UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In re:

KMTC Corporation (f/k/a Kingsbury Corporation)	Bk. No. 11-13671-JMD
Donson Group, Ltd.	Bk. No. 11-13700-JMD
Ventura Industries, LLC	Bk. No. 11-13687-JMD
	Jointly Administered
Debtors.	

DISCLOSURE STATEMENT WITH RESPECT TO DEBTORS' PLAN OF REORGANIZATION DATED APRIL 22, 2013

KMTC Corporation (as successor in interest to Kingsbury Corporation and referred to herein as "Kingsbury"), Donson Group, Ltd. ("Donson") and Ventura Industries, LLC ("Ventura" and, collectively with Kingsbury and Donson, the "Debtors"), present this disclosure statement (the "Disclosure Statement"), pursuant to 11 U.S.C. § 1125(b), to all known creditors and holders of interests in and to the Debtors, in connection with the Debtors' Plan of Reorganization Dated April 22, 2013 (the "Plan").

I. Plan Summary

Creditors and interest holders are directed to read this entire Disclosure Statement and should not rely solely on this summary in deciding to vote for the Plan.[1] The Plan accompanying this Disclosure Statement is a liquidating plan which provides for: (1) the sale of Kingsbury's real estate located at 80 Laurel Street, Keene, New Hampshire (the "Real Estate") either through a foreclosure sale conducted by TD Bank, N.A. ("TD Bank") or through a Court-approved sale under section 363 of the United States Bankruptcy Code; (2) the distribution of proceeds resulting from the sale of the Real Estate to Kingsbury's secured creditors, the City of Keene, New Hampshire (the "City"), TD Bank, the U.S. Small Business Administration (the "SBA")

[1] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan, included herein at Section VII.

and Diamond Business Credit, LLC ("Diamond"); (3) the transfer of residual assets and post-confirmation causes of action—including litigation currently pending before the Court against Optimation Technology, Inc. ("Optimation"), PPL Group, LLC ("PPL") and Utica Leaseco, LLC ("Utica")—into a liquidating trust; and (4) distributions to creditors holding administrative, priority and unsecured claims in accordance with the provisions of the liquidating trust agreement.

II. Introduction

The purpose of this Disclosure Statement is to provide such information as may be deemed material, important and necessary for the Debtors' creditors and holders of interests to make an informed decision in exercising their right to vote, if any, to accept or reject the Plan. This Disclosure Statement will also assist the Bankruptcy Court in its determination whether the Plan complies with all applicable provisions of 11 U.S.C. § 101 et seq. (the "Code") and should therefore be confirmed. All exhibits to this Disclosure Statement, as well as the Plan, are incorporated into and made a part of this Disclosure Statement.

IT IS RECOMMENDED THAT EACH CREDITOR AND HOLDER OF AN INTEREST REVIEW THE ENTIRE PLAN AND DISCLOSURE STATEMENT CAREFULLY AND DETERMINE WHETHER OR NOT TO ACCEPT THE PLAN BASED ON THAT CREDITOR'S OR INTEREST HOLDER'S INDEPENDENT EVALUATION AND JUDGMENT. IT IS IMPORTANT THAT YOU VOTE IF YOU HAVE A RIGHT TO VOTE. IN DETERMINING WHETHER A PLAN OF REORGANIZATION HAS BEEN ACCEPTED BY THE REQUIRED MAJORITIES OF CREDITORS AND INTERESTS HOLDERS, ONLY THOSE CREDITORS AND INTEREST HOLDERS WHO ACTUALLY VOTE ON THE PLAN ARE COUNTED,

EXCEPT WHERE SPECIFICALLY STATED OTHERWISE. IN THE CASE OF THIS PARTICULAR PLAN, IF A CLASS IS IMPAIRED UNDER THE PLAN, AND THE CLASS CONTAINS HOLDERS OF CLAIMS ENTITLED TO VOTE YET NO SUCH HOLDERS CAST A BALLOT TO VOTE ON THE PLAN, THAT CLASS WILL NONETHELESS BE DEEMED TO ACCEPT THE PLAN AND WILL BE COUNTED AS AN IMPAIRED AND ACCEPTING CLASS.

NO REPRESENTATIONS CONCERNING THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. THE PORTIONS OF THIS DISCLOSURE STATEMENT DESCRIBING THE DEBTORS, THE PLAN, AND THE PRE- AND POST-BANKRUPTCY OPERATIONS OF THE DEBTORS, HAVE BEEN PREPARED FROM INFORMATION SUBMITTED BY REPRESENTATIVES OF THE DEBTORS. THE DEBTORS BELIEVE THIS INFORMATION TO BE ACCURATE AND COMPLETE BUT MAKE NO WARRANTIES AS TO SUCH COMPLETENESS OR ACCURACY. NO REPRESENTATIONS CONCERNING THE DEBTORS ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. CERTAIN OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES.

III. Description of the Debtors

Ventura and Donson are largely holding companies with Ventura holding 100% of the outstanding stock in Donson, and Donson holding 100% of Kingsbury's common stock.

Pre-petition, Kingsbury was an operating company specializing in the design and manufacture of special purpose, high production metal cutting, assembly equipment, turning and machining centers. In the fifteen years leading up to the filing of Kingsbury's chapter 11 petition, Kingsbury sold over $145,000,000 of machine systems to Chrysler Group, LLC, Ford Motor Company and General Motors Corporation alone, and an additional $50,000,000 to tiered suppliers to these three automotive companies. Kingsbury operated in a 300,000 square foot facility located on the Real Estate. Parts machined and designed by Kingsbury were used in everything from home appliances, to automobiles and jets.

IV. Events Leading Up to the Chapter 11 Cases

A. Pre-Petition Secured Debt Structure

On or about March 25, 1999, Kingsbury entered into a Commercial Real Estate Mortgage with the Bank of New Hampshire (predecessor-in-interest to TD Bank), resulting in a loan to Kingsbury in the original principal amount of $4,400,000 (the "TD Bank Loan"). Kingsbury's obligations to the Bank of New Hampshire were secured by a first priority security interest in virtually all of Kingsbury's assets. TD Bank subsequently acquired or merged with the Bank of New Hampshire and became its successor in interest with respect to the TD Bank Loan.

Kingsbury borrowed an additional $1,500,000 from the SBA pursuant to a Loan Authorization and Agreement dated June 1, 2006 (the "SBA Loan"). To secure its obligations under the SBA Loan, Kingsbury gave the SBA a mortgage on the Real Estate.

On or about October 22, 2007, Kingsbury entered into a Loan Agreement and Security Agreement with Diamond, pursuant to which Diamond extended to Kingsbury an asset-based revolving line of credit in the amount of $3,000,000 (the "Diamond Loan"). As security,

Kingsbury gave Diamond a mortgage on the Real Estate and a security interest in all of its personal property.

On October 23, 2007, TD Bank and Diamond executed an Intercreditor Agreement pursuant to which TD Bank and Diamond agreed that Diamond's security interest in Kingsbury's personal property would be senior to TD Bank's prior security interest in the same collateral. Diamond's mortgage on the Real Estate would continue to be junior to both TD Bank's first priority mortgage and SBA's second priority mortgage.

A few months later, Kingsbury entered into the Loan and Security Agreement (dated as of March 14, 2008) between Utica Leaseco, LLC and Kingsbury Corporation, pursuant to which Kingsbury borrowed $1,525,000 (the "Utica Loan"). Kingsbury's obligations to Utica were secured by a lien on certain of its machinery and equipment (the "M&E").

On April 24, 2009, TD Bank, Diamond and Utica executed an Amended and Restated Intercreditor Agreement which was dated as of March 14, 2008 (the "Amended Intercreditor Agreement"). The Amended Intercreditor Agreement established the following order of priority with respect to the various security interests held by TD Bank, SBA, Diamond and Utica:

- **Real Estate:** TD Bank in first, SBA in second, Diamond in third and Utica in fourth.
- **Personal Property (Excluding M&E):** Diamond in first, TD Bank in second and Utica in third.
- **M&E:** Utica in first, TD Bank in second and Diamond in third.

As of the Petition Date, Kingsbury was indebted to its secured lenders in the following amounts: (a) TD Bank was owed approximately $924,552.75; (b) SBA was owed approximately

$1,331,193.21; (c) Diamond was owed approximately $1,335,163.68; and (4) Utica was owed approximately $1,200,000.

B. Utica

Kingsbury's operations were generally profitable until early 2009, when the collapse of the United States auto industry, coupled with generally recessionary economic conditions, resulted in declining orders and the cancellation of several major manufacturing programs. By March 2009, Kingsbury was forced to furlough many of its employees and to freeze payments to vendors. Given the nature of Kingsbury's operations, it was difficult to reduce overhead rapidly enough to match declining business revenues. Kingsbury's major lenders showed temporary patience, but by early 2011, Kingsbury faced increasing pressure, particularly from Utica.

On July 8, 2011, Utica served notice on Kingsbury that the Utica Loan was in default. Kingsbury and Utica subsequently entered into a Surrender and Forbearance Agreement dated July 13, 2011 (the "Forbearance Agreement"), the terms of which purportedly required the Debtor to surrender possession of the M&E to Utica as of the effective date of the Forbearance Agreement.

In connection with the Forbearance Agreement, Kingsbury, Utica and Maynards Industries (1991), Inc. ("Maynards") entered into (a) an Auction Agreement retaining Maynards for the purpose of conducting a sale of the M&E and (b) an Occupancy Agreement permitting Maynards to occupy Kingsbury's manufacturing facility for the purpose of preparing the M&E for auction.

Kingsbury was unable to make certain payments necessary under the Forbearance Agreement to avoid an auction and, eventually, its operations were brought to a halt as Maynards

began tagging and staging the M&E in preparation for an October 11, 2011 auction. The Debtors were left with no choice but to file their chapter 11 petitions.

V. Assets and Liabilities on the Filing Date

In addition to the description of the secured claims against Kingsbury set forth above, detailed information regarding the assets and liabilities of Kingsbury can be found on Kingsbury's Schedules and Statement of Financial Affairs. *See* Docket No. 151. Detailed information regarding the assets and liabilities of Ventura and Donson can be found on the Schedules and Statement of Financial Affairs filed with respect to each of these Debtors. *See* Docket Nos. 152 and 153, respectively.

VI. Significant Post-Petition Events

A. General Administrative Matters; DIP Financing

Kingsbury and Ventura filed their chapter 11 petitions on September 30, 2011, with Donson following suit a few days later on October 3, 2011. After their respective Filing Dates, the Debtors continued to administer their estates and possess their assets as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. An Official Committee of Unsecured Creditors (the "Committee") was appointed on October 18, 2011. *See* Docket No. 113. The Committee retained Jager, Smith PC as its counsel. *See* Docket No. 141.

On the day on which Kingsbury filed its chapter 11 petition, that debtor also filed a number of first day motions, including a motion (the "DIP Motion") seeking authority to obtain post-petition financing from Diamond in the form of an increase in the inventory advance rate under its existing, pre-petition line of credit, with such advance not to exceed $300,000 (the "DIP Financing"). *See* Docket No. 6. The advance would be secured by Diamond's pre-petition liens

as well as a replacement lien. The DIP Financing was approved on an interim basis on October 11, 2011 and a final basis on November 8, 2011. *See* Docket Nos. 97, 188.

B. The Stipulation

On October 4, 2011, Utica filed a Motion to Dismiss Case and a Motion for Relief from the Automatic Stay (the "Utica Motions"). *See* Docket Nos. 37, 38. Utica argued that Kingsbury's case should be dismissed due to the continuing diminution in the value of its estate and an unlikelihood of rehabilitation. In the alternative, Utica argued that the Court should grant that creditor immediate relief from the automatic stay for the purpose of proceeding with the auction of the M&E that had been scheduled to take place on October 11, 2011.

The hearing on the Utica Motions was scheduled on an expedited basis for 10:30 a.m. on October 6, 2011, which was the same date and time for which the Court had scheduled hearings on Kingsbury's various first day motions, including the DIP Motion. *See* Docket Nos. 43, 44. Kingsbury filed a written objection to the Utica Motions. *See* Docket Nos. 57, 58. Although Diamond also objected, that creditor did not file a written objection due, at least in part, to time constraints.

Counsel for Kingsbury, Utica and Diamond met early on October 6, 2011, before the scheduled hearings, to discuss a resolution. With the Court's indulgence, those discussions continued well past 10:30 a.m. while the parties negotiated the terms of a deal. While Diamond and Kingsbury agreed that a sale of Kingsbury's assets might be in the best interest of the Debtors' creditors, those two parties were adamant that a sale of just the M&E would be detrimental to the value of the bankruptcy estate. Diamond and Kingsbury both insisted creditors would benefit if Kingsbury's assets were marketed more widely and as a package.

Utica eventually relented and agreed to withdraw the Motion to Dismiss Case provided Kingsbury signed a stipulation which, *inter alia*, established hard deadlines for reaching certain milestones in a sale process under section 363 of the Bankruptcy Code. The stipulation would further provide that if Kingsbury failed to meet those deadlines, Kingsbury would voluntarily surrender Utica's and Diamond's collateral.

Kingsbury agreed to these terms only if Utica and Diamond agreed to maintain the terms of the stipulation in strict confidence and to file the proposed stipulation under seal. Kingsbury argued that the sale price would be detrimentally impacted if potential bidders knew that Kingsbury had a compressed window for selling its personal property and the M&E before having to turn those assets over to its creditors. Because of the potential damage to the sale process, Utica and Diamond agreed to keep the terms of the stipulation confidential, and agreed that any stipulation would be filed under seal.

Court then convened and Kingsbury reported that a compromise had been reached between itself, Utica and Diamond. Counsel for Kingsbury was careful not to disclose the terms of the compromise in Court and stated that Kingsbury would file a motion seeking authority to file the stipulation under seal, as all parties were in agreement as to the need for confidentiality. Utica then withdrew the Motion to Dismiss Case and the Court directed Kingsbury, Utica and Diamond to file a stipulation outlining the deal mentioned in Court and resolving the Motion for Relief from Automatic Stay. *See* Docket Nos. 67, 68.

Later that day, or the next day, Kingsbury, Utica and Diamond executed the Stipulation and Agreement Regarding (I) Sale Process; (II) Adequate Protection to Utica Leaseco, LLC ("Utica") and Diamond Business Credit, LLC; (III) Return of Possession of Machinery and Equipment; and (IV) Resolution of Utica's Motion for Relief from Stay and the Debtors' Motion

for Enforcement of the Stay (the "Stipulation"). The Stipulation, *inter alia*, established deadlines by which Kingsbury was required to seek Court approval to retain an investment banker, enter into a stalking horse agreement, file a bid procedures motion and a sale motion, obtain a hearing date on the sale motion and close on a sale (collectively, the "Sale Milestones").

Consistent with the agreement among the parties to the Stipulation, and the representations made to the Court, Kingsbury filed a motion by mutual consent seeking authority to file the Stipulation under seal. *See* Docket No. 81. That motion was granted on October 13, 2011 and the Stipulation was approved by the Court on the same day. *See* Docket Nos. 104, 108.

Copies of the Stipulation were provided on a confidential basis to counsel for the Committee, which was operating under a protective order, and the United States Trustee's Office (the "UST"), which also agreed to maintain confidentiality. Kingsbury, Utica, Diamond, the Committee, the UST and the Court were the only parties authorized to view the Stipulation, or to know its contents.

C. The Sale to Optimation

On October 31, 2011, the Court entered an order authorizing Kingsbury to retain Donnelly, Penman & Partners ("DPP") as its investment banker for the purpose of packaging and marketing substantially all of Kingsbury's assets for sale. *See* Docket No. 172. Kingsbury hoped to sell its business as a going concern in order to maximize the value of its estate for the benefit of its creditors. Notwithstanding this preference, prospective bidders were told that Kingsbury would also entertain offers on any combination of three lots into which Kingsbury's assets had been packaged: (1) the Real Estate; (2) the personal property (exclusive of the M&E, the "Personal Property"); and (3) the M&E.

Due to the compressed time schedule for marketing, DPP began its efforts immediately upon its retention and worked to gauge interest by potential purchasers. One of the parties expressing early interest was PPL, which first contacted Kingsbury's counsel on October 18, 2011 and then followed up with DPP a few days after that firm had been retained.

On or about November 3, 2011, DPP sent teasers to 450 financial buyers and 110 strategic buyers for a total of 560 initial contacts. Of those initially contacted, 138 parties immediately passed on the opportunity to purchase any portion of Kingsbury's assets. DPP followed up with 388 potential purchasers on a more individualized basis, resulting in 23 financial buyers and 15 strategic buyers eventually executing nondisclosure agreements (the "Potential Bidders"). The Potential Bidders were granted access to a virtual data room on November 16, 2011.

Over the next month, DPP was in frequent contact with the Potential Bidders to determine their levels of interest in Kingsbury's assets, either as a stalking horse bidder or an overbidder. Early on in the process, DPP identified PPL as one of the most actively interested parties.

Under the terms of the Stipulation, Kingsbury was required to obtain approval of bid procedures designating a stalking horse on or before December 15, 2011. To have any realistic hope of meeting this deadline, Kingsbury knew that it would have to file its motion seeking approval of the bid procedures no later than December 13, 2011. Accordingly, Kingsbury communicated to interested parties that stalking horse bids should be submitted by December 12, 2011, and absolutely no later than December 13, 2011 (the "Stalking Horse Deadline").

On December 6, 2011, Kingsbury received an asset purchase agreement from PPL, Myron Bowling Auctioneers, Inc. ("MBA") and Cincinnati Industrial Auctioneers ("CIA")

offering to purchase the M&E and Personal Property for just $2,000,000 (the "PPL Offer"). In the final days leading up to the Stalking Horse Deadline, PPL pressed hard for Kingsbury to designate PPL, MBA and CIA as the stalking horse with respect to the M&E and Personal Property but Kingsbury felt that the PPL Offer was too low and continued to search for a competing bid.

Around this same time, Kingsbury and its professionals became aware of Optimation as a potential bidder on the business as a going concern, or at the very least as a bidder on some portion of Kingsbury's assets. After being informed that another party was interested in submitting a stalking horse bid, and that the PPL Offer would likely be insufficient, PPL, MBA and CIA submitted a second offer on December 12, 2011, raising their offer to $2,400,000. The next day—which was also the Stalking Horse Deadline—Optimation submitted its own offer to purchase virtually the same assets for $2,450,000. Following frenzied eleventh hour negotiations, Optimation and PPL both raised their bids to $2,600,000.

Out of time, Kingsbury selected Optimation over PPL, MBA and CIA as the stalking horse bidder because Optimation intended to use some of the Equipment and Personal Property while PPL and its partners were strictly interested in liquidating the assets. Kingsbury believed that a stalking horse bid by an end user—as opposed to a liquidator—might generate more interest by competitive bidders, including bidders who might buy the Real Estate and maintain the business operations at the current location.

After PPL was informed that Kingsbury had selected Optimation as the stalking horse, PPL requested another opportunity to raise its stalking horse bid. Due to time constraints and strategy considerations, Kingsbury declined but encouraged PPL to submit a bid qualifying it to participate in the upcoming auction.

The stalking horse having been designated, Kingsbury filed a motion late in the day on December 15, 2011 seeking approval of bid procedures (the "Bid Procedures") and a motion seeking authority to sell substantially all of its property free and clear of liens, claims and encumbrances (the "Sale Motion"). *See* Docket Nos. 213, 215. The Bid Procedures invited prospective purchasers to bid on any combination of the three lots of assets described above and proposed a bid deadline of 5:00 p.m. on January 23, 2012 (the "Bid Deadline"). The Court approved the Bid Procedures on December 21, 2011.[2] *See* Docket No. 237.

In the month leading up to the Bid Deadline, Kingsbury and its professionals continued to make frequent contact with parties who had expressed interest in any portion of Kingsbury's assets. Based on PPL's level of interest prior to the stalking horse deadline, and its persistence even after it had been informed that Optimation was selected as the stalking horse bidder, Kingsbury and its professionals fully expected PPL to submit an overbid prior to the Bid Deadline. Accordingly, Kingsbury, its counsel and DPP were all surprised when PPL still had not submitted an overbid by early afternoon on the Bid Deadline.

Shortly before 3:30 p.m. on the day on which bids were due, DPP called David Muslin, PPL's President and Chief Executive Officer, and inquired as to whether PPL would be submitting a bid prior to the 5:00 p.m. deadline. Mr. Muslin responded that he was reviewing his bidding position with his partners and he would have an answer for DPP within thirty minutes. Soon thereafter, Mr. Muslin informed DPP that PPL would not be submitting a bid.

The Bid Deadline passed without a single overbid having been submitted. Although Optimation's stalking horse offer was the only offer on the table, Kingsbury was not optimistic

[2] The Court scheduled the hearing on the Bid Procedures for December 20, 2011. Although this date fell after the December 15, 2011 deadline under the Stipulation for obtaining court approval of the Bid Procedures, Utica and Diamond agreed that Kingsbury was in substantial compliance with the Sale Milestones and, therefore, was not in default of the Stipulation.

that the Court would approve a sale of the M&E and Personal Property for the low price of $2,600,000. Based on these concerns, Kingsbury successfully negotiated with Optimation to increase its purchase price to $3,100,000.

The sale to Optimation was approved by order of the Court dated February 1, 2012 (the "Sale Order"). *See* Docket No. 265. The Sale Order directed Kingsbury to disburse the sale proceeds as follows: (a) $100,000 to repay loans advanced by Optimation under the order approving the Bid Procedures; (b) $122,000 to pay past due wages and employee withholdings of Kingsbury employees; (c) $1,550,000 to Utica in full satisfaction of all of its claims against the Debtors; (d) $1,128,000 to Diamond, inclusive of a $228,000 carve-out for fees of professionals retained by the Debtors and the Committee; and (e) $200,000 to DPP.

The parties closed on the transaction on or about February 6, 2012. One of the assets sold to Optimation was the name Kingsbury Corporation. Accordingly, Kingsbury changed its name to KMTC Corporation after the sale to Optimation closed.

D. The 363(n) Litigation

Shortly after closing on the sale to Optimation, Kingsbury learned that some of the M&E and Personal Property it had sold to Optimation was being sold at auction by PPL, MBA and CIA. Kingsbury became suspicious that Optimation and PPL had entered into an agreement which controlled the price of the M&E and Personal Property.

On June 20, 2012, Kingsbury filed motions seeking an order compelling Optimation and PPL to produce certain requested documents and to appear for examination pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure (collectively, the "Rule 2004 Motions"). *See* Docket Nos. 391, 392. The Rule 2004 Motions sought information necessary to determine

whether there was any basis for claims against Optimation and/or PPL under section 363(n) of the Code.

A review of the documents provided by Optimation and PPL revealed a number of e-mails, handwritten notes and draft agreements which apparently substantiate Kingsbury's suspicions of collusive activity. Those documents also suggest that PPL may have colluded with multiple other potential bidders and Kingsbury intends to investigate these additional potential claims during the discovery.

To Kingsbury's surprise, the documents also revealed that Utica's representatives had, in breach of Utica's agreement with Diamond and Kingsbury, leaked commercially sensitive and protected information about the Sale Milestones and sale process to Maynards which, in turn, provided that same information to one or more Potential Bidders. This information appears to have had a significant and detrimental impact on the sale process.

On March 21, 2013, Kingsbury filed a complaint (the "Complaint") against Optimation, PPL and Utica seeking punitive and compensatory damages on a variety of claims including, but not limited to, claims under section 363(n) of the Code, claims for breach of contract and claims for tortious interference with prospective contractual relationships. During discovery, Kingsbury intends to explore additional potential claims against the currently named defendants, as well as potential claims against MBA, CIA, Maynards and others. Kingsbury anticipates that it will be amending the Complaint and/or commencing new litigation as a result of new information it expects to obtain during discovery.

E. The Real Estate

Following the sale of its Personal Property and M&E to Optimation, Kingsbury had no way of operating or generating the income necessary to maintain its real estate. Maintenance

costs would be funded by Optimation for a period of up to four months pursuant to a Transition Services Agreement dated as of February 6, 2012 and entered into by Kingsbury and Optimation as part of the sale of the Personal Property and the M&E (the "TSA"). Recognizing it would need to move quickly in order to sell the Real Estate before the expiration of the TSA, or shortly thereafter, Kingsbury filed an application on February 9, 2012 seeking authority to retain GA Keen Realty Advisors, LLC ("GA Keen") for the purpose of marketing and selling the Real Estate (the "Application"). *See* Docket No. 268. The Court denied the Application on March 5, 2012 on the grounds that the Application sought pre-approval of a surcharge against TD Bank's secured claim in the form of brokerage fees payable to GA Keen, either as a transaction fee or a credit bid fee. *See* Docket No. 302.

Kingsbury, GA Keen and TD Bank subsequently reached an agreement as to the terms of GA Keen's retention and, on March 9, 2012, Kingsbury filed, with TD Bank's consent, a new form of order with respect to the Application which attached a revised retention agreement. *See* Docket No. 308. The Court entered the order the same day and GA Keen began marketing the Real Estate. *See* Docket No. 310.

Despite GA Keen's efforts, Kingsbury was not able to attract a serious offer during the spring and summer of 2012. After the TSA expired, TD Bank began funding maintenance costs in the form of protective advances in an effort to protect its collateral. On or about October 12, 2012, the Debtors, TD Bank and Iris Mitropoulis, as guarantor, executed a Stipulation which, *inter alia*, required the Debtors to hold an auction of the Real Estate on November 13, 2012, established some of the terms of that auction, set forth the parameters of a marketing budget to be supplied to GA Keen and determined how the proceeds of a sale would be disbursed (the "TD Bank Stipulation"). The TD Bank Stipulation also stated that, in the event no auction took place

prior to November 20, 2012, that no bidder at the auction exceeded the minimum bid, or that no closing occurred prior to December 31, 2012, TD Bank would be granted relief from the automatic stay to exercise its state law rights against the Real Estate.

The Debtors filed a motion seeking approval of the TD Bank Stipulation on October 12, 2012. *See* Docket No. 470. While that motion was pending, Kingsbury filed a motion seeking approval of bid procedures which outlined a bid process leading up to a November 21, 2012 bid deadline (the "Bid Deadline") and a November 27, 2012 auction of the Real Estate (the "Real Estate Bid Procedures").[3] *See* Docket No. 479. The TD Bank Stipulation and the Real Estate Bid Procedures were approved on October 24, 2012. *See* Docket Nos. 495, 496.

Kingsbury and its professionals worked diligently to attract interest in the Real Estate prior to the Bid Deadline. Although a handful of parties expressed interest in purchasing the Real Estate, Kingsbury received just one offer which was rejected because it did not constitute a qualified bid under the Real Estate Bid Procedures or a commercially reasonable offer for the Real Estate. TD Bank agreed to adjourn the auction to later dates on four separate occasions to allow Kingsbury additional time to discuss a potential bid from parties continuing to express interest in the Real Estate. *See* Docket Nos. 523, 528, 533, 535 and 537. A final notice of adjournment was filed on January 8, 2013. *See* Docket No. 543.

On February 20, 2013, TD Bank filed an Affidavit Pursuant to Local Bankruptcy Rule 9071-1 Regarding Document 470-1, declaring the Debtors to be in non-compliance with the TD Bank Stipulation. *See* Docket No. 560. TD Bank was granted relief from the automatic stay on February 28, 2012. *See* Docket No. 562. A foreclosure auction has been scheduled to take place on May 7, 2013 at 11:00 a.m. Kingsbury continues to communicate with parties expressing

[3] Despite the deadlines in the TD Bank Stipulation, TD Bank agreed to push the auction out to November 27, 2012 in order to allow a more reasonable schedule for noticing the bid procedures, soliciting bids from prospective purchasers and analyzing any bids Kingsbury received.

interest in the Real Estate and TD Bank may be open to a sale under section 363 if a concrete offer is received from one of these parties prior to the May 7, 2013 auction.

F. The City of Keene, New Hampshire

Pre-petition, Kingsbury filed an application for abatement of 2009 property taxes owed in relation to the Real Estate. Pursuant to this abatement request (the "2009 Abatement Request"), the Debtor sought a reduction from the original 2009 assessment of $5,963,700 to $3,770,960. In response to the 2009 Abatement Request, the City's Board of Assessors (the "Board of Assessors") granted a reduction in tax-assessed value of the Real Estate, but only from $5,963,700 to $5,647,000 (the "2009 Abatement"). Kingsbury subsequently and timely appealed the 2009 Abatement to the Board of Tax and Land Appeals.

In 2011, Kingsbury filed an application for abatement with respect to the Real Estate, seeking a reduction in the tax-assessed value of the Real Estate for the 2010 tax year (the "2010 Abatement Request"). On or about February 17, 2011, Kingsbury entered into a settlement with the City relating to the 2009 Abatement Request, the 2010 Abatement Request and relating prospectively to any 2011 abatement request (the "Settlement Agreement"). Under the terms of Settlement Agreement: (a) the assessment of the Real Estate for the 2009 and 2010 tax years was established at $4,238,100; (b) the Board of Assessors agreed to use a valuation of $4,238,100 for the 2011 taxes; and (c) Kingsbury agreed not to file an appeal with respect to the abatement for the 2010 tax year and not to seek abatement of the 2011 assessment.

On February 29, 2012, the Debtor filed an abatement request with respect to the Real Estate's tax assessed value for tax year 2011 (the "2011 Abatement Request"), seeking to reduce the tax-assessed value of the Real Estate from $4,238,100 to $1,400,000 or such other amount as may have been established by the sale process then being conducted by GA Keen.

On March 6, 2012, Kingsbury filed a Motion for Authority to Reject Settlement Agreement Between Kingsbury Corporation and City of Keene Pursuant to 11 U.S.C. § 365 (the "Section 365 Motion") and a Motion for Determination of Tax Liability Pursuant to 11 U.S.C. § 505(a) (the "Section 505 Motion" and, collectively, the "Tax Motions"). *See* Docket Nos. 303, 304. The Section 365 Motion sought an order authorizing Kingsbury to reject the Settlement Agreement while the Section 505 Motion sought an evidentiary hearing for the purpose of establishing the extent of Kingsbury's tax liability for 2009, 2010 and 2011. The City timely objected to the Tax Motions on May 23, 2012. *See* Docket Nos. 374, 375.

The hearings on the Tax Motions were continued several times in order to allow the Real Estate sale process to conclude. Eventually, however, it became clear that a sale of the Real Estate was not imminent and a hearing on the Tax Motions was scheduled for January 29, 2013. Following that hearing the Court entered an order on the Section 505 Motion continuing the hearing on that motion to May 28, 2013. *See* Docket No. 551. The Court took the Section 365 Motion under advisement, however, and stated that a ruling on that motion may be issued at any time. *See* Docket No. 552.

On or about March 4, 2013, Kingsbury and the City entered into the Settlement Stipulation By and Between the Debtor, Kingsbury Corporation and the City of Keene, New Hampshire, pursuant to which those parties agreed, *inter alia*, that: (a) the Settlement Agreement would remain in full force and effect with respect to tax years 2009 and 2010 such that the tax-assessed value of the Real Estate would remain at $4,238,100 for those years; and (b) for tax years 2011 and 2012, the tax-assessed value of the Real Estate would be reduced to $1,500,000.00 (the "Tax Stipulation"). The Tax Stipulation was approved by the Court on April 9, 2013. *See* Docket No. 570.

VII. Plan of Reorganization

ARTICLE I
Definitions

The following terms when used in this Plan shall, unless the context otherwise requires, have the following respective meanings:

1.1 "363(n) Litigation" shall mean the litigation commenced against Optimation, PPL and Utica by Kingsbury and currently pending before the Court under the caption *KMTC Corp. v. Optimation Technology, Inc.*, Adv. Pr. No. 13-01029-JMD, as may be amended in the future to include additional causes of action against Optimation, PPL and Utica, or to add related counts against additional defendants.

1.2 "Administrative Claims Bar Date" shall mean October 15, 2012, the date established by the Bankruptcy Court pursuant to the Order Establishing the Deadline for Filing Administrative Claims and Approving the Form and Manner of Notice Thereof [Docket No. 434] as the deadline by which any person or entity asserting an Administrative Expense Claim against any of the Debtors must file an application for allowance of an Administrative Expense.

1.3 "Administrative Expense" shall mean an expense of the kind described in § 503(b) of the Code.

1.4 "Allowed" shall mean, with respect to any Claim, the status of the Claim, such that (a) upon expiration of the Claims Objection Date, the Claim, whether filed or scheduled, has not been disputed or (b) with respect to Disputed Claims, a Final Order allowing the Claim has been entered.

1.5 "Allowed Amount" of a Claim or expense shall mean, for the purposes of this Plan: (a) the amount of the Claim scheduled by the Debtors if (i) the Claim is not scheduled as disputed, contingent or unliquidated by the Debtors, (ii) no objection to that amount is filed by

the Claims Objection Date, and (iii) the holder of the Claim has not timely filed a properly prepared proof of claim in an amount different than that scheduled by the Debtors; (b) the amount set forth by the holder of a Claim in a timely filed and properly prepared proof of claim if that amount differs from the amount scheduled by the Debtors and no objection to the amount stated in the proof of claim is filed by the Claims Objection Date; or (c) the amount of such Claim established by a Final Order of the Bankruptcy Court if (i) such Claim is scheduled by the Debtors as disputed, contingent or unliquidated, (ii) an objection to that amount is filed on or before the Claims Objection Date, or (iii) if the amount set forth by the holder of such Claim in a timely filed, properly prepared proof of claim differs from the amount scheduled by the Debtors and an objection is filed to the proof of claim on or before the Claims Objection Date.

1.6 "Allowed Claim" shall mean, with respect to any Claim, the status of the Claim, such that (a) upon expiration of the Claims Objection Date, the Claim, whether filed or scheduled, has not been disputed or (b) with respect to Disputed Claims, a Final Order allowing the Claim has been entered.

1.7 "Allowed Priority Claim" shall mean an Allowed Claim for which the Holder asserts, and is determined to be entitled to, priority under section 507 of the Code, in an amount allowed by a Final Order of the Bankruptcy Court.

1.8 "Allowed Secured Claim" shall mean an Allowed Claim arising on or before the Filing Date that is secured by a valid Lien on property of the Debtors which is not void or avoidable under any state or federal law, including any provision of the Code.

1.9 "Allowed Unsecured Claim" shall mean an Allowed Claim that is not an Allowed Priority Claim, an Allowed Secured Claim or an Allowed Administrative Expense.

1.10 "APA" shall mean the Asset Purchase Agreement entered into by Kingsbury as seller and Optimation as purchaser and approved by the Sale Order.

1.11 "Assets" shall mean any and all assets, property, property interests and property rights of the Debtors, whether tangible, intangible, vested, contingent, exclusive, joint, real, personal or mixed, that constitute property of the Debtors' respective Estates.

1.12 "Avoidance Actions" shall mean causes of action that are pending as of the Confirmation Date and/or which are brought after the Confirmation Date and that arise under section 544 through and including section 553 of the Code, to the extent such Avoidance Actions were excluded assets under the APA.

1.13 "Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of New Hampshire.

1.14 "Bankruptcy Rules" shall mean the Federal Rules of Bankruptcy Procedure and any applicable local rules of the Bankruptcy Court.

1.15 "Bar Date" shall mean, as to all Claims not subject to the Governmental Bar Date or the Administrative Claims Bar Date: (a) with respect to Kingsbury and Ventura, January 30, 2012, the date established by the Bankruptcy Court as the deadline for creditors of Kingsbury and Ventura to file proofs of claim; and (b) with respect to Donson, October 3, 2011, the date established by the Bankruptcy Court as the deadline for creditors of Donson to file proofs of claim.

1.16 "Case" or "Chapter 11 Case" shall mean the Debtors' jointly administered chapter 11 cases.

1.17 "City" shall mean the City of Keene, New Hampshire.

1.18 "Claim" shall have the meaning set forth in 11 U.S.C. § 101(5) and shall include, without limitation, all rights to payment from the Debtors.

1.19 "Claims Objection Date" shall mean the date that is ninety (90) days from the *last* to occur of: (a) with respect to a specified Claim for which a creditor is allowed to file a proof of claim after the Bar Date, twenty (20) days after the date on which such proof of claim is filed; or (b) within thirty (30) days after the Confirmation Date. The failure to object to a Claim by the Claims Objection Date shall not constitute a waiver, acceptance or release of any claim or cause of action against a creditor, including causes of action based on a creditor receiving preferential or fraudulent transfers under § 547 or § 548 of the Code.

1.20 "Code" shall mean the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*

1.21 "Committee" shall mean the Official Committee of Creditors Holding Unsecured Claims appointed in the Case on October 18, 2011.

1.22 "Confirmation Date" shall mean the date on which the Confirmation Order becomes a Final Order.

1.23 "Confirmation Hearing" shall mean the hearing held by the Bankruptcy Court to consider confirmation of this Plan, as the same may be amended, and as contemplated by 11 U.S.C. § 1128(a).

1.24 "Confirmation Order" shall mean the Order entered by the Bankruptcy Court confirming this Plan, as the same may be amended, pursuant to 11 U.S.C. § 1129.

1.25 "Debtor" shall mean Kingsbury, Donson or Ventura, each a debtor in possession in the above-captioned Case.

1.26 "Debtors" shall mean Kingsbury, Donson and Ventura, as debtors-in-possession in the Case.

1.27 "Diamond" shall mean Diamond Business Credit, LLC.

1.28 "Disclosure Statement" shall mean that certain disclosure statement filed by the Debtors with respect to this Plan and approved as containing adequate information pursuant to a Final Order of the Bankruptcy Court.

1.29 "Disputed Claim" shall mean a Claim which one of the Debtors listed on its schedules as contingent, unliquidated or disputed or any Claim against any or all of the Debtors which have been the subject of a written objection filed with the Bankruptcy Court by the Claims Objection Date.

1.30 "Donson" shall mean Donson Group, Ltd., a debtor in possession in the Case.

1.31 "Effective Date" shall mean the date that is sixty (60) days after the last of the conditions set forth in Article XII of this Plan has been satisfied. If an order staying confirmation of the Plan has been entered, the Effective Date shall mean the earlier of the first business day following the date upon which: (a) the order confirming the Plan has become a Final Order; or (b) any stay of confirmation of the Plan is no longer effective, provided that such business day is more than sixty (60) days after the last of the conditions set forth in Article XII of this Plan has been satisfied.

1.32 "Estate" shall mean the estate created in each Case as to each Debtor pursuant to § 541 of the Code.

1.33 "Exculpated Party" shall mean any of the Debtors, the Disbursing Agent, the Liquidating Trustee, the Estates, the Liquidating Trust, the Committee, each of the members of the Committee, the Responsible Officer and their respective officers, directors, employees, managers, and professionals retained after the Filing Date and approved by the Bankruptcy Court, each in their respective capacities.

1.34 "Filing Date" shall mean: (a) with respect to Kingsbury and Ventura, September 30, 2011; and (b) with respect to Donson, October 3, 2011.

1.35 "Final Order" shall mean an order of a court of competent jurisdiction with respect to which all periods for taking appeal from such order or any order of an appellate court relating to such order have expired with no appeal pending and no stay of such order being then in effect.

1.36 "Governmental Bar Date" shall mean: (a) with respect to Kingsbury and Ventura, March 28, 2011, the date established by the Bankruptcy Court as the deadline for any governmental entity to file a Claim against either Kingsbury or Ventura; and (b) with respect to Donson, April 1, 2012, the date established by the Bankruptcy Court as the deadline for any governmental entity to file a Claim against Donson.

1.37 "Holder" shall mean a creditor holding, including by assignment, a Claim against the Estate.

1.38 "Kingsbury" shall mean KMTC Corporation and its predecessor in interest, Kingsbury Corporation, a debtor in possession in the Case.

1.39 "Lien" shall mean any mortgage, lien, claim, interest, encumbrance, security interest, restriction, charge, or assessment, of every kind, nature and description, against, in or upon property, whether recorded or unrecorded, fixed or contingent, perfected or unperfected, possessory or non-possessory, known or unknown, and, without limiting the foregoing, shall include the meaning set forth in § 101(37) of the Code.

1.40 "Liquidating Trust Assets" shall have the meaning assigned to such term in Section 5.11 hereof.

1.41 "Litigation Proceeds" shall mean the proceeds paid by one or more defendants in the 363(n) Litigation to satisfy a judgment awarded against that defendant and in favor of Kingsbury or, in the alternative, paid by one or more defendants in connection with a partial or global settlement of the 363(n) Litigation.

1.42 "Optimation" shall mean Optimation Technology, Inc.

1.43 "Optimation Sale" shall mean the sale of substantially all of Kingsbury's personal property to Optimation pursuant to the APA.

1.44 "PBGC" shall mean the Pension Benefit Guaranty Corporation.

1.45 "PBGC Priority Unsecured Claims" shall mean the Allowed Priority Claims held by the PBGC, if any.

1.46 "PBGC Unsecured Claims" shall mean the Allowed Unsecured Claims held by the PBGC, if any.

1.47 "PPL" shall mean PPL Group, LLC.

1.48 "Plan" shall mean the Debtors' Plan of Reorganization Dated April 22, 2013, as the same may be amended from time to time.

1.49 "Post-Confirmation Causes of Action" shall mean: (a) any and all causes of action, whether arising before or after the Filing Date and whether arising under state or federal law, constituting causes of action under Code §§ 544-553 (including any fraudulent conveyance statute by virtue of § 544 of the Code); (b) the 363(n) Litigation; (c) all other causes of action of the Debtors or the Estates not previously released or released under the Plan; and (d) any and all proceeds, whether in the form of cash or otherwise, from any recoveries on or settlements of such causes of action.

1.50 "Priority Claim" means an Allowed Unsecured Claim entitled a priority under § 507 of the Code.

1.51 "Priority Creditor" shall mean the owner and Holder of an Allowed Priority Claim.

1.52 "Pro Rata" means proportionate, so that, for example, the ratio of the consideration distributed on account of an Allowed Claim to the amount of the Allowed Claim is the same as the ratio of the consideration distributed on account of all Allowed Claims in such class of Claims to the Allowed Amount of all Allowed Claims in the class.

1.53 "Professional Fees and Expenses" shall mean the Allowed Administrative Expenses of the professionals hired by the Debtors and the Committee.

1.54 "Property" shall mean the Debtors' rights, title, and interests in and to the Assets.

1.55 "Protected Party" means any of the Debtors, the Responsible Officer, the Disbursing Agent, the Liquidating Trustee, the Estates, and the Liquidating Trust, each in their respective capacities.

1.56 "Real Estate" shall mean real property owned by Kingsbury and located at 80 Laurel Street, Keene, New Hampshire.

1.57 "Real Estate Proceeds" shall mean the proceeds arising from the sale of the Real Estate either through a foreclosure auction by TD Bank, or in a sale conducted under section 363 of the Code.

1.58 "Real Estate Tax Liabilities" shall mean any amounts due to the City from Kingsbury with respect to real estate taxes.

1.59 "Real Estate Tax Liens" shall mean any Lien or Liens upon the Real Estate for unpaid Real Estate Tax Liabilities.

1.60 "Residual Assets" shall mean all unencumbered assets, if any, belonging to the Debtors and not sold in the Asset Sale, other than Post-Confirmation Causes of Action, and including, without limitation, the 363(n) Litigation and any other causes of action of the Debtors or the Estates not previously released or released pursuant to this Plan, all of which causes of action are preserved under this Plan.

1.61 "Responsible Officer" shall mean Iris Mitropoulis as the sole officer and director of each of the Debtors, and elected and appointed as such after the Filing Dates.

1.62 "SBA" shall mean the U.S. Small Business Administration.

1.63 "Sale Order" shall mean that certain Order Authorizing (A) Sale of the Debtor's Assets Free and Clear of Liens, Claims and Encumbrances and (B) Assumption and Assignment and/or Sale of Certain Contracts entered by the Bankruptcy Court in the Case on or about February 1, 2012, and authorizing the sale of assets to Optimation.

1.64 "Sale Proceeds" shall mean the proceeds resulting from the Optimation Sale and disbursed in accordance with the Sale Order.

1.65 "Secured Claim" shall mean a Claim that is secured by a valid Lien on property of the Debtors which is not void or avoidable under any state or federal law, including any provision of the Code.

1.66 "Secured Creditor" shall mean the sole owner and Holder of an Allowed Secured Claim.

1.67 "Substantial Consummation" shall mean that all of the following conditions have been satisfied: (a) the Effective Date has occurred; (b) all documents required to be executed and delivered under and pursuant to the Plan shall have been executed and delivered, including, without limitation, the Trust Agreement; (c) a Liquidating Trustee shall have been appointed and

each shall have accepted such appointment; (d) the assets to be transferred to the Liquidating Trust shall have been transferred to each such trust; and (e) all requirements of 11 U.S.C. § 1101(2) have otherwise been satisfied, or the Bankruptcy Court enters an order determining that the Plan is substantially consummated upon a motion of any party in interest.

1.68 "TD Bank" shall mean TD Bank, N.A.

1.69 "Trust" or "Liquidating Trust" shall mean that certain liquidating trust described in Section 5.11 of this Plan and formed pursuant to the Trust Agreement.

1.70 "Trust Agreement" shall mean the trust agreement forming the Trust and satisfactory in form and content to the Debtors and the Committee.

1.71 "Trustee" or "Liquidating Trustee" shall mean the initially appointed trustee(s) of the Trust, and shall include any successor trustee(s) appointed in accordance with the Trust Agreement.

1.72 "Unclaimed Property" shall mean any distribution of Cash or any other property made to the Holder of an Allowed Claim pursuant to this Plan that (a) is returned to the Disbursing Agent or Trustee as undeliverable and no appropriate forwarding address is received within the later of (i) 90 days after the Effective Date and (ii) 90 days after such attempted Distribution by the Disbursing Agent or Trustee is made to such holder or (b) in the case of a distribution made the form of a check, is not negotiated within 90 days after remittance of the check and no request for re-issuance is made within such 90-day period.

1.73 "Unclassified Claims" shall have the meaning assigned to such term in Article II of this Plan.

1.74 "Unsecured Claim" shall mean a Claim that is: (a) not an Unclassified Claim; and (b) not secured by a valid Lien on property of the Debtors which is not void or avoidable under any state or federal law, including any provision of the Code.

1.75 "UST Fees" shall mean the quarterly fees paid and payable to the United States Trustee.

1.76 "Utica" shall mean Utica Leaseco, LLC.

1.77 "Ventura" shall mean Ventura Industries, LLC, a debtor in possession in the Case.

ARTICLE II
Classification of Claims and Interests

Each Holder of (a) a Claim against the Debtors of whatever nature, whether or not scheduled and whether unliquidated, absolute or contingent, including all claims arising from the rejection of leases and executory contracts, or (b) any interest in the Debtors, shall be bound by the provisions of this Plan, and all such Claims and interests are hereby classified as follows:

Unclassified Claims, as to all Debtors, shall consist of (a) all Claims for the actual and necessary costs and expenses of administration of the Estate entitled to priority in accordance with sections 507(a)(1) and 503(b) of the Code, including, without limitation, claims for Professional Fees and Expenses and fees payable pursuant to 28 U.S.C. § 1930; and (b) claims, if any, entitled to priority under § 507(a)(8) of the Code.

A. Claims Against, and Interests in, Kingsbury

Claims against, and interests in, Kingsbury are classified as follows:

2A.1 Class K-1 shall consist of all Allowed Secured Claims held by Utica.

2A.2 Class K-2 shall consist of all Allowed Claims, including all Allowed Unsecured Claims, held by the City with respect to Real Estate Tax Liabilities and/or Real Estate Tax Liens.

2A.3 Class K-3 shall consist of all Allowed Secured Claims held by TD Bank.

2A.4 Class K-4 shall consist of all Allowed Secured Claims held by SBA.

2A.5 Class K-5 shall consist of all Allowed Secured Claims held by Diamond.

2A.6 Class K-6 shall consist of all Allowed Priority Claims including, without limitation, the PBGC Priority Claims, if any.

2A.7 Class K-7 shall consist of all Allowed Unsecured Claims not otherwise classified under this Plan including, without limitation, all PBGC Unsecured Claims.

2A.8 Class K-8 shall consist of existing equity interests in Kingsbury.

B. Claims Against and Interests in Donson

Claims against, and interests in, Donson shall be classified as follows:

2B.1 Class D-1 shall consist of all Allowed Priority Claims including, without limitation, the PBGC Priority Claims, if any.

2B.7 Class D-2 shall consist of all Allowed Unsecured Claims not otherwise classified under this Plan, including, without limitation, all PBGC Unsecured Claims.

2B.9 Class D-3 shall consist of existing equity interests in Donson.

C. Claims Against, and Interests In, Ventura.

Claims against, and interests in, Ventura shall be classified as follows:

2C.1 Class V-1 shall consist of all Allowed Priority Claims including, without limitation, the PBGC Priority Claims, if any.

2C.2 Class V-2 shall consist of all Allowed Unsecured Claims not otherwise classified under this Plan, including, without limitation, all PBGC Unsecured Claims.

2C.3 Class V-3 shall consist of existing equity interests in Ventura.

ARTICLE III
Treatment of the Claims and Interests by Class

All Claims against the Debtors as finally Allowed and all interests in the Debtors are fully and finally satisfied in accordance with the provisions of this Plan.

Unclassified Claims against the Debtors are unimpaired. Unclassified Claims shall be paid in full on the later of: (a) the Effective Date; or (b) the date on which each such claim becomes an Allowed Claim, or alternatively, in accordance with such terms as may be agreed upon by the Debtors and each such Holder of an Unclassified Claim.

A. Professional Fees and Expenses and UST Fees. All Administrative Claims, including Professional Fees and Expenses, which may be filed against the Debtors collectively, shall be paid in full on the later of (a) the Effective Date, (b) the date on which each such Claim becomes an Allowed Claim, or alternatively, in accordance with such terms as may be agreed upon by the Debtors and each such Holder of an Administrative Claim. All UST Fees will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any UST Fees owed on or before the Effective Date will be paid on the Effective Date.

B. Claims Pursuant to Section 507(a)(8). Allowed Priority Claims pursuant to section 507(a)(8) of the Code shall be satisfied in full in accordance with section 1129(a)(9)(C) of the Code on the later of: (a) the Effective Date; or (b) the date on which each such claim becomes an Allowed Claim, or alternatively, in accordance with such terms as may be agreed upon by the Debtors and each such Holder of an Unclassified Claim. All such payments shall be, or have been, funded from the Sale Proceeds, Real Estate Proceeds and/or the Litigation Proceeds.

Treatment of Claims and Interests

KINGSBURY

3A.1 Class K-1 Claims are unimpaired. Utica's Allowed Secured Claim was paid in full from the Sale Proceeds.

3A.2 Class K-2 Claims are impaired. The City will retain its Real Estate Tax Liens in the Real Estate and its Allowed Claims, including any Allowed Secured Claims, shall be satisfied from the Real Estate Proceeds.

3A.3 Class K-3 Claims are impaired. TD Bank shall retain its Lien in the Real Estate and its Allowed Secured Claim shall be satisfied from the Real Estate Proceeds.

3A.4 Class K-4 Claims are impaired. SBA shall retain its Lien in the Real Estate and its Allowed Secured Claim shall be satisfied from the Real Estate Proceeds.

3A.5 Class K-5 Claims are impaired. Diamond shall retain its Lien in the Real Estate and its Allowed Secured Claim shall be satisfied from the Real Estate Proceeds and any other residual collateral of Diamond.

3A.6 Class K-6 Claims are unimpaired. Claims in Class K-6 shall be paid in full on the Effective Date in accordance with applicable provisions of the Code.

3A.7 Class K-7 Claims are impaired. Class K-7 Claims shall be converted into beneficial interests in the Trust, and shall receive distributions in accordance with the Trust Agreement.

3A.12 Class K-8 Interests are impaired. Class K-8 Interests shall be cancelled and Holders of Class K-8 Interests shall take nothing under the Plan.

DONSON

3B.1 Class D-1 Claims are unimpaired. Claims in Class D-1 shall be paid in full on the Effective Date in accordance with applicable provisions of the Code.

3B.2 Class D-2 Claims are impaired. Class D-2 Claims shall be converted into beneficial interests in the Trust, and shall receive distributions in accordance with the Trust Agreement.

3B.3 Class D-3 Claims are impaired. Class D-3 Interests shall be cancelled and Holders of Class D-3 Interests shall take nothing under the Plan.

VENTURA

3C.1 Class V-1 Claims are unimpaired. Claims in Class V-1 shall be paid shall be paid in full on the Effective Date in accordance with applicable provisions of the Code.

3C.2 Class V-2 Claims are impaired. Class V-2 Claims shall be converted into beneficial interests in the Trust, and shall receive distributions in accordance with the Trust Agreement.

3C.3 Class V-3 Claims are impaired. Class V-3 Interests shall be cancelled and Holders of Class V-3 Interests shall take nothing under the Plan.

ARTICLE IV
Interests to be Retained and Rights to be Exercised by the Debtors and the Liquidating Trustee

4.1 Preservation of All Causes of Action. Except as otherwise provided in the Plan or in any contract, instrument, release or agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Code, the Debtors and the Estates retain and preserve and the Liquidating Trustee shall be vested with, retain and may enforce and prosecute any claims or causes of action that the Debtors or the Estates may have against any Person or entity that constitute Residual Assets or Post-Confirmation Causes of Action. The Liquidating Trustee

shall have standing as a representative of the Debtors' respective estates and the Estates for the purposes of investigating, pursuing, prosecuting, settling, collecting, liquidating and/or recovering any assets, claims or causes of action that any of the Debtors or their Estates could have pursued that constitute Residual Assets or Post-Confirmation Causes of Action. Post-Confirmation Causes of Action include, without limitation, the 363(n) Litigation.

4.2 Successors. The Liquidating Trustee shall be the successor to the Debtors for the purposes of sections 1123, 1129, and 1145 of the Code and with respect to all Post-Confirmation Causes of Action and Residual Assets.

ARTICLE V
Provisions Affecting All Creditors; Means of Execution of the Plan

5.1 Disbursing Agent. Iris Mitropoulis is hereby appointed as Disbursing Agent for all purposes under the Plan. Counsel for the Debtors shall represent the Disbursing Agent and expenses of the Disbursing Agent and such counsel, on and after the Effective Date, shall be paid as Allowed Administrative Expenses.

5.2 Funding of the Plan. The Plan shall be funded from the Real Estate Proceeds, the liquidation of the Residual Assets, and the pursuit of the Post-Confirmation Causes of Action, including the 363(n) Litigation.

5.3 Manner of Distribution. At the option of the Debtors, any distributions under this Plan may be made either by cash, by check drawn on a domestic bank, or by wire transfer. Notwithstanding any other provisions of this Plan to the contrary, no payment of fractional cents will be made under this Plan. Funds will be issued to Holders entitled to receive a distribution of cash in whole cents (rounded to the nearest whole cent when and as necessary).

5.4 De Minimis Distributions. "De Minimis Distributions" shall refer to any distribution of less than Ten Dollars ($10.00). All De Minimis Distributions will be held by the

Debtors for the benefit of the Holders of Allowed Claims entitled to De Minimis Distributions. When the aggregate amount of De Minimis Distributions held by the Disbursing Agent for the benefit of a Holder exceeds Fifty Dollars ($50.00), the Debtors will distribute such De Minimis Distributions to such Holder. If, at the time that the final distribution under this Plan is to be made, the De Minimis Distributions held by the Debtors for the benefit of a Holder is less than Fifty Dollars ($50.00), such funds shall not be distributed to such Holder, but rather, shall vest in the Debtors and be distributed to other Holders of Allowed Claims in accordance with the terms of this Plan.

5.5 Delivery of Distributions. Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be made by the Debtors: (i) at the addresses set forth on the proofs of claim filed by such Holders (or at last known addresses of such Holder if no motion requesting payment or proof of claim is filed or the Debtor has not been notified in writing of a change of address); (ii) at the addresses set forth in any written notices of address changes delivered to the Debtor after the date of any related proof of claim; or (iii) at the addresses reflected on the matrix if no proof of claim has been filed and the Debtor has not received a written notice of a change of address.

5.6 Undeliverable Distributions. If payment or distribution to any Holder of an Allowed Claim under this Plan is returned for lack of a current address for the Holder or otherwise, the Debtor shall file with the Bankruptcy Court the name, if known, and last known address of the Holder and the reason for its inability to make payment. If, after the passage of ninety (90) days, the payment or distribution still cannot be made, the payment or distribution (and any further payment or distribution to such Holder) shall be deemed Unclaimed Property.

5.7 Setoffs and Recoupments. The Debtors may, pursuant to sections 502(h), 553 and 558 of the Code or applicable non-bankruptcy law, but shall not be required to, set off against or recoup from any Claims on which payments are to be made pursuant to this Plan, any claims or causes of action of any nature whatsoever, including Post-Confirmation Causes of Action that are proven valid that the Debtors may have against the Holder of such Claim; provided, however, that neither the failure to effect such offset or recoupment nor the allowance of any Claim shall constitute a waiver or release by the Debtors or the Estate of any right of setoff or recoupment that the Debtors or the Estate may have against the Holder of such Claim, nor of any other claim or cause of action.

5.8 Distributions in Satisfaction; Allocation. Except for the obligations expressly imposed by this Plan and the property and rights expressly retained under this Plan, if any, the distributions and rights that are provided in this Plan shall be in complete satisfaction and release of all Claims against, liabilities in, Liens on, obligations of and Interests in the Debtors, the Estates, the Assets and Property, whether known or unknown, arising or existing prior to the Effective Date.

5.9 Cancellation of Notes and Instruments. As of the Effective Date, except to the extent otherwise provided in this Plan, all notes, agreements and securities evidencing Claims and Interests and the rights thereunder of the Holders thereof shall, with respect to the Debtors, be cancelled and deemed null and void and of no further force and effect, and the Holders thereof shall have no rights against the Debtors or the Estates, and such instruments shall evidence no such rights, except the right to receive the distributions provided for in this Plan.

5.10 No Interest on Claims. Unless otherwise specifically provided for in this Plan, the Confirmation Order, or a postpetition agreement in writing between the Debtor and a Holder of a

Claim and approved by an order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on any Claim, and no Holder of a Claim shall be entitled to interest accruing on or after the Filing Date on any Claim. In addition, and without limiting the foregoing, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

5.11 Liquidating Trust. Effective upon the entry of the Confirmation Order, the Trust shall be formed pursuant to the Trust Agreement. On or before the Effective Date, the Debtors shall transfer and/or assign to the Trust the following: (a) the Post-Confirmation Causes of Action (including the 363(n) Litigation); and (b) the Residual Assets (items (a) and (b) hereinafter referred to collectively as the "Liquidating Trust Assets"). The Trust shall be established and otherwise administered in accordance with the Trust Agreement. The Trustee will be selected by the Debtors, upon consultation with the Committee. Debtors' counsel shall represent the Trustee and the Trust.

5.12 Rights and Interests Transferred to Trustee; Duties of Trustee. From and after the Confirmation Date, the Trustee shall assume the Debtors' and the Estate's right to conduct any litigation with respect to Post-Confirmation Causes of Action and Residual Assets, and to take such other actions as may be authorized by the Trust Agreement, except to the extent any causes of action have been waived, released or discharged pursuant to prior order of the Court or are waived, released or discharged pursuant to this Plan. The Debtors shall, on or before the Effective Date, transfer and assign to the Trust the property set forth in Section 5.11 of this Plan. Rights under the APA are retained by the Debtors' Estates, which shall remain in existence for the purpose of enforcing any rights under the APA, as directed by the Disbursing Agent. The

Trustee shall be responsible for the preparation and filing of a motion for final decree before closing the Case in accordance with Local Rule 3022-1. Upon the Effective Date, the Committee shall cease to exist, and the Trustee shall, without further application to or order of the Bankruptcy Court, be vested with any and all of the rights, remedies, powers, authorities, standing and duties of the Debtors, a creditors' committee granted pursuant to section 1103 of the Code and any Final Orders issued with respect thereto in the Case, and a trustee appointed under the Code, for the purposes set forth herein, including without limitation, investigating, pursuing, prosecuting, settling, collecting, liquidating and/or recovering any assets, claims, or causes of action that constitute Residual Assets or Post-Confirmation Causes of Action for distribution pursuant to the provisions of the Plan. The Trustee shall also prepare and submit any required post-confirmation reports to the United States Trustee.

5.13 Disputed Claims Reserve.

A. Establishment. The Disbursing Agent shall maintain a reserve (the "Disputed Claims Reserve") equal to 100% of the distributions to which holders of Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims or such lesser amount as required by a Final Order.

B. Distributions upon Allowance of Disputed Claims. The Holder of a Disputed Claim that becomes an Allowed Claim shall receive distributions of Cash from the Disputed Claims Reserve as soon as practical following the date on which such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such distributions shall be made in accordance with the Plan based upon the distributions that would have been made to such Holder under the Plan if the Disputed Claim had been an Allowed Claim on the Effective Date. No Holder of a

Disputed Claim shall have any claim against the Disputed Claims Reserve, or the Trust with respect to such Claim, until such Disputed Claim shall become an Allowed Claim.

5.14 Amounts Distributed by the Trustee. Any funds recovered by the Trustee and not required for the expenses of administering the Trust (including the fees of the Trustee and the Trustee's professionals) shall be distributed to the beneficiaries of the Trust. In holding such funds and making such distributions, the Trustee shall have the same rights, remedies and responsibilities as the Disbursing Agent under this Plan.

5.15 Cram Down. In the event that any class allowed to vote is deemed impaired under this Plan and refuses to accept the terms of this Plan, the Debtors shall and hereby do move the Bankruptcy Court to confirm this Plan pursuant to section 1129(b) of the Code. All Claims of creditors and the rights of all Holders of equity interests in the Debtors shall be satisfied solely in accordance with the Plan.

5.16 Estate Representatives. Both the Disbursing Agent and the Trustee, without limitation of any other provisions herein, shall be appointed and hereby are appointed representatives of the Estate under section 1123(b)(3)(B).

5.17 Distribution of Unclaimed Funds or Funds for Which Distribution is Not Feasible. In the event that the Disbursing Agent or the Trustee determines that any amount of Unclaimed Property is too small to justify an additional distribution to Allowed Claims, Unclaimed Property shall be donated to the American Bankruptcy Institute Anthony H.N. Schnelling Endowment Fund, a not for-profit, non-religious organization dedicated to, among other things, promoting research and scholarship in the area of insolvency.

ARTICLE VI
Executory Contracts and Unexpired Leases; Pension and Benefit Plans

6.1 Except as otherwise provided in the Plan, the Debtors shall reject all unexpired leases and executory contracts not assumed and assigned pursuant to the APA and the Sale Order, or in conjunction with a sale of the Real Estate, and to the extent not already rejected including, without limitation, any intercompany unexpired leases or executory contracts, with such rejection being effective as of the Confirmation Date. Promptly after the Confirmation Date, the Debtors shall make any properties or assets that are subject to an executory contract or unexpired lease rejected pursuant to this Article VI available to the counterparty to such contract or lease, and all such counterparties shall have relief from the automatic stay in order to repossess such properties or assets and to take such further action against such properties or assets (but not against the Debtors) as may be authorized by applicable non-bankruptcy law. Any Claim for damages arising out of the rejection of an executory contract or unexpired lease must be filed on or before thirty days (30) after the effective date of such rejection, or such later date as may be specified by a Final Order of the Bankruptcy Court. All such Allowed Claims for rejection damages shall be classified as Unsecured Claims against the Estate of the Debtor that is the counterparty under such contract or lease.

ARTICLE VII
Governance and Maintenance

7.1 Responsible Officer. To the extent required, Iris Mitropoulis shall continue to serve as the Responsible Officer of each of the Debtors and the Sole Director of each of the Debtors (collectively, the "Responsible Officer and Director").

ARTICLE VIII
Effect of Confirmation

8.1 Discharge. Confirmation of this Plan shall discharge the Debtors from all Claims arising before the Confirmation Date, except as expressly provided herein.

8.2 Injunction. Except as otherwise expressly provided in the Plan, the documents executed pursuant to the Plan, or the Confirmation Order, on and after the Effective Date, all persons and entities who have held, currently hold or may hold Claims against or interests in the Debtors that arose prior to the Effective Date (including, but not limited to, states and other governmental units, and any state official, employee, or other entity acting in an individual or official capacity on behalf of any state or other governmental units) are permanently enjoined from: (i) commencing or continuing in any manner, directly or indirectly, any action or other proceeding against any Protected Party or any property of any Protected Party; (ii) enforcing, attaching, executing, collecting, or recovering in any manner, directly or indirectly, any judgment, award, decree, or order against any Protected Party or any property of any Protected Party; (iii) creating, perfecting, or enforcing, directly or indirectly, any lien or encumbrance of any kind against any Protected Party or any property of any Protected Party; (iv) asserting or effecting, directly or indirectly, any setoff, right of subrogation, or recoupment of any kind against any obligation due to any Protected Party or any property of any Protected Party; and (v) any act, in any manner, in any place whatsoever, that does not conform to, comply with, or is inconsistent with any provisions of the Plan. Any Person or entity injured by any willful violation of such injunction shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages from the willful violator. Nothing contained in the Plan shall prohibit the Holder of a Disputed Claim from litigating its right to seek to have such Disputed Claim declared an Allowed Claim and paid in accordance with the distribution provisions of the Plan, or enjoin or prohibit the interpretation or enforcement by the Holder of such Disputed Claim of any of the obligations of the Debtor or the Debtor under the Plan. The Confirmation Order shall also constitute an injunction enjoining any

Person from any property of any Protected Party based on, arising from or related to any failure to pay, or make provision for payment of, any amount payable with respect to any Priority Claim on which the payments due under the Plan have been made or are not yet due under the Plan.

8.3 Term of Injunctions. Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Case by orders of the Bankruptcy Court, under sections 105 or 362 of the Bankruptcy Code, this Plan, or otherwise, and extant on the Confirmation Date, shall remain in full force and effect until entry of the Final Decree.

8.4 Exculpation. On and after the Effective Date, none of the Exculpated Parties shall have or incur liability for, and each Exculpated Party is hereby released from, any claim, cause of action or liability to any other Exculpated Party, to any Holder of a Claim or interest, or to any other party in interest, (a) pertaining to the commencement of the Case or (b) in connection with the formulation, negotiation and/or pursuit of this Plan, the consummation of this Plan, and/or the administration of this Plan and/or the property to be distributed under this Plan, except, in either case, for claims, causes of action or liabilities arising from the gross negligence, willful misconduct or fraud of any Exculpated Party, in each case subject to determination of such by Final Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely, in good faith, upon the advice of its retained professionals, including without limitation, with respect to its duties and responsibilities (if any) under this Plan and such reasonable reliance shall form an absolute defense to any such claim, cause of action, or liability, and each Exculpated Party shall be entitled to indemnification and reimbursement for fees and expenses incurred in defending any and all such claims, causes of action or liabilities, to be satisfied solely from the Liquidating Trust Assets, with priority over any distributions on or with respect to Allowed Priority Claims and Allowed Unsecured Claims. Without limiting the

generality of the foregoing, each Exculpated Party shall be entitled to and granted the protections and benefits of section 1125(e) of the Code. Except as provided in Section 8.2 hereof, no provision of this Plan or Disclosure Statement shall be deemed to act or release any claims, causes of action or liabilities that the Debtors or the Estates may have against any person or entity for any act, omission, or failure to act that occurred prior to the Filing Date of the Case, nor shall any provision of this Plan be deemed to act to release any Post-Confirmation Causes of Action.

ARTICLE IX
Retention of Jurisdiction

9.1 To the maximum extent permitted by 28 U.S.C. § 1334, LBR 3020-1 and the Code, the Bankruptcy Court shall retain exclusive jurisdiction with respect to the following matters:

(a.) To hear and determine objections to Claims;

(b.) To hear and implement any dispute arising under the Plan, its implementation and execution of any necessary documents thereunder and any requests to amend, modify or correct the Plan, provided such matters are brought before the Court prior to the point of Substantial Consummation;

(c.) To grant extensions of any deadlines set forth in the Confirmation Order;

(d.) To enforce all discharge provisions under the Plan;

(e.) To consider and rule upon requests for final compensation;

(f.) To hear and adjudicate the Post-Confirmation Causes of Action, the Residual Assets and any other actions brought by the Estates or the Trustee, including the 363(n) Litigation; and

(g.) To hear and determine all such other matters as the Bankruptcy Court in its

reasonable discretion shall deem appropriate and within its jurisdiction.

VIII. Feasibility of the Plan

The Plan is a liquidating plan. The Plan will be funded from: (a) the proceeds from the Real Estate Proceeds; (b) the liquidation of the Residual Assets; and (c) proceeds resulting from the prosecution of the Post-Confirmation Causes of Action, including the 363(n) Litigation. These funds should be sufficient to pay all of the secured, administrative and priority claims in full and may provide a distribution to general, unsecured creditors through the Liquidating Trust. Accordingly, the Plan is feasible and will not likely be followed by the liquidation of, or need for further reorganization of, the Debtors.

IX. Risk Factors

The primary risk factors affecting the amount of the distribution to Holders of Claims are as follows:

a. The Post-Confirmation Causes of Action, including the section 363(n) Litigation, might not generate significant, or any, proceeds;

b. The sale of the Real Estate could generate less than is necessary to satisfy the claims of the City, TD Bank, SBA and Diamond; and

c. Allowed Claims could exceed amounts reasonably anticipated by the Debtors including, without limitation, the risk that the PBGC Priority and Unsecured Claims could be allowed in full.

One or all of these factors could lower or eliminate distributions to Allowed Claims.

X. Plan Alternatives and Liquidation Analysis

The Debtors believe that the only currently available alternative to the current Plan is conversion of the cases to cases under chapter 7. Conversion of the Debtors' bankruptcy cases

would significantly increase administrative costs, reduce distributions to general unsecured creditors, and significantly delay distributions. Specifically, conversion of these cases to cases under chapter 7 would require the appointment of a chapter 7 trustee unfamiliar with the events giving rise to the clams currently pending in the 363(n) Litigation. A chapter 7 trustee would not only need to spend time familiarizing himself or herself with the claims currently pending against Optimation, PPL and Utica, but would also be at a distinct disadvantage in identifying additional potential claims against these defendants and others. Accordingly, conversion at this point would not be as beneficial to the Debtors' Estate as confirmation of the Plan would be.

XI. Income Tax Consequences

The federal, state, and local tax consequences of the Plan may be complex and, in some cases, uncertain. Such consequences may also vary based upon the individual circumstances of each holder of a claim or interest. **ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF THE PLAN. THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR, AND SHALL NOT BE DEEMED TO CONSTITUTE, ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN.** Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any distributions under the Plan.

XIII. Voting to Accept or Reject the Plan

If you are entitled to vote,[4] enclosed with this Disclosure Statement is a ballot for your use in voting to accept or reject the Plan. The Debtors encourage you to vote to accept the Plan. In order for your vote to count, your properly completed and executed ballot must be received no

[4] Only Holders of Claims in classes that are impaired by the Plan are entitled to vote.

later than 5:00 p.m. (Eastern Standard Time) on _____ ___, 2013 at the office of Debtor's counsel:

Submission of ballots by facsimile (fax) is not permitted; submission of ballots by e-mail is not permitted.

EACH CREDITOR SHOULD NOTE THAT IF ANY CLASS OF CLAIMS SHOULD FAIL TO ACCEPT THE PLAN BY THE REQUISITE MAJORITY, THE BANKRUPTCY COURT MAY NONETHELESS ENTER AN ORDER CONFIRMING THE PLAN. THE REQUIREMENTS FOR OBTAINING SUCH AN ORDER ALLOW THE BANKRUPTCY COURT TO ENTER SUCH AN ORDER IF, AFTER NOTICE AND HEARING, THE BANKRUPTCY COURT FINDS THAT THE PLAN DOES NOT DISCRIMINATE UNFAIRLY AND IS FAIR AND EQUITABLE WITH RESPECT TO ANY IMPAIRED CLASS OF CLAIMS OR INTERESTS WHICH HAS NOT ACCEPTED THE PLAN. IF ANY CLASS OF CLAIMS FAILS TO ACCEPT THE PLAN BY THE REQUISITE MAJORITY, THE DEBTORS SHALL SEEK SUCH AN ORDER CONFIRMING THE PLAN NOTWITHSTANDING THE FAILURE OF AN IMPAIRED CLAIM TO ACCEPT THE PLAN.

XIV. Conclusion

The Debtors submit that the Plan complies in all respects with chapter 11 of the Code, and recommend to holders of claims and interests who are entitled to vote on the Plan that they vote to accept the Plan. The Debtors remind such holders that each ballot, signed and marked to indicate the holder's vote, must be received by the Debtors' counsel no later than _____, 2013 at 5:00 p.m. (prevailing time in Portland, Maine).

Dated: April 22, 2013

KINGSBURY CORPORATION,
DEBTOR AND DEBTOR-IN-POSSESSION

By: /s/ Iris Mitropoulis
Name: Iris Mitropoulis
Its: Responsible Officer

DONSON GROUP, LTD.,
DEBTOR AND DEBTOR-IN-POSSESSION

By: /s/ Iris Mitropoulis
Name: Iris Mitropoulis
Its: Responsible Officer

VENTURA INDUSTRIES, LLC,
DEBTOR AND DEBTOR-IN-POSSESSION

By: /s/ Iris Mitropoulis
Name: Iris Mitropoulis
Its: Managing Member

Dated: April 22, 2013

KINGSBURY CORPORATION,
DONSON GROUP, LTD.,
VENTURA INDUSTRIES, LLC

DEBTORS AND DEBTORS-IN-POSSESSION,
BY THEIR ATTORNEYS

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