union Bank in order to keep its loans current and to fund its operations while it put its new plan into effect. Over the course of 2011, JEDD was able to keep its loan obligations current. By 2012, however, the economy had not recovered sufficiently for JEDD to sell any of its property. Consequently, JEDD was no longer able to sustain its loans and began to default on its obligations. By mid-2012, JEDD determined that it would need to seek protection of a Chapter 11 bankruptcy filing and took steps to do so, filing on June 20, 2012 (the "Petition Date").

JEDD's primary assets as of the Petition Date were its real estate holdings, which represent significant value in land, timber, and mineral rights. The Debtor scheduled the estimated current value of its real estate holdings as $12,279,570.00. The estimated value of timber on the properties is $1,000,000.00. The other assets of the Debtor are various accounts receivable, vehicles, and office equipment totaling approximately $98,212.00. The primary holders of Debtor's secured debt are Clayton Bank and Trust, Progressive Savings Bank, and

Union Bank, with a small portion held by Peoples Bank and Trust Co., located in Albany, Kentucky. The total amount of secured claims against the Debtor is $10,861,933.00. Priority unsecured claims, most of which reflect property taxes due the Trustee of Fentress County, Tennessee, total $68,726.92. General unsecured claims, including claims owed to insiders of the debtor total $2,943,880.03.

ARTICLE III
PROGRESS OF THE CHAPTER 11 CASE TO DATE

JEDD filed its Chapter 11 petition on June 20, 2012 along with its application to employ the Nashville law firm of Gullett, Sanford, Robinson & Martin, PLLC (the "Application to Employ"), to represent its interests as a debtor-in-possession. The Debtor amended its Application to Employ on July 2, 2012. The Court granted the Application to Employ by its Order entered July 24, 2012.

By notice submitted on June 22, 2012, counsel for the United States Trustee scheduled the Debtors' initial debtor's conference for June 29, 2012, which was later rescheduled for July 10, 2012. The Trustee instructed the Debtor to prepare and produce numerous documents concerning the operations of the Debtor, bank accounts of the Debtor, insurance needs of the Debtor, and anticipated post-petition operations.

The Debtor timely produced the documents requested by the United States Trustee, and the initial debtor's conference was conducted as scheduled on July 10, 2012 at the Trustee's office located in Nashville, Tennessee.

In compliance with the guidelines with the Office of the United States Trustee, the Debtor filed on July 16, 2012, August 15, 2012, September 17, 2012 and October 15, 2012 monthly operating reports detailing results of operations of the Debtor during the post-petition

period. The monthly operating reports are available for viewing on the Court's CM/ECF website or in the Document Depository referenced above.

In accordance with 11 U.S.C. § 521 and Bankruptcy Rule 1007, JEDD filed on July 6, 2012 its Schedules of Assets, Liabilities and Executory Contracts and its Statements of Financial Affairs. These detailed Schedules and Statements describe the Debtor's ownership interests; the Debtor's debts owed to secured claim holders, priority claim holders and unsecured claim holders; the equity interests held in the Debtor; and descriptions of the Debtor's ongoing business affairs. The Schedules and Statements have not been amended during the case. These Schedules and Statements are also available for inspection on the Court's CM/ECF website or in the Document Depository. Further information concerning the Debtor's Schedules and Statements may be found in Articles IV and V below.

On August 2, 2012, counsel for the Office of the United States Trustee conducted the Chapter 11 meeting of creditors for the Debtor. Paul Gates and Ed Wiley, principals of the Debtor, appeared to testify at the meeting of creditors. Such meeting was commenced and concluded on August 2, 2012.

No creditors' committee has been appointed in the case. On August 2, 2012, the Court issued a notice to this effect.

On August 20, 2012, JEDD filed a Motion to Set Bar Date for Filing Proofs of Claims along with a Proposed Order Granting Motion to Set Bar Date. JEDD amended its Proposed Order Granting Motion to Set Bar Date in response to the Clerk's Inquiry on September 7, 2012. On September 11, 2012 the Court issued its Order granting the motion and setting the bar dates. All general claims were to be filed by October 15, 2012, and governmental units are to file claims by December 17, 2012. In its Order, the Court instructed JEDD to mail a copy of the

Notice of Bar Date for Filing Proof of Claim to all creditors and parties in interest within five days of the issuance of the Order, which JEDD did.

JEDD has made no sales of property since the petition date. JEDD currently employs no personnel other than its principals so it has no employee expenses. JEDD continues to pay insurance premiums on its properties and utility costs for its office and is current on all post-petition obligations. JEDD is current on payments of its quarterly fees to the United States Trustee.

ARTICLE IV
ASSETS OF THE DEBTOR

JEDD's assets are described below. JEDD's schedules (filed with the Court on July 7, 2012) provide detailed descriptions of the various items of real and personal property owned by JEDD as of June 20, 2012 (the petition date herein), which can be more generally categorized as follows:

Asset	Book Value
Utility and Lease Security Deposits:	$ 150.00
Accounts Receivable from HB Sconyers Suit:	22,884.00
Accounts Receivable from Employee Loans:	26,674.00
Vehicles:	23,652.00
Timber	1,000,000.00
JEDD Office Building:	175,000.00
Island & VP (Real Estate)	5,241,430.00
Flat Rock (Real Estate)	946,500.00
River Park (Real Estate)	2,322,400.00
Clear Fork (Real Estate)	2,844,240.00

Hitchin Post (Real Estate)	750,000.00
Total:	$13,377,782.00

JEDD has included in its Statements of Financial Affairs listings of all payments made by JEDD within ninety (90) days before the (June 20, 2012), which total $4,472.00. JEDD made no payments to or for the benefit of creditors who are or were "insiders" (as defined in the Bankruptcy Code) within one year of filing this bankruptcy proceeding. Since the amount JEDD could pursue in "avoidance actions" under 11 U.S.C. §§ 544-550 is so small, prosecution of these actions is not believed to be cost-effective or necessary, and would be of doubtful value to the Debtor's estate. Consequently, the Debtor has attributed no value to potential avoidance actions. The values of assets listed above are as of June 20, 2012. Since the petition date, there has been no change in the value of JEDD's assets.

ARTICLE V
LIABILITIES OF THE DEBTOR

In its Schedule of Liabilities, JEDD lists or describes several categories of debts, including secured claims, priority unsecured claims, and general unsecured claims. Detailed descriptions of such claims can be found in the Debtor's Schedule of Liabilities, filed on July 6, 2012. JEDD will summarize by category of liability the debts scheduled by JEDD.

A. Secured Claims. Secured claims are held by entities who claim liens against the property of a Debtor as of the petition date. The secured claims have been scheduled as follows:

Creditor	Amount of Claim
Clayton Bank and Trust	$ 3,134,000.00
Peoples Bank and Trust Co.	136,000.00
Progressive Savings Bank	6,784,933.00
Union Bank	627,000.00

	Total:	$10,681,933.00

Clayton Bank and Trust, Progressive Savings Bank, and Union Bank assert security interests in parcels of property JEDD purchased for the purpose of development. Peoples Bank and Trust Co. asserts a security interest in JEDD's office building and storage warehouse located in Jamestown, Tennessee.

B. Priority Claims. The Bankruptcy Code affords holders of certain unsecured claims priority over holders of other unsecured claims. For example, wages, salaries, and commissions of employees, contributions to employee benefits plans, taxes and certain other debts owed to governmental units are all entitled to some degree of priority over other unsecured claims, pursuant to 11 U.S.C. § 507. In this matter, the priority claims listed by JEDD in its Schedules are all for taxes owed to the Fentress County Trustee and the Tennessee Department of Revenue. These claims are presented in detail in the Schedules, but are aggregated here:

Priority Claims.	Total Claim Amount
Taxes owed to Fentress County Trustee	$ 46,161.92
Franchise and Excise Taxes	22,595.00
Total:	$66,726.92

In addition, the Internal Revenue Service has filed a priority claim in the amount of $2,170.47.

C. Administrative Expenses. A debtor-in-possession under Chapter 11 of the Bankruptcy Code is authorized to operate its business in the ordinary course of business. Vendors, suppliers, and others that provide goods or services to a debtor post-petition in the regular course of business are entitled to be paid in the regular course of business, and any such claims arising therefrom are entitled to administrative expense priority pursuant to 11 U.S.C. §

503. JEDD has incurred customary and ordinary operating expenses during this Chapter 11 case for utilities and insurance premiums. As noted above, JEDD is current on all utilities and insurance premiums. JEDD is current on all quarterly fees payable to the Office of the United States Trustee. The Debtor contemplates staying current on all post-petition expenses going forward.

As noted above, JEDD has employed Gullett, Sanford, Robinson & Martin, PLLC ("GSR&M") of Nashville, Tennessee as its attorneys during the Chapter 11 case. GSR&M has accrued certain legal fees and expenses during its representation of JEDD. Such fees and expenses, if allowed by the Court, are entitled to administrative expense priority. From the Petition Date up to September 30, 2012 GSR&M has incurred legal fees in the amount of approximately $29,634.50 and expenses in the amount of approximately $468.90. Additional fees and expenses incurred by GSRM and allowed by the Court will likewise be entitled to administrative expense priority. The Debtor is not permitted to pay such fees and expenses until GSR&M has filed an appropriate application for compensation and reimbursement of expenses, and such application is approved by the Court after notice and an opportunity for hearing. Prior to the Petition Date herein, the Debtors remitted to GSR&M $100,000.00, a portion of which ($9,865.00) was used to pay for services rendered by GSR&M up to the Petition Date. Filing fees for filing the Chapter 11 case, totaling $1,046.00, were also paid from the pre-petition remittance. Thus, as of the Petition Date, GSR&M holds the balance ($89,089.00) as a retainer in these cases.

D. General Unsecured Claims. JEDD has divided its scheduled unsecured nonpriority claims into two classes: claims held by "insiders," as that term is defined in the Bankruptcy Code, and claims held by creditors who are not "insiders." Under the Debtor's Plan,

all non-insider unsecured nonpriority claims will be paid before any insider claims. The non-insider unsecured claims against JEDD include claims for services and materials required for the maintenance of JEDD's real property, various unpaid fees for pre-petition legal and accounting services, and an unsecured loan from Progressive Savings Bank. The total amount of JEDD's scheduled non-insider unsecured nonpriority claims is:

Non-Insider Unsecured Claims	Total Claim Amount
Maintenance Expenses and Professional Services	$ 194,578.68
Progressive Savings Bank Loan	111,526.35
Total:	$ 306,105.03

Insider unsecured claims against JEDD include loans extended to JEDD by insiders. The total amount of JEDD's scheduled insider unsecured nonpriority claims is:

Insider Unsecured Claims	Total Claim Amount
Loans from Insiders to JEDD	$ 2,637,775.00

The total amount of all unsecured nonpriority claims is therefore $2,943,880.03.

ARTICLE VI
PREPETITION JUDICIAL PROCEEDINGS

As of the petition date, June 20, 2012, JEDD was not named in any judicial proceedings. However, Clayton Bank and Trust had initiated foreclosure proceedings as respects its collateral.

ARTICLE VII
EQUITY INTERESTS

As described above, two Limited Liability Companies are the holders of the equity interests in JEDD:

Shareholder	Percentage of Ownership
GYN, LLC	50%
F7 Ventures, LLC	50%

ARTICLE VIII
IMPLEMENTATION OF THE CHAPTER 11 PLAN OF LIQUIDATION

In general, the Plan is a plan of liquidation. The means for the execution of the Plan include the surrender/release of collateral to each of the four (4) secured creditors, the liquidation of any assets of the Debtor by a Liquidating Agent, the distribution of such proceeds first to priority claimants and then to non-insider unsecured creditors, the execution of new promissory notes in favor of the Debtor's secured creditors by the Guarantors, payments on the new promissory notes to satisfy guaranty obligations, and the dissolution of the Debtor under Tennessee law. The particulars of the foregoing are set forth below.

A. Transfer/Surrender of collateral to secured creditors. As demonstrated in the Schedules of Liabilities filed by the Debtor, the improved and unimproved real property owned by the Debtor is encumbered by liens held by four (4) secured creditors. On or after the Effective Date of the Plan, and no later than eighteen (18) months after the Effective Date of the Plan, the Debtor will transfer by deeds its parcels of real property to the secured lenders which hold liens on the parcels. The actual timing of each transfer shall be at the discretion of the secured lender which holds the lien on the subject parcel. The transfer/surrender of the real property to each such secured lender, coupled with the payments described below on new promissory notes, shall satisfy in full all obligations owed by the Debtor – and any guarantor of the obligations of the Debtor – to the secured lenders.

During the period following the Effective Date of the Plan but before the date each secured lender determines to have its collateral conveyed to it (i.e., while a property is still held

by the Debtor), Ed Wiley and Paul Gates shall use their best efforts to liquidate the real property to realize the highest possible return to satisfy the secured debt, inclusive of the obligations incurred in the new promissory notes described in paragraph C below.

B. Liquidation of other assets. The Debtor is the owner of certain personal property, as well as an account receivable against a former business colleague. These personal property assets will be liquidated by the Debtor. The proceeds of the liquidation, including any proceeds from the successful prosecution of a lawsuit to collect the receivable owed to the Debtor, will be combined into a Liquidation Fund, administered by Mr. Paul Gates (the "Liquidating Agent"), the vice president of operations of the Debtor. The Liquidating Agent may enlist, at his discretion, the assistance of professionals to assist in the liquidation of the Debtor's assets.

As soon as practicable after the Effective Date of the Plan, after paying any fees or expenses incurred by the Liquidating Agent, the Liquidating Agent shall establish a reserve (the "Reserve") of $25,000.00 to pay property taxes, insurance, utilities or other operating expenses until all real property transfers described above have been accomplished. The Liquidating Agent will then disburse funds sufficient to pay certain priority claims described below. Then, the Liquidating Agent shall disburse any remaining funds in the Liquidation Fund and any unused funds in the Reserve to non-insider unsecured creditors not otherwise addressed in the Plan. Claimants with allowed, non-insider unsecured claims shall receive a pro rata distribution of all such funds, depending upon the allowed amount of each creditor's claim, in full settlement and satisfaction of the claimant's claims. After disbursement of all such funds, and entry of an order closing the Case, the Liquidation Fund and the Reserve shall be closed and terminated, and the Liquidating Agent shall be deemed to be discharged from any further duties as such.

The Liquidating Agent will not be compensated for his services, except that the Liquidating Agent may be reimbursed his out-of-pocket and travel expenses from the Liquidation Fund.

C. New Promissory Notes Executed by Guarantors. The Guarantors shall execute new promissory notes in favor of the three (3) secured lenders described in Classes 4, 6 and 7, and make payments on said new promissory notes, all as described below. Payments on the new promissory notes shall commence the month following the Effective Date of the Plan. In consideration for executing the new promissory notes in favor of the lenders, the existing guarantees executed by said guarantors shall be extinguished as of the Effective Date of the Plan.

The amounts of the new promissory notes, the beneficiaries of the new notes, and the identity of each Guarantor executing each such note, shall be as follows:

Beneficiary	Amount	Makers
Clayton Bank & Trust	$163,500	Ed Wiley, Gerald Gernt, Kenneth BuShea, Paul Gates
Progressive Savings Bank	$353,750	Ed Wiley, Gayle Wiley, Gerald Gernt, Yvonne Gernt, Kenneth BuShea, Lynn BuShea, Paul Gates, Patricia Gates, Estate of Denver Smith and/or Nancy Smith
Union Bank	$32,750	Ed Wiley, Gerald Gernt, Kenneth BuShea, Paul Gates

D. Dissolution of Debtor. Upon the liquidation of the Debtor's assets, the disbursement of proceeds to creditors, the surrender/transfer of the Debtor's real property to lenders holding valid liens thereon, and the execution of the new promissory notes referenced above, the Debtor shall be dissolved and its existence terminated under Tennessee law. The

confirmation of the Plan shall be deemed to satisfy all provisions of the laws of the State of Tennessee providing for the proper dissolution of the Debtor as a limited liability company. The membership interests of the two (2) members of the Debtors shall be terminated and canceled.

ARTICLE IX
SUMMARY OF THE PLAN

Under JEDD's proposed Chapter 11 Plan, there are ten (10) separate classes of claims and interests. In accordance with 11 U.S.C. § 1123(a)(1), there is no separate class for administrative claims. For a more specific description of the nature of the claims and interests treated under the Plan, please see Articles IV and V above, or the Schedules of Assets and Liabilities and the Statement of Financial Affairs on file with the Court and included in the Document Depository maintained at the offices of JEDDs' counsel.

The various classes of claims and interests, and the proposed treatment under the Plan of each such class, are described below. The specific provisions of the Plan control over the provisions of this Disclosure Statement, and the Plan should be consulted for a complete understanding of the treatment of claims and interests. Parties-in-interest should consider consulting legal counsel before voting on whether to accept or reject the Plan.

A. Non-Classified Claims. Certain administrative expenses of the estate are not classified under the Plan, for purposes of voting on the Plan. These administrative expenses are as follows:

(a) General Administrative Claims. Administrative expenses under 11 U.S.C. § 503 have been incurred as actual and necessary costs and expenses of preserving the estate; however, such claims are nominal. With respect to any such claims, such claims shall be paid in full on the Effective Date of the Plan.

(b) United States Trustee Fees. Fees payable to the Office of the United States Trustee have been incurred during the Case. Such fees will continue to be paid when due, and any such fees not paid shall be paid in full on the Effective Date of the Plan. Any such fees incurred post-confirmation but prior to the closing of the Case shall be paid when such fees become due.

(c) Fees of Professionals of the Estate. Any professionals whose employment has been approved by the Court shall be required to file with the Court final fee application within sixty (60) days after the Effective Date of the Plan. Payments of Court-approved compensation shall be made after an order(s) approving such compensation has/have been entered and has/have become a final order(s).

(d) Administrative Tax Claims. Any governmental or administrative entity that asserts an administrative claim for taxes incurred during the pendency of the Case, which are not paid by the Debtor during the Case, shall be required to file with the Court an application for payment of such asserted administrative tax claim within sixty (60) days of the Effective Date of the Plan. Each holder of an administrative claim for taxes for which the Debtor is responsible shall be paid the allowed amount of such claim in cash, in full on the date such claim is allowed by an order of the Court or on the date such payment is due under applicable law.

B. Class 1 Claims: Class 1 shall consist of the allowed property tax claims entitled to priority under 11 U.S.C. § 507(a)(8)(B) held by the Trustee of Fentress County, Tennessee. The claims of the Class 1 Claimant shall be assumed by the secured lender (either the Class 4, Class 5, Class 6 or Class 7 Claimant described below) whose secured lien applies to the parcel to which each Class 1 Claim applies, as such parcels are specifically described in Schedule E (Creditors Holding Unsecured Priority Claims), filed by the Debtor on July 6, 2012. Such Class

1 Claims shall be paid in the ordinary course by such Class 4, Class 5, Class 6 or Class 7 Claimant, and the legal, equitable and contractual rights of the Class 1 Claimants are unaltered.

C. Class 2 Claims: Class 2 shall consist of the allowed franchise/excise tax claims entitled to priority under 11 U.S.C. § 507(a)(8)(E) held by the Tennessee Department of Revenue. With respect to the allowed Class 2 Claim, the Class 2 Claimant will receive on account of such claim regular installment payments in cash of a total value equal to the allowed amount of such claim, over a period ending when the last of the properties being conveyed to the Class 4, Class 5, Class 6 and Class 7 Claimants is actually conveyed to such Claimant, with interest at 4% per annum, at which time the balance of the Class 2 Claim shall be paid in full, it being the intention of the Debtor to comply fully with the requirements of 11 U.S.C. § 1129(a)(9)(C) with respect to such Class 2 Claim.

D. Class 3 Claims: Class 3 shall consist of all other allowed priority claims under 11 U.S.C. § 507. With respect to any allowed Class 3 Claim, such Class 3 Claimant will receive on account of such claim regular installment payments in cash of a total value equal to the allowed amount of such claim, over a period ending when the last of the properties being conveyed to the Class 4, Class 5, Class 6 and Class 7 Claimants is actually conveyed to such Claimant, with interest at 4% per annum, at which time the balance of any such Class 3 Claim shall be paid in full, it being the intention of the Debtor to comply fully with the requirements of 11 U.S.C. § 1129(a)(9)(C) with respect to such Class 3 Claim.

E. Class 4 Claims: Class 4 shall consist of the allowed claim(s) of Clayton Bank and Trust of Knoxville, Tennessee. In full settlement, satisfaction and discharge of the Class 4 Claim, the Class 4 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 4 Claim, and such transfer shall be deemed a surrender of such property to the Class 4 Claimant. The actual date of transfer shall be at the discretion of the Class 4 Claimant, but such transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) On or about the Effective Date of the Plan, four (4) of the Guarantors (Ed Wiley, Gerald Gernt, Kenneth BuShea and Paul Gates) (collectively, the "Clayton Bank Guarantors") shall execute a new promissory note in favor of the Class 4 Claimant. The new note (the "Clayton Bank Note") shall be in the face amount of $163,500.00 and shall accrue interest at 4% per annum. The Clayton Bank Note shall be unsecured, shall be amortized over fifteen (15), years and shall be payable in monthly installments of principal and interest until paid in full at the end of the amortization period. The Clayton Bank Guarantors shall be jointly and severally liable for full payment of the Clayton Bank Note.

(c) Except as provided above, the Class 4 Claimant shall receive no other payments or distributions on account of its Class 4 Claim. The present guaranties on account of the Class 4 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

F. Class 5 Claims: Class 5 shall consist of the allowed claim(s) of Peoples Bank and Trust Company of Albany, Kentucky. In full settlement, satisfaction and discharge of the Class 5 Claim, the Class 5 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 5 Claim, and such transfer shall be deemed a surrender of such property to the Class 5 Claimant. The actual date of

transfer shall be at the discretion of the Class 5 Claimant, but such transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) Except as provided above, the Class 5 Claimant shall receive no other payments or distributions on account of its Class 5 Claim. Any existing guaranty on account of the Class 5 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

G. Class 6 Claims: Class 6 shall consist of the allowed claim(s) of Progressive Savings Bank of Jamestown, Tennessee. In full settlement, satisfaction and discharge of the Class 6 Claim, the Class 6 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 6 Claim, and such transfer shall be deemed a surrender of such property to the Class 6 Claimant. The actual date of transfer shall be at the discretion of the Class 6 Claimant, but such transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) On or about the Effective Date of the Plan, each of the Guarantors (Ed Wiley, Gayle Wiley, Gerald Gernt, Yvonne Gernt, Kenneth BuShea, Lynn BuShea, Paul Gates, Patricia Gates, and the Estate of Denver Smith and/or Nancy Smith) (collectively the "Progressive Savings Bank Guarantors") shall execute a new promissory note in favor of the Class 6 Claimant. The new note (the "Progressive Savings Bank Note") shall be in the face amount of $353,750.00 and shall accrue interest at 4% per annum. The Progressive Savings Bank Note shall be unsecured, shall be amortized over fifteen (15) years, and shall be payable in monthly installments of principal and interest until paid in full at the end of the amortization

period. The Progressive Savings Bank Guarantors shall be jointly and severally liable for full payment of the Progressive Savings Bank Note.

(c) Except as provided above, the Class 6 Claimant shall receive no other payments or distributions on account of its Class 6 Claim. The present guaranties on account of the Class 6 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

H. Class 7 Claims: Class 7 shall consist of the allowed claim(s) of Union Bank of Jamestown, Tennessee. In full settlement, satisfaction and discharge of the Class 7 Claim, the Class 7 Claim shall be treated as follows:

(a) On or after the Effective Date of the Plan, the Debtor shall transfer by deed the property or properties that serve as the collateral for the Class 7 Claim, and such transfer shall be deemed a surrender of such property to the Class 7 Claimant. The actual date of transfer shall be at the discretion of the Class 7 Claimant, but such transfer will be made no later than eighteen (18) months after the Effective Date of the Plan.

(b) On or about the Effective Date of the Plan, four (4) of the Guarantors (Ed Wiley, Gerald Gernt, Kenneth BuShea and Paul Gates) (collectively the "Union Bank Guarantors") shall execute a new promissory note in favor of the Class 7 Claimant. The new note (the "Union Bank Note") shall be in the face amount of $32,750.00 and shall accrue interest at 4% per annum. The Union Bank Note shall be unsecured, shall be amortized over fifteen (15) years, and shall be payable in monthly installments of principal and interest until paid in full at the end of the amortization period. The Union Bank Guarantors shall be jointly and severally liable for full payment of the Union Bank Note.

(c) Except as provided above, the Class 7 Claimant shall receive no other payments or distributions on account of its Class 7 Claim. The present guaranties on account of the Class 7 Claim shall be deemed extinguished, satisfied, canceled, discharged and/or released as of the Effective Date of the Plan.

CONDITIONAL STAY AND INJUNCTION: Any other provision hereof to the contrary notwithstanding, the Confirmation of the Plan shall not in any manner affect the liability of any entity other than the Debtor except as follows: **AS RESPECTS EACH HOLDER OF THE CLASS 4, 5, 6 AND 7 CLAIMS THAT ARE ALLOWED IN THIS CASE AND ARE TO BE PAID UNDER THE PLAN, FOR SO LONG AS THE DEBTOR AND THE GUARANTORS ARE IN FULL COMPLIANCE WITH THE PROVISIONS OF THE PLAN RESPECTING THE TRANSFERS MADE AND THE PAYMENTS REQUIRED HEREIN, THE HOLDERS THEREOF SHALL BE STAYED FROM TAKING ANY ACTION OF THE KINDS DESCRIBED IN 11 U.S.C. § 362(A), AGAINST THE DEBTOR'S EQUITY HOLDERS OR PRINCIPALS, OFFICERS, DIRECTORS OR OWNERS THEROF, OR ANY OF THEM, OR THE GUARANTORS, OR ANY OF THEIR ASSETS AND PROPERTY INTERESTS, ON ACCOUNT OF SAID CLAIM OR ANY GUARANTY THEREOF. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT AS PROVIDED HEREIN, THE CLASS 4, 5, 6 AND 7 CLAIMANTS SHALL BE ENJOINED AS OF THE EFFECTIVE DATE OF THE PLAN FROM ANY COLLECTION OF THEIR CLAIMS AGAINST THE GUARANTORS, OR ANY OF THEM. WHEN THE DEBTOR SHALL HAVE FULLY PERFORMED ALL OBLIGATIONS UNDER THE PLAN AS RESPECTS THE CLASS 4, 5, 6 AND 7 CLAIMS, THE ABOVE-DESCRIBED CONDITIONAL STAY AND INJUNCTION**

SHALL BECOME PERMANENT, AND ALL PRESENT GUARANTIES OF THE GUARANTORS, AND EACH OF THEM, SHALL BE DEEMED TERMINATED.

I. Class 8 Claims: Class 8 shall consist of the allowed unsecured claims not entitled to priority and not expressly included in the definition of any other class (including without limitation each such allowed claim arising out of the rejection of any executory contract or unexpired lease), except for the allowed unsecured claims described in Class 9, below. The holders of the Class 8 Claims may be referred to herein collectively as the "Class 8 Claimants." In full settlement and satisfaction of the claims of the Class 8 Claimants, after paying the allowed claims of the Class 1, Class 2 and Class 3 Claimants from the Liquidation Fund, the Liquidating Agent shall distribute funds to the Class 8 Claimants, pro rata based on the allowed amounts of the Class 8 Claims.

J. Class 9 Claims: Class 9 shall consist of the allowed unsecured claims not entitled to priority and not expressly included in the definition of any other class, held by insiders of the Debtor or persons or entities affiliated with the Debtor, its members, its principals or the Guarantors. The holders of the Class 9 claims may be referred to herein collectively as the "Class 9 Claimants." In full settlement and satisfaction of the claims of the Class 9 Claimants, if funds remain in the Liquidation Fund after paying the Class 8 Claims in full, such remaining funds shall be distributed to the Class 9 Claimants by the Liquidating Agent, pro rata based on the allowed amounts of the Class 9 Claims. The Debtor anticipates that no funds will be available to pay the Class 9 Claims.

K. Class 10 Interests: Class 10 shall consist of the two (2) membership interests in the Debtor. The membership interests of the holders of the Class 10 Interests shall be terminated

and canceled on the Effective Date of the Plan, or as soon thereafter as possible following implementation of the Chapter 11 Plan of liquidation.

ARTICLE X
LIQUIDATION ANALYSIS

To obtain confirmation of the Plan, the Debtor (as proponent of the Plan) must show that each holder of an impaired class of claims or interests has accepted the Plan, or that each holder will receive or retain under the Plan on account of the holder's claim or interest property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on said date. Set forth below is the Debtor's best estimate of the results with respect to the secured claims, the priority claims and the general unsecured claims, if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code, on or about the Effective Date of the Plan. For this analysis, JEDD is assuming an Effective Date of the Plan to be January 1, 2013.

In a liquidation under Chapter 7, property as to which any secured creditor has a valid, perfected and unavoidable lien or security interest would be abandoned or otherwise made available to the secured creditor for the enforcement of its default remedies, unless the Chapter 7 trustee could convince the Court that there was a substantial equity in the Debtor's assets that could benefit unsecured creditors, and, therefore, the Chapter 7 trustee should be permitted to sell the assets. As noted herein, the Debtor's business was the marketing and sale of real estate, and its assets are primarily the real estate that it held for sale. There may be equity in this real estate that a Chapter 7 trustee could realize by sale, but it is not likely that a trustee would be able to realize any meaningful equity in the context of a Chapter 7 liquidation.

Clayton Bank and Trust, Peoples Bank and Trust Co., Progressive Savings Bank, and Union Bank are secured creditors, and in a Chapter 7 they would be entitled to be paid from the

liquidation of the assets securing their security interests or to receive the properties themselves. The difference between the amount the Debtor owes these secured creditors and the amount the liquidation of the collateral real estate yields is a deficiency that the secured creditors may then assert as an unsecured non-priority claim. The Bankruptcy Code places restrictions on a Chapter 7 trustee with respect to continuing operations of a business in Chapter 7. The market for the properties that the Debtor owns is unfavorable at present, and without a significant span of time in which to advertise and sell the collateral for a more favorable price, the Chapter 7 trustee would be forced to sell these properties at a low "fire sale" price, likely leaving significant deficiencies. Abandoning the properties to the secured lenders in the context of a Chapter 7 liquidation would also likely lead to significant deficiencies since the secured lenders would face the same difficult market for the real estate that the trustee would face.

Although the proposed Plan is a liquidation under Chapter 11, the Plan provides that all the claims of secured creditors will be satisfied by the return of the collateral and the execution of and payment on new promissory notes. In a liquidation under Chapter 7, it is unlikely that a sale of collateral by the Trustee or surrender of the collateral to the secured lenders would satisfy the claims of the secured lenders, and the large deficiency claims that would result from a liquidation of JEDD in Chapter 7 bankruptcy would drastically reduce or eliminate the amount of money available to pay other unsecured non-priority claims.

After payment of the secured indebtedness, a Chapter 7 trustee would utilize the remaining assets to pay, first, the administrative expenses of the Chapter 7 case (estimated to be at least $25,000.00), and next the administrative expenses of the superseded Chapter 11 case (estimated to be at least $50,000). Holders of other priority claims would then be entitled to be paid. A summary of those estimated claims is as follows:

Chapter 7 Administrative Expenses:	$	25,000.00
Chapter 11 Administrative Expenses:	$	50,000.00
Priority Tax Claims:	$	68,726.92
Total Priority Claims:	$	143,726.92

If funds remain after the secured and priority claims, next to be paid in liquidation under Chapter 7 would be general unsecured creditors. JEDD's non-real-estate assets are estimated to have a value of approximately $98,212.00. The administrative claimants and priority claimants have claims of approximately $143,726.92, so there will be no funds to share among general unsecured creditor in a Chapter 7 liquidation.

Even if the Debtor had funds sufficient to fully pay administrative and priority claims in a Chapter 7 liquidation, the scheduled non-insider unsecured creditors would likely receive little or nothing, compared to the likelihood of a payment under the Debtor's Plan. Under the Plan, insider unsecured creditors are a separate class that will only recover after non-insider unsecured creditors are paid. Also under the Plan, the secured creditors' claims against the estate will be satisfied in full by the return of the collateral and execution and payment of new promissory notes. Under the Plan, only the scheduled non-insider unsecured creditors, who hold total claims of $306,105.03, would share any funds remaining after the administrative and priority claims are paid. Under a Chapter 7 liquidation, however, the scheduled non-insider unsecured creditors, scheduled insider unsecured creditors, and secured creditor deficiency claims would all fall into the general unsecured pool. Insider unsecured claims total $2,637,775.00. It is impossible to estimate the amount of deficiency claims, but a figure of $500,000.00 is a likely minimum figure for the deficiency created by a "fire sale" of the collateral real estate. Under a

Chapter 7 liquidation, then, approximately $3,443,880.00 in claims would be forced to share any funds remaining after administrative and priority claims are paid.

In sum, in a liquidation under Chapter 7 of the Bankruptcy Code, the claims of the secured creditors would not be paid in full, and would result in deficiencies and new general unsecured claims. Administrative and priority claims would possibly be paid in full. Prepetition nonpriority, unsecured creditors would likely receive nothing. Consequently, it is clear that the Debtor's Chapter 11 Plan offers nonpriority unsecured non-insider creditors more than they would receive in a Chapter 7 liquidation.

ARTICLE XI
ALLOWANCE OF CLAIMS AND TREATMENT OF INTERESTS

Distribution under the Plan will be made only to creditors holding Allowed Claims. No payments will be paid to the holders of disputed claims until the disputed claims become Allowed Claims; however, a distribution may be made on any portion of a disputed claim that is not disputed. When a disputed claim is resolved, to the extent said claim becomes an Allowed Claim, distribution on the allowed portion of the Allowed Claim will be made to the holder of the claim pursuant to the distribution schedule in the Plan.

ARTICLE XII
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following is a summary of certain federal income tax matters related to the Plan and is provided for informational purposes only. The discussion is based on the Internal Revenue Code of 1986, as amended, applicable proposed, final and temporary Treasury Regulations, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly retroactively.

THIS DISCUSSION IS NOT INTENDED TO BE, AND IS NOT, A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION WHETHER TO APPROVE THE PLAN. FOR EXAMPLE, THE DISCUSSION DOES NOT ADDRESS THE FEDERAL INCOME TAX RULES APPLICABLE TO HOLDERS OF INTERESTS OR TO PARTICULAR TYPES OF TAXPAYERS, SUCH AS ESOP'S, FINANCIAL INSTITUTIONS, LIFE INSURANCE COMPANIES, FOREIGN TAXPAYERS, INSIDERS, PARENTS, SUBSIDIARIES OR AFFILIATES OF DEBTORS, NOR DOES IT ADDRESS ANY STATE, LOCAL, OR FOREIGN TAX MATTERS. HOLDERS OF CLAIMS AND INTERESTS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING TAX CONSIDERATIONS RELEVANT TO THE PLAN.

NO RULING FROM THE INTERNAL REVENUE SERVICE HAS BEEN SOUGHT OR OBTAINED IN CONNECTION WITH THE PLAN. IN ADDITION, NO TAX OPINION OF COUNSEL HAS BEEN SOUGHT WITH RESPECT TO ANY OF THE CONSIDERATIONS ADDRESSED HEREIN, AND NO TAX OPINION OF COUNSEL IS GIVEN BY THIS DISCLOSURE STATEMENT.

A. Certain Federal Income Tax Consequences to Debtors Due to the Impairment of Claims, Etc. A portion of the Debtor's aggregate outstanding indebtedness may be reduced under the Plan. Generally, cancellation or other discharge of indebtedness triggers income to a debtor equal to the amount (as determined for federal income tax purposes) of the indebtedness forgiven. If debt is discharged in a Chapter 11 bankruptcy case, however, no income to a debtor generally results. Instead, tax attributes otherwise available to a debtor are generally reduced, in most cases by an amount equal to the principal amount of the indebtedness forgiven. Tax

attribute reduction applies for purposes of both the regular and alternative minimum tax. Tax attribute reduction is calculated only after the tax for the year of discharge has been determined. Tax attribute reduction is not required with respect to the discharge of a particular debt to the extent that payment of such debt would have given rise to a tax deduction. Additionally, it is possible that there may be certain tax consequences to the debtor arising out of the sale of its assets, if such sale occurred.

B. Certain Federal Income Tax Consequences to Holders of Claims. In general, those holders who receive Cash in exchange for their Claims will recognize a gain or loss on the receipt of the Cash. The amount of this gain or loss will be the difference between the amount of cash received and the holder's tax basis in the Claim exchanged therefor. A holder's basis in its Claim will depend on that particular holder's accounting methods and practices, as well as upon the circumstances in which the holder acquired the Claim. If a holder acquired a Claim in exchange for the provision of goods and services, and the holder has already included the amount of the Claim in income for tax purposes, then the holder will generally have a tax basis in the obligation equal to its principal amount. If this is the case, the holder might recognize a loss for tax purposes on such exchange, because the total amount received may be less than the face amount of, and thus the holder's basis in, the claim. If for any reason, a holder has not included the amount of a Claim in income for tax purposes, or if a holder has previously claimed a loss deduction with respect to a Claim, then the holder is likely to recognize a gain on the exchange. The character (capital versus ordinary) of any gain or loss that is recognized by a holder on the exchange will depend on the circumstances under which the holder acquired the Claim exchanged therefore.

To the extent that consideration received by a holder is attributable to accrued interest on the holder's Claim, the consideration so attributable will be deemed made in payment of such interest. The tax laws are unclear on how much consideration shall be attributable to accrued interest when partial payments are made on a debt instrument on which both principal and interest are owed. To the extent that the holder has not yet included the accrued interest in gross income, the cash deemed received in payment of such interest will generally be included in the holder's gross income. To the extent the holder has previously included accrued interest in gross income, the cash deemed received in payment of such interest generally will not be included in gross income. Moreover, the holder may be able to claim a deductible loss if the cash deemed received is less than the amount the holder has previously accrued in income.

C. Importance of Obtaining Professional Tax Assistance**.** The foregoing is intended to be only a summary of certain of the federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The federal income tax consequences of the Plan which are discussed herein, and the state, local and foreign tax consequences of the Plan which are not addressed herein, are complex and, in some cases, uncertain. Such consequences may also vary based on the individual circumstances of each holder of a Claim or an Interest. ACCORDINGLY, EACH HOLDER OF A CLAIM OR AN INTEREST IS STRONGLY URGED TO CONSULT WITH SUCH HOLDER'S OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN. In addition to the issues discussed above, issues that a holder may wish to consider include, but are not limited to:

1. The extent to which the creditor may be entitled to a bad debt deduction or worthless securities loss; and

2. The extent to which a holder may be entitled to installment sale treatment or other deferral with respect to any distributions it receives subsequent to the Effective Date of the Plan.

ARTICLE XIII
ACCEPTANCE AND CONFIRMATION OF THE PLAN

The following is a brief summary of the provisions of the Bankruptcy Code respecting acceptance and confirmation of a plan of liquidation. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and/or consult their own attorneys.

A. Acceptance of the Plan. This Disclosure Statement is provided in connection with the solicitation of acceptances of the Plan. The Bankruptcy Code defines acceptance of a plan of liquidation by a class of Claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the Allowed Claims of that class that have actually voted or are deemed to have voted to accept or reject a plan.

If one or more impaired Classes rejects the Plan, Debtor may, at its discretion, nevertheless seek confirmation of the Plan if the Debtor believes it will be able to meet the requirements of Section 1129(b) of the Bankruptcy Code for confirmation of the Plan (which requirements are discussed more fully below) despite lack of acceptance by all impaired Classes. Also, in the event the Bankruptcy Court should determine that the Plan as presently constituted is not confirmable, the Debtor reserves the right to amend the Plan to the extent necessary to obtain entry of the Confirmation Order.

B. Confirmation.

1. Confirmation Hearing. Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. Notice of the

Confirmation Hearing on the Plan has been provided to all known holders of Claims and Interests or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be filed and served as required pursuant to the order approving the Disclosure Statement.

2. Statutory Requirements for Confirmation of the Plan. At the Confirmation Hearing, the Debtor will request that the Bankruptcy Court determine that the Plan satisfies the requirements of Section 1129 of the Bankruptcy Code. If the Court so determines, the Bankruptcy Court shall enter an order confirming the Plan. The applicable requirements of Section 1129 of the Bankruptcy Code are as follows:

a. The Plan must comply with the applicable provisions of the Bankruptcy Code.

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

c. The Plan must have been proposed in good faith and not by any means forbidden by law.

d. Any payment made or promised by the Debtor 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 disclosed to the Bankruptcy Court and has been approved by or is subject to approval of the Bankruptcy Court as reasonable.

e. The Debtor must have disclosed the identity and any affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the Debtor or the successor of the Debtor under the Plan. Moreover, the appointment to, or continuance in, such office of such individual, is consistent with the interests of holders of Claims and Equity Interests and the public policy, and the Debtor must have disclosed the identity of any insider of the Debtor or the successor of the Debtor under the Plan will employ or retain and the nature of any compensation for such insider.

f. Best Interests of Creditors Test. Notwithstanding acceptance of the Plan by creditors, the Bankruptcy Court must find, whether or not anyone objects to confirmation, that the Plan is in the "best interests" of creditors. Courts have defined "best interests" as the Bankruptcy Code's requirement that under any plan of liquidation each member of an impaired Class must receive property with a present value at least equal to the present value of the distribution that each creditor would have received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

The starting point in determining whether the Plan meets the "best interests" test is a determination of the Chapter 7 liquidation value of the Debtor. The liquidation value of the Debtor has been illustrated in Article X above.

g. Each Class of Claims 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 Expense Claims and Priority Claims will be paid in full on the Effective Date and that holders of Priority

Tax Claims will be paid, in deferred payments over a period not to exceed six years since the assessment of their Claim, the full value as of the Effective Date of their allowed Claims.

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

j. Feasibility. Confirmation of the Plan must not be likely to be followed by the liquidation, or the need for further reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is contemplated under the Plan. As this is a liquidating plan, feasibility is not impaired by liquidation.

3. Confirmation Without Acceptance by All Impaired Classes. Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm a plan, even if such plan has not been accepted by all impaired classes entitled to vote on such plan, provided that such plan has been accepted by at least one impaired class. If any impaired classes reject or are deemed to have rejected the Plan, the Debtor reserves its right to seek the application of the statutory requirements set forth in Section 1129(b) of the Bankruptcy Code for confirmation of the Plan despite the lack of acceptance by all impaired classes.

Section 1129(b) of the Bankruptcy Code provides that notwithstanding the failure of an impaired class to accept a plan of liquidation, the Plan shall be confirmed, on request of the proponent of the Plan, in a procedure commonly known as "cram-down," so long as the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under and has not accepted the Plan.

4. Absolute Priority Rule. The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims includes the requirement (the "absolute priority rule") that either (a) such class receive or retain under the plan property of a value as of the Effective Date of the Plan equal to the allowed amount of such claim or (b) if the class does not receive such amount, no class junior to the non-accepting class will receive a distribution under the Plan.

ARTICLE XIV
EFFECT OF CONFIRMATION

A. Injunction. Except as otherwise provided in the Confirmation Order, confirmation of the Plan and entry of the Confirmation Order shall constitute an injunction against all person or entities from taking any actions (other than actions brought to enforce any right or obligation under the Plan) to commence or continue any action or proceeding that arose before the Confirmation Date against or affecting the Estate, any property of the Estate, the Debtor, or any other direct or indirect transferee of any property of Debtor's Estate.

B. Retention and Enforcement of Claims. Pursuant to Section 1123(b)(3)(B) of the code, the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor or Debtor-in-Possession had or had power to assert immediately prior to Confirmation of the Plan, including without limitation an action to collect an account receivable from HB Sconyers & Company, LLC and actions for the avoidance and recovery pursuant to Section 550 of the Code of transfers avoidable by reason of Section 544, 545, 547, 548, 549 or 553(b) of the Code, and may, through the Liquidating Agent, who will be deemed an authorized representative of the Debtor with full authority to act on behalf of the Debtor, commence or

continue in any appropriate court or tribunal any suit or other proceeding for the enforcement of same.

C. Retention of Jurisdiction. The Bankruptcy Court will retain jurisdiction over all disputes involving the Plan or Claims or Interests in the Chapter 11 Case. The Bankruptcy Court will also retain jurisdiction over any applications for fees and expenses of professionals and any other matter relating to implementation of the Plan.

ARTICLE XV
RISK FACTORS

A. Risk of Non-Payment to Holders of Claims and Interests. The primary source of funding for distributions under the Plan to nonpriority unsecured non-insider creditors is the liquidation of the Debtor's remaining personal property and receivables. These assets may yield less than anticipated, which may reduce or eliminate any payment to nonpriority unsecured non-insider creditors. No absolute assurances can be given as to the payment of distributions called for under the Plan.

B. Certain Bankruptcy-Related Considerations. Although the Debtor believes that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can also be no assurance that modifications of the Plan will not be required for confirmation of the Plan, that such modifications would not adversely affect the holders of Claims or Interests, or that such modifications would not necessitate the resolicitation of votes.

ARTICLE XVI
VOTING PROCEDURES

Accompanying this Disclosure Statement are copies of the following documents: (1) the Plan, which is annexed hereto as Exhibit A; (2) the Bankruptcy Court order (a) approving this Disclosure Statement as containing adequate information pursuant to Section 1125 of the Bankruptcy Code, (b) approving the form of Ballot, and (c) approving the notice of and fixing time for (i) submitting acceptances or rejections to the Plan, (ii) the hearing to consider confirmation of the Plan; and (3) the form of ballot to be executed by holders of impaired Claims and Interests for voting to accept or reject the Plan.

A. Who May Vote. Under the Bankruptcy Code, impaired classes of claims and equity interests are entitled to vote to accept or reject a plan of liquidation. A class which is not "impaired" is deemed to have accepted a plan of liquidation and does not vote. A class is "impaired" under the Code unless the legal, equitable, and contractual rights of the holders of claims or equity interests in such class are not modified or altered.

If an objection is pending to a Claim or Interest, the holder thereof shall not be eligible to vote on the Plan unless the objection is resolved or, after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim or Interest temporarily for the purpose of voting to accept or reject the Plan. Any Claimant or Interest holder that wants its Claim or Interest to be allowed temporarily for the purpose of voting must take the steps necessary to arrange an appropriate hearing with the Bankruptcy Court under Bankruptcy Rule 3018(a).

B. Voting Instructions. All votes to accept or reject the Plan must be cast by using the form of Ballot enclosed with this Disclosure Statement. No votes other than ones using such Ballots will be counted, except to the extent the Bankruptcy Court orders otherwise. After carefully reviewing the Plan and this Disclosure Statement, including the annexed exhibits, please indicate your acceptance or rejection of the Plan on the Ballot and return such Ballot in the enclosed envelope to:

Megan W. Pyle, Paralegal
Gullett, Sanford, Robinson & Martin, PLLC
150 3rd Ave. South
Suite 1700
Nashville, TN 37201

If your ballot is damaged or lost, or if you have any questions concerning voting procedures, you may contact Thomas H. Forrester, an attorney for the Debtor, at the address above, or by telephone at (615) 244-4994 or facsimile transmission at (615) 256-6339. The ballot may NOT be submitted by facsimile, e-mail or other means except by delivery of a completed and signed original.

C. Deadline for Voting. BALLOTS MUST BE RECEIVED NO LATER THAN 5:00 P.M. (CENTRAL TIME) ON _____, 2012 (THE "VOTING DEADLINE"). ANY BALLOT THAT IS NOT EXECUTED BY A DULY AUTHORIZED PERSON SHALL NOT BE COUNTED. ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF AN ALLOWED CLAIM OR INTEREST BUT DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL BE DEEMED AN ACCEPTANCE. ANY BALLOT THAT IS FAXED WILL NOT BE COUNTED IN THE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE XVII
CONCLUSION

The Debtor, with the assistance of its professionals, has analyzed different scenarios and believes that acceptance of the Plan is in the best interests of all parties in interest and that the Plan will provide for a greater distribution than would otherwise result if an alternative plan were proposed or the assets of the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in delays and increased administrative expenses resulting in potentially smaller distributions to holders of Claims and Interests. Accordingly, the Debtor urges all holders of impaired Claims and Interests to vote to accept the Plan and to evidence such acceptance by completing and returning their ballots so they will be received no later than the voting deadline.

Your vote is important. Please vote promptly.

Executed this 18th day of October, 2012.

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC

By: /s/ D. Hiatt Collins

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CERTIFICATE OF SERVICE

I hereby certify that on October 18, 2012, a true and correct copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system.

/s/ D. Hiatt Collins
D. Hiatt Collins