

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

MIG, INC.,

Debtor.

Chapter 11

Case No. 09-12118 (KG)

**DISCLOSURE STATEMENT WITH RESPECT TO THE
CHAPTER 11 PLAN OF REORGANIZATION FOR MIG, INC.**

DATED: November 17, 2009

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THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE CHAPTER 11 PLAN FOR MIG, INC. AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

THIS DISCLOSURE STATEMENT SETS FORTH CERTAIN INFORMATION REGARDING THE DEBTOR'S PREPETITION OPERATING AND FINANCIAL HISTORY, THE NEED TO SEEK CHAPTER 11 PROTECTION, SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE, AND THE ANTICIPATED ORGANIZATION, OPERATIONS AND FINANCING OF THE DEBTOR UPON SUCCESSFUL EMERGENCE FROM CHAPTER 11. THIS DISCLOSURE STATEMENT ALSO DESCRIBES TERMS AND PROVISIONS OF THE PLAN, CERTAIN EFFECTS OF CONFIRMATION OF THE PLAN, CERTAIN RISK FACTORS, AND THE CONFIRMATION PROCESS AND VOTING PROCEDURES THAT HOLDERS OF CLAIMS OR INTERESTS ENTITLED TO VOTE UNDER THE PLAN MUST FOLLOW FOR THEIR VOTES TO BE COUNTED.

EXCEPT AS OTHERWISE PROVIDED HEREIN, CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THIS DISCLOSURE STATEMENT HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN. UNLESS OTHERWISE NOTED, ALL DOLLAR AMOUNTS PROVIDED IN THIS DISCLOSURE STATEMENT AND THE PLAN ARE GIVEN IN UNITED STATES DOLLARS.

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

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016(c) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED

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AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER APPLICABLE EVIDENTIARY RULES. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, MIG, INC. IN THIS CASE.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER IS HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE DEBTOR IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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Exhibit A	Chapter 11 Plan of Reorganization for MIG, Inc.
Exhibit B	Pro Forma Financial Projections
Exhibit C	Liquidation Analysis

DISCLOSURE STATEMENT WITH RESPECT TO THE CHAPTER 11 PLAN OF REORGANIZATION FOR MIG, INC.

I. INTRODUCTION

MIG, Inc., the debtor and debtor-in-possession (the “Debtor”) in the above-referenced Chapter 11 Case submits this disclosure statement (the “Disclosure Statement”) pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”), for use in the solicitation of votes on the Chapter 11 Plan of Reorganization for MIG, Inc. dated November 17, 2009 (the “Plan”). **A copy of the Plan is attached as Exhibit A to this Disclosure Statement. All capitalized terms used in this Disclosure Statement but not otherwise defined herein have the meanings ascribed to such terms in Article I of the Plan.**

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

Pursuant to the provisions of the Bankruptcy Code, only Classes of Claims or Interests that are (i) “Impaired” by a plan of reorganization and (ii) entitled to receive a Distribution under such plan are entitled to vote such Plan. In the Debtor’s case, Claims and Interests in **Classes 3, 4, 5, 6 and 7** are Impaired by and entitled to receive a Distribution under the Plan, and only the Holders of Claims and Interests in those Classes are entitled to vote to accept or reject the Plan. Claims in **Classes 1 and 2** are Unimpaired by the Plan, and such Holders are conclusively presumed to have accepted the Plan.

FOR A DESCRIPTION OF THE PLAN AND VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLAN, PLEASE SEE SECTION VI OF THIS DISCLOSURE STATEMENT, ENTITLED “SUMMARY OF THE PLAN OF REORGANIZATION,” AND SECTION VII OF THIS DISCLOSURE STATEMENT, ENTITLED “CERTAIN RISK FACTORS TO BE CONSIDERED.”

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATING TO THE PLAN, CERTAIN EVENTS THAT HAVE OCCURRED IN THE CHAPTER 11 CASE, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT ALL SUCH SUMMARIES ARE FAIR AND ACCURATE AS OF THE DATE HEREOF, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF UNDERLYING DOCUMENTS AND TO THE EXTENT THAT THEY MAY CHANGE AS PERMITTED BY THE PLAN AND APPLICABLE LAW. FACTUAL INFORMATION CONTAINED IN THIS

DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, NOR SHALL IT BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION AS TO HOLDERS OF ALLOWED CLAIMS OR INTERESTS. YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR WITH RESPECT TO ANY QUESTIONS OR CONCERNS REGARDING TAX, SECURITIES, OR OTHER LEGAL CONSEQUENCES OF THE PLAN.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD-LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS, AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. Except with respect to the pro forma financial projections set forth in the attached Exhibit B (the "Projections") and except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur subsequent to the date hereof and that may have a material impact on the information contained in this Disclosure Statement. The Debtor does not undertake any obligation to, and does not intend to, update the Projections; thus, the Projections will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Projections. Further, the Debtor does not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement will not under any circumstance imply that the information herein is correct or complete as of any time subsequent to the date hereof. Moreover, the Projections are based on assumptions that, although believed to be reasonable by the Debtor, may differ from actual results.

THE DEBTOR BELIEVES THAT THE PLAN WILL ENABLE THE DEBTOR TO SUCCESSFULLY REORGANIZE AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR AND ITS CREDITORS AND EQUITY HOLDERS, INCLUDING THE HOLDERS OF CLAIMS AND INTERESTS IN CLASSES 3, 4, 5, 6 AND 7. THE DEBTOR URGES SUCH HOLDERS TO VOTE TO ACCEPT THE PLAN.

II. OVERVIEW OF THE PLAN

The following is a brief overview of the material provisions of the Plan and is qualified in its entirety by reference to the full text of the Plan. For a more detailed description of the terms and provisions of the Plan, see Article VI of this Disclosure Statement, entitled "Summary of the Plan of Reorganization."

The Plan designates six (6) Classes of Claims and one (1) Class of Interests. These Classes take into account the differing nature and priority of the various Claims and Interests under the Bankruptcy Code.

The Debtor believes that the Plan provides the best means currently available for the Debtor's emergence from chapter 11.

A. General Structure of the Plan

Claims are treated generally in accordance with the priorities established under the Bankruptcy Code. Claims that have priority status under the Bankruptcy Code or that are secured by valid Liens on Collateral are to be paid in full, Reinstated or otherwise treated as provided in the Plan.

The following is an overview of certain material terms of the Plan:

- The Debtor will be reorganized pursuant to the Plan, converted into a Delaware limited liability company and continue in operation.
- Allowed Administrative Claims and Priority Tax Claims will be paid in full as required by the Bankruptcy Code, unless otherwise agreed by the Holders of such Claims.
- Allowed Other Priority Claims will be paid in full in Cash on the Distribution Date, unless otherwise agreed by the Holders of such Claims.
- Allowed Secured Workers' Compensation Obligations Claims will receive Cash payments in the ordinary course as set forth in the Order Authorizing the Debtor to Pay Certain Pre-Petition Workers' Compensation Obligations in the Ordinary Course of Business Pursuant to Sections 105(a) and 363 of the Bankruptcy Code [Docket No. 97].
- Class 3 Hauf Secured Claim shall be Allowed in the amount of \$607,500 (which is 90% of the total Class 3 Claims) and receive Cash on the Distribution Date in such Allowed amount of its Claim.
- Allowed Class 4 General Unsecured Claims shall be paid in Cash on the Distribution Date, seventy percent (70%) of the Allowed amount of each Holder's respective Claim.
- On the Distribution Date, each Holder of an Allowed Class 5 Claim shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 5 Claim its Pro Rata share of Class 5's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount

of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value.

- A Holder of an Allowed Class 6 Claim shall be entitled to elect to receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 6 Claim, one of the following forms of treatment under the Plan: (i) one Preferred Unit per share of Preferred Equity Interests held by such Holder of an Allowed Class 6 Claim; or (ii) its Pro Rata share of Class 6's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value; provided, however, that the Holder of an Allowed Class 6 Claim makes the written election provided for in Section 3.03(d)(ii) of the Plan on a validly executed Ballot that is delivered on or before the Voting Deadline.
- A Holder of an Allowed Class 7 Common Equity Interest shall receive its Pro Rata share of Common A Membership Interests.

B. Summary of Treatment of Claims and Interests under the Plan

The table below summarizes the classification and treatment of the Claims and Interests under the Plan. Estimated Claim amounts assume a calculation date of November 17, 2009, except that General Unsecured Claims are calculated as of the Petition Date. Estimated percentage recoveries are also set forth below for certain Classes of Claims. Estimated percentage recoveries have been calculated based upon a number of assumptions, including the estimated amount of Allowed Claims in each Class.

For certain Classes of Claims, the actual amounts of Allowed Claims could materially exceed or could be materially less than the estimated amounts shown in the table that follows. Neither Proofs of Claim nor Proofs of Interest have been Filed in the Chapter 11 Case and, accordingly, the Debtor has not yet reviewed and fully analyzed all Claims and Interests. Estimated Claim amounts for each Class set forth below are based upon the Debtor's review of its books and records and of certain Proofs of Claim, and include estimates of a number of Claims that are contingent, disputed, and/or unliquidated.

The valuation of the Reorganized Debtor will be based on a number of assumptions and conditions, which are more fully set forth in Section X.E of this Disclosure Statement entitled "Feasibility of the Plan and Best Interests of Creditors—Valuation of the Reorganized Debtor."

Description and Amount of Claims or Interests	Summary of Treatment
<p>Class 1: Other Priority Claims</p> <p>Estimated Aggregate Allowed amount of Class 1 Claims: \$0</p>	<ul style="list-style-type: none"> ● Unimpaired ● Class 1 consists of Other Priority Claims against the Debtor. ● Unless otherwise agreed to by the Holders of the Allowed Class 1 Claims and the Debtor, each Holder of an Allowed Class 1 Claim shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 1 Claim, payment of the Allowed Class 1 Claim in full in Cash on the Distribution Date; <u>provided, however</u>, that, notwithstanding any contract provision or applicable law that entitles a Holder of an Allowed Class 1 Claim to post-petition interest, no Allowed Class 1 Claim shall receive post-petition interest on account of such Claim. ● Class 1 Claims are Unimpaired and are therefore not entitled to vote on the Plan. ● Estimated Recovery: 100%
<p>Class 2: Secured Workers' Compensation Obligations Claims</p> <p>Estimated Aggregate Allowed amount of Class 2 Claims: \$167,000</p>	<ul style="list-style-type: none"> ● Unimpaired ● Class 2 consists of Secured Workers' Compensation Obligations Claims against the Debtor. ● Each Holder of an Allowed Class 2 Claim shall have its Claim Reinstated and shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 2 Claim and on account of its Allowed Class 2 Claim, Cash payments in the ordinary course as set forth in the Order Authorizing the Debtor to Pay Certain Pre-Petition Workers' Compensation Obligations in the Ordinary Course of Business Pursuant to Sections 105(a) and 363 of the Bankruptcy Code [Docket No. 97]. ● Class 2 Claims are Unimpaired and are therefore not entitled to vote on the Plan. ● Estimated Recovery: 100%
<p>Class 3: Hauf Secured Claims</p> <p>Estimated Aggregate Allowed amount of Class 3 Claims: \$607,500</p>	<ul style="list-style-type: none"> ● Impaired ● Class 3 consists of the Hauf Secured Claims. ● Class 3 Hauf Secured Claim will be Allowed in an amount of \$607,500 (which is 90% of the total Class 3 Claims) and receive Cash on the Effective Date in such Allowed amount of its Claim, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Hauf Secured Claim. Hauf will also have an unsecured claim in the approximate

Description and Amount of Claims or Interests	Summary of Treatment
	<p>amount of \$316,389 which will be treated along with Class 4 General Unsecured Claims.</p> <ul style="list-style-type: none"> • Class 3 is Impaired, and the Holder of the Class 3 Claims will be entitled to vote to accept or reject the Plan. • Estimated Recovery: 90%
<p>Class 4: General Unsecured Claims</p> <p>Estimated Aggregate Allowed amount of Class 4 Claims: \$3.8 million</p>	<ul style="list-style-type: none"> • Impaired • Each Holder of an Allowed Class 4 Claim shall be paid in Cash on the Distribution Date, seventy percent (70%) of the Allowed amount of its Claim, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 4 Claim. • Class 4 is Impaired, and the Holders of Class 4 Claims will be entitled to vote to accept or reject the Plan. • Estimated Recovery: 80%
<p>Class 5: Appraisal Claims</p> <p>Estimated Aggregate Allowed amount of Class 5 Claims: \$188,367,736.47 plus interest to and including the day prior to the Effective Date.</p>	<ul style="list-style-type: none"> • Impaired • Class 5 consists of the Appraisal Claims against the Debtor. • On the Distribution Date, each Holder of an Allowed Class 5 Claim shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 5 Claim its Pro Rata share of Class 5's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; <u>plus</u> (y) the Common B Membership Interests; <u>plus</u> (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value. • Class 5 is Impaired, and the Holders of Class 5 Claims will be entitled to vote to accept or reject the Plan. • Estimated Recovery: 100%
<p>Class 6: Non-Appraisal Claims</p>	<ul style="list-style-type: none"> • Impaired • Class 6 consists of all Non-Appraisal Claims in the Debtor. • On the Distribution Date, each Holder of an Allowed Class 6 Claim shall be entitled to elect to receive, in full, final and complete satisfaction, settlement, release, and discharge of

Description and Amount of Claims or Interests	Summary of Treatment
	<p>such Allowed Class 6 Claim, one of the following forms of treatment under the Plan: (i) one Preferred Unit per share of Preferred Equity Interests held by such Holder of an Allowed Class 6 Claim; or (ii) its Pro Rata share of Class 6's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; <u>plus</u> (y) the Common B Membership Interests; <u>plus</u> (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value; <u>provided, however</u>, that the Holder of an Allowed Class 6 Claim makes the written election provided for in Section 3.03(d)(ii) of the Plan on a validly executed Ballot that is delivered on or before the Voting Deadline. Holders of Allowed Class 6 Claims that do not properly and timely make this written election shall be treated in accordance with Section 3.03(d)(i) of the Plan.</p> <ul style="list-style-type: none"> • Class 6 is Impaired, and Holders of Class 6 Claims will be entitled to vote to accept or reject the Plan.
Class 7: Common Equity Interests	<ul style="list-style-type: none"> • Impaired • Class 7 consists of all Common Equity in the Debtor. • Each Holder of an Allowed Class 7 Common Equity Interest shall receive their Pro Rata share of Common A Membership Interests. • Class 7 is Impaired, and the Holders of Class 7 Interests will be entitled to vote to accept or reject the Plan.

As set forth above, estimated Claim amounts assume a calculation date of November 17, 2009, except that Unsecured Claims are calculated as of the Petition Date. The calculation date is not necessarily the Effective Date of the Plan or the Distribution Date. The Effective Date will occur after the Confirmation Date, when the conditions precedent to the occurrence of the Effective Date are satisfied.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AND INTERESTS AGAINST THE DEBTOR AND THUS **STRONGLY RECOMMENDS** THAT YOU VOTE TO **ACCEPT** THE PLAN.

III. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Interests

Approval by the Bankruptcy Court of this Disclosure Statement means that the Bankruptcy Court has found that this Disclosure Statement contains information of a kind and in sufficient and adequate detail to enable Holders of Claims entitled to vote on the Plan to make an informed judgment about whether to accept or reject the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

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

THIS DISCLOSURE STATEMENT AND THE PLAN ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN. No solicitation of votes may be made except after distribution of this Disclosure Statement, and no person has been authorized to distribute any information concerning the Debtor other than the information contained herein or therein. No such information should be relied upon in making a determination to vote to accept or reject the Plan.

B. Voting Rights

Pursuant to the provisions of the Bankruptcy Code, only holders of claims and Interests in classes that are (a) treated as "impaired" by a plan of reorganization and (b) entitled to receive a distribution under such plan are entitled to vote on such plan. Under the Plan, Holders of Claims and Interests in Classes 3, 4, 5, 6 and 7 are entitled to vote on the Plan. Claims in other Classes are Unimpaired and their Holders are deemed to have accepted the Plan.

Pursuant to Bankruptcy Code section 105(a) and Bankruptcy Rule 3003(c)(2), any Holder of a Claim or Holder of an Interest (a) that is either (i) not scheduled or (ii) scheduled in the Schedules at zero, as unknown or as disputed, contingent or unliquidated, and (b) that is not the subject of a Proof of Claim or Proof of Interest Filed by the applicable Bar Date set by the Court will not be treated as a creditor with respect to such Claim or an interest holder with respect to such Interest for purposes of voting on or objecting to the Plan.

C. Solicitation Materials

In soliciting votes for the Plan pursuant to this Disclosure Statement, the Debtor, through its voting agent, The Garden City Group, Inc. (the “Voting Agent”), will send to Holders of Claims who are entitled to vote copies of (a) the Disclosure Statement and Plan, (b) the notice of, among other things, (i) the date, time, and place of the hearing to consider Confirmation of the Plan and related matters and (ii) the deadline for filing objections to Confirmation of the Plan (the “Confirmation Hearing Notice”), (c) one or more ballots (and return envelopes) to be used in voting to accept or to reject the Plan, and (d) other materials as authorized by the Bankruptcy Court, as more fully set forth in the Solicitation Procedures Order.

If you are the Holder of a Claim or Interest who believes you are entitled to vote on the Plan, but you did not receive a Ballot or your Ballot is damaged or illegible, or if you have any questions concerning voting procedures, you should contact the following:

THE GARDEN CITY GROUP, INC.
105 Maxess Road
Melville, NY 11747
Telephone: (800) 327-3664

D. Voting Procedures, Ballots, and Voting Deadline

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying Ballot.

Each Ballot has been coded to reflect the Class of Claims or Interest it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded Ballot(s) sent to you with this Disclosure Statement.

All votes to accept or reject the Plan must be cast by using the Ballot enclosed with the Disclosure Statement. **IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN [*****], 2010, AT 5:00 P.M. EASTERN TIME (THE “VOTING DEADLINE”) BY THE FOLLOWING:**

MIG, INC. BALLOT PROCESSING CENTER
c/o THE GARDEN CITY GROUP, INC.
105 MAXESS ROAD
MELVILLE, NY 11747
TELEPHONE: (800) 327-3664

UNLESS OTHERWISE PROVIDED IN THE INSTRUCTIONS ACCOMPANYING THE BALLOTS, BALLOTS CAST BY FACSIMILE, E-MAIL OR OTHER ELECTRONIC MEANS WILL NOT BE ACCEPTED. BALLOTS THAT ARE RECEIVED BUT NOT SIGNED WILL NOT BE COUNTED. DO NOT RETURN ANY

STOCK CERTIFICATES, DEBT INSTRUMENTS, OR OTHER EVIDENCES OF YOUR CLAIM WITH YOUR BALLOT.

If you have any questions about (a) the procedure for voting your Claim or Interest, (b) the packet of materials that you have received, or (c) the amount of your Claim, or if you wish to obtain, at your own expense unless otherwise specifically required by Bankruptcy Rule 3017(d), an additional copy of the Plan, this Disclosure Statement, or any appendices or exhibits to such documents, please contact:

THE GARDEN CITY GROUP, INC.
105 MAXESS ROAD
MELVILLE, NY 11747
TELEPHONE: (800) 327-3664

For further information and general instructions on voting to accept or reject the Plan, see Article XII of this Disclosure Statement and the instructions accompanying your ballot.

THE DEBTOR URGES ALL HOLDERS OF CLAIMS OR INTERESTS ENTITLED TO VOTE TO EXERCISE THEIR RIGHT TO ACCEPT THE PLAN BY COMPLETING THEIR BALLOTS AND RETURNING THEM BY THE VOTING DEADLINE.

E. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled a Confirmation Hearing for [*****], 2010, at [**]:00 a.m. Eastern Time. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequently adjourned Confirmation Hearing. Objections to Confirmation of the Plan must be made in writing and must specify in detail the name and address of the objector, all grounds for the objection, and the amount and Class of the Claim. Any such objection must be Filed with the Bankruptcy Court on or before [*****], 2010, at 4:00 p.m. Eastern Time. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

IV. GENERAL INFORMATION CONCERNING THE DEBTOR

A. Overview of Business Operations, Organization and Management

1. *Corporate History*

The Debtor¹ was organized in 1929 under the laws of the Commonwealth of Pennsylvania and was reincorporated in 1968 under the laws of the state of Delaware. The Debtor through its nondebtor affiliates holds interests in leading and innovative

¹ Prior to January 2009, the Debtor operated under the name "Metromedia International Group, Inc." and prior to 1995, it operated under the names "The Actava Group Inc." and "Fuqua Industries, Inc."

telecommunications providers in the Republic of Georgia (“Georgia”), a country in the Caucasus region between Russia, Turkey and Azerbaijan. Since 2005, all of the telecommunications providers in which the Debtor has an interest have been located in Georgia. The Debtor’s corporate office is in Charlotte, North Carolina.

The Debtor holds its investments in its Georgian assets through its direct and indirect wholly-owned subsidiaries, MIG Telecommunications, Inc. (“MITI”), a Delaware corporation, MIG Georgia Holdings, Inc., a Delaware Corporation, and ITC Cellular LLC, a Delaware limited liability company (“ITCC”). MIG holds 100% ownership in ITCC, which, in turn, currently owns a 46% interest in International Telcell Cellular LLC (“ITCL”). Dr. George Jokhtaberidze (“Dr. Jokhtaberidze”), a Georgian national who founded Magticom in 1997, owns 51% of ITCL, and Gemstone Partners, an entity affiliated with Dr. Jokhtaberidze, owns 3% of ITCL.

ITCL owns all the issued and outstanding equity interests of Magticom Ltd. (“Magticom”), the leading mobile telephony and largest telephone operator in Georgia. Magticom is the largest telephone operator (mobile or fixed) in Georgia, as measured by revenues and traffic volumes. Magticom is headquartered in Tbilisi, Georgia and provides services to businesses and consumers nationwide. Magticom’s network covers essentially all populated territories of Georgia, enabling country-wide wireless access to the company’s mobile telephony, roaming services and related information services.

The Debtor’s interest in Magticom was and remains a joint venture with Dr. Jokhtaberidze through each party’s respective interest in ITCL. Magticom is operated as a joint venture between Dr. Jokhtaberidze and the Debtor with both parties exercising joint management control. Moreover, all key decisions related to the management of Magticom are made on a 50/50 basis. The Debtor’s management is active in the operations and management of Magticom on a daily basis. As part of the ITCL joint venture agreements, both the Debtor and Dr. Jokhtaberidze are bound by strict non-alienation and change of control provisions regarding their interests in Magticom. These provisions provide that if there is any change of voting or economic interests at ITCL or Magticom by either party or certain of their affiliates, including the Debtor, the breaching party shall lose all voting rights in the joint venture, thereby leaving that breaching party in the position as a minority shareholder with no management or voting rights and protections.

In addition to its indirect ownership interest in Magticom, the Debtor also holds indirect interests in: Ayety TV, a Georgian cable television provider; Telecom Georgia, a long-distance transit operator; and Telenet, a high-speed data communication and internet access service provider in Georgia.² The Debtor’s wholly-owned subsidiary Tag Holdings, Inc. also owns a parcel of land in Alabama.

As of June 10, 2009, the Debtor had approximately \$49 million in cash split between its own accounts and those of its 100% owned subsidiaries. Since the Petition Date, that cash has been moved into debtor-in-possession bank accounts in the United States.

² MIG also holds an indirect ownership interest in MIG Georgia Services Representation Office, but this entity is inactive.

2. Management of the Debtor

Currently, all of the common shares of the Debtor are owned by CaucusCom Ventures, L.P. (“CaucusCom”), which acquired the shares through a tender offer effective August 21, 2007. CaucusCom is a joint venture created between Salford Capital Partners, Inc. (“Salford”) and Sun Capital Partners Ltd. (“Sun”), on or about May 10, 2007, to pursue a transaction with MIG.

The Debtor operates pursuant to the Restated Bylaws of Metromedia International Group, Inc. (the “Bylaws”), which provides the terms of the Debtor’s governance and the respective rights, duties and powers of the stockholders and the board of directors (the “Board”). Currently, there are eight directors (each a “Director”) on the Board. There are seven officers (each an “Officer”) of the Debtor, including a Chief Executive Officer, a Chief Financial Officer, a President, three Vice-Presidents, and a Corporate Secretary.

At the time of the acquisition by CaucusCom, MIG’s Board had two members who were appointed by the preferred shareholders of MIG pursuant to a Certificate of Designation, Wayne Henderson and David Gale. Mr. Henderson was appointed to the Board in 2004 at the request of Chris Cook³ and is the longest continuously serving member of the Board. Mr. Gale also was appointed to the Board in 2004 and served on the Board until his resignation in August 2008. At the time of the tender offer, Mark Hauf served as the CEO of MIG as well as a Director.

Subsequent to its acquisition of MIG, CaucusCom appointed six directors in addition to the two independent directors, Messrs. Henderson and Gale. Three of those directors are affiliated with Sun: Edward Spencer-Churchill, Graydon Bellingan, and Alan McIntosh. The other three of those directors are affiliated with Salford: Peter Nagle, Irakli Rukhadze, and Jamal Khan. After Mr. Gale’s resignation from the Board, the Board appointed another independent director, Alan Greene, in May 2009. Mr. Greene previously had served as a Director of MIG from 1998 until the acquisition of MIG by CaucusCom in August 2007.

The following table lists the names, title, and a description of the position for all of the Debtor’s Directors and Officers as of the Petition Date.

Name	Title	Description of position
Alan Greene	Director	Director
Wayne Henderson	Director	Director
Alan McIntosh	Director	Director

³ Mr. Cook is affiliated with Zazove, a Petitioner in the Appraisal Action, and currently serves as the Chairman of the Official Committee of Unsecured Creditors.

Edward Spencer Churchill	CEO, Director, Chairman of the Board	Chief Executive Officer
Peter Nagle	CFO, Director	Chief Financial Officer
Andrew Bradshaw	President	President; financial affairs
Irakli Rukhadze	Vice President, Director	Business Development
Jamal Khan	Vice President, Director	International Legal Affairs
Graydon Bellingan	Vice President, Director	International Legal Affairs
Natasha Alexeeva	General Counsel, Corporate Secretary	Domestic Legal Affairs

3. Dr. Jokhtaberidze's Control Over Magticom

The Debtor's relationship with its partner Dr. Jokhtaberidze and its transactions with him have been well-documented. In its Form 10-K filed on December 14, 2006 for fiscal year end 2004 (the "2006 Filing"), MIG described the factual predicate for a 2004 transaction in which MIG purchased a percentage interest in Magticom from Dr. Jokhtaberidze, stating:

[I]n February 2004, Dr. George Jokhtaberidze, who is also the son-in-law of former Georgian president Eduard Shevardnadze, was arrested in Georgia pending investigation of various tax-related matters related to his ownership interest in Magticom. On April 26, 2004, the prosecution of Dr. Jokhtaberidze by the Georgian government was dropped without any finding of wrongdoing and Dr. Jokhtaberidze was released from investigative detention.

To resolve the investigation by the Georgian government, Dr. Jokhtaberidze was forced to sell an effective 4.1% interest in Magticom to MIG.

After the transfer of Dr. Jokhtaberidze's 4.1% interest in Magticom to MIG in 2004, MIG owned 50.1% of Magticom. This 50.1% interest, however, did not provide MIG with "control" over Magticom. Rather, at best, MIG shared consensual decision making with Dr. Jokhtaberidze.

MIG's public filings report the circumstances in Georgia that contributed to Dr. Jokhtaberidze's *de facto* control of Magticom. With respect to Dr. Jokhtaberidze's control, MIG's 2006 Filing states:

Unusually High Degree of Dependence on Interpersonal Relationships in Georgia. The absence of a well-developed rule of law and commercial code in Georgia requires that a substantial portion of the Company's activities in Georgia must rely upon the strength of direct personal relationships with Georgian counterparties. The Company also has a significant minority Georgian partner in its Magticom business venture holding company, with whom continuing favorable personal relations are important. If key Company personnel are unable to form suitable relationships with business, trade or governmental

counterparties in Georgia, . . . there is material risk that ordinary contractual and civil compacts will be insufficient to protect and preserve the Company's business and financial interests in Georgia. . . . The failure of a critical relationship for any reason could result in material erosion in performance or value of the Company's Georgian business operation.

KPMG, MIG's auditors, also investigated the issue of Dr. Jokhtaberidze's control over Magticom. Under generally accepted accounting principles, an entity may not consolidate its interest in an investment unless the entity has control over the investment. KPMG did not permit MIG to use "Consolidation Accounting" and instead determined that MIG's interest in Magticom should still be accounted for following the equity method of accounting for its interest in Magticom because MIG lacked the requisite control over Magticom.

In addition to the necessity of maintaining its relationship with Dr. Jokhtaberidze, the 2006 Filing identified a litany of other risk factors regarding MIG's investment in Magticom, some of which included:

Limited Protection of Shareholder Rights in Georgia. Shareholders have limited practical rights and protections under present Georgia law and practice. . . . Obtaining customary legal redress for [unauthorized actions of local officers] in the court systems of Georgia may prove to be unusually cumbersome or time consuming.

Limitations on Georgian Judicial Protections. The Georgian judicial system is presently in a state of considerable uncertainty following the November 2003 "Rose Revolution" in Georgia. . . . [T]he Company cannot assure you that legal actions initiated by or affecting the Company's Georgian operations can or will be handled in a fashion that might be expected in the United States or other world jurisdictions, or that the outcomes of such actions will be transparently reached or meet the impartiality standards expected in such other jurisdictions.

Absence of Effective Georgian Commercial Code. Laws may go unenforced or be unenforceable in practical terms.

The conditions articulated in the 2006 Filing continue today and were only exacerbated by the Russia-Georgia War of 2008.

4. The Sales Process and the Acquisition of MIG's Common Shares by CaucusCom

Against this backdrop in 2006 and 2007, MIG's management attempted to sell its interest in Magticom. Because of Salford's significant presence in Georgia, Salford expressed interest in acquiring MIG early in the process. Salford explored arrangements with several bidding partners before Sun and Salford agreed to form CaucusCom.

MIG described the sales process (the "Sales Process") in its Form SC 14D9 (the "14D9") that it filed with the SEC on July 18, 2007. A recurring theme in the description of the

Sales Process is the difficulty many potential bidders encountered in establishing a relationship with Dr. Jokhtaberidze. There are many examples of this in MIG's pre-acquisition documents.

During the Sales Process, MIG sought bids from potential suitors interested in acquiring MIG other than Salford. As many as six potential bidders signed confidentiality agreements and began the due diligence process. As MIG's documents reflect, throughout the Sales Process, Dr. Jokhtaberidze was viewed by most if not all of the interested parties as having *de facto* control over Magticom. Recognizing the important role played by Dr. Jokhtaberidze as the local partner in MIG's primary asset Magticom, the potential bidders conducted due diligence on Magticom and discussed the potential acquisition with Dr. Jokhtaberidze.

Dr. Jokhtaberidze's control of Magticom also was confirmed by Roberts W. Brokaw III, the expert retained by the Petitioners in the Appraisal Action (described in Section IV.B.1 below). In his report, Mr. Brokaw stated: "The combination of Jokhtaberidze's rights and courtesies afforded him as a minority owner in Magticom and his unwillingness to sell his interest may indicate that perhaps Jokhtaberidze controls Magticom." This observation led Mr. Brokaw to conclude that MIG was not entitled to a control premium in his valuation of MIG's interest in Magticom.

Like other potential bidders, in May 2007, representatives of CaucusCom met with Dr. Jokhtaberidze in Georgia to discuss their respective thoughts on Magticom's future. As was the case for other potential bidders meeting with Dr. Jokhtaberidze, the Board was aware of the meeting between CaucusCom and Dr. Jokhtaberidze. Both CaucusCom and Dr. Jokhtaberidze believed that the other shared its vision for the future of the company. Specifically, CaucusCom and Dr. Jokhtaberidze shared a vision of expansion and growth within the Georgia telecommunications market, as well as his interest in pursuing an initial public offering of Magticom. CaucusCom was willing to work with Dr. Jokhtaberidze to remedy what he viewed as a wrongful share transfer in 2004. As part of this process, Dr. Jokhtaberidze, whose cooperation was necessary and vital to the on-going business and value of Magticom, had developed a personal trust with the Salford and Sun principals, especially Salford Georgia's representatives, Mr. Irakli Rukhadze and Mr. Badri Patarishvili. As a result of their May 2007 meeting, Dr. Jokhtaberidze permitted the representatives from CaucusCom to inspect Magticom's facilities and records as part of its due diligence.

On July 13, 2007, the MIG Board authorized MIG to enter into a merger agreement with CaucusCom. Pursuant to this merger agreement, CaucusCom would participate in a tender offer to acquire all of MIG's outstanding common shares at \$1.80 per share, followed by a back-end short-form merger (the "Merger"). Believing that this transaction was in the best interests of MIG, all but one of the members of the Board voted for the Merger and recommended that common stockholders tender their shares.

B. Events Leading to the Filing of the Chapter 11 Case

1. *The Appraisal Action*

At the time of the Merger, MIG had 4,140,000 shares of preferred stock outstanding (the "Preferred Shares"). The terms of the Certificate of Designation governing the

Preferred Shares determined the rights of the preferred shareholders in relation to the Merger. Accordingly, the Merger gave rise to appraisal rights for dissenting preferred shareholders and certain of them (the “Petitioners”) commenced litigation to bring an appraisal action against MIG in the Court of Chancery of the State of Delaware (the “Chancery Court”) in the matter captioned *In re: Appraisal of Metromedia International Group, Inc.*, Civil Action No. 3351-CC (the “Appraisal Action”), to determine the value of their preferred shares.⁴ The Appraisal Action was filed by the Petitioners on November 14, 2007. MIG’s management believed that the Appraisal Action would result in a judgment of \$18 per share.

2. Steps by CaucusCom to Improve MIG

Almost immediately after assuming control of the Board, the Board members appointed by CaucusCom began to implement their business strategy to maximize the value of MIG. A key component of this strategy was to cut overhead of MIG and devote more resources closer to the Republic of Georgia where MIG’s main asset was located. This meant reducing the number of employees based in the United States and relying on CaucusCom representatives to manage MIG’s interest in Magticom. MIG’s management has been successful in implementing this strategy as it has gone from a negative cash position in 2007 to a positive cash position in 2009 and cut overhead from a normalized level in 2007 of approximately \$15 million to a normalized level in 2009 of \$4.5 million.

3. The 2008 Negotiations and 2009 Transaction with Dr. Jokhtaberidze

In the weeks following the Merger, despite sharing a similar vision for Magticom, Dr. Jokhtaberidze’s relationship with CaucusCom began to deteriorate. After about sixteen months of negotiations, MIG finally reached an agreement with Dr. Jokhtaberidze regarding the operation of the Magticom business and the payment of dividends. On or about January 15, 2009, MIG’s subsidiary ITCC, the parent entity of ITCL, and Dr. Jokhtaberidze entered into the Purchase and Sale Agreement dated as of January 15, 2009 by and among ITC Cellular, LLC and Dr. George Jokhtaberidze (“PSA”) and the Second Amended and Restated LLC Agreement of International Telcell Cellular, LLC (the “Second LLC Agreement”). As a result, Dr. Jokhtaberidze again became the majority shareholder in Magticom with a 50.1% stake, and MIG became a minority shareholder with a 46% stake. All key decisions related to the management of Magticom, however, are made on a 50/50 basis. The transaction brought significant benefit to MIG that include: (i) the cooperation of Dr. Jokhtaberidze; (ii) an alignment of interests between Dr. Jokhtaberidze and MIG; (iii) a greater ability of MIG to monetize its stake in Magticom through a clear path to exit; (iv) the right of MIG to IPO Magticom as opposed to a separate MIG vehicle; (v) express covenants on Dr. Jokhtaberidze to support MIG in an IPO of Magticom; (vi) the elimination of any duress claim by Dr. Jokhtaberidze against MIG in either the United States or the Republic of Georgia; (vii) improved and clear rules of corporate governance; (viii) increased ability for MIG to raise debt; (ix) guaranteed dividends to provide MIG with the cash to pay its continuing and accrued financial obligations; (x) receipt of a loan of up to \$30 million from Dr. Jokhtaberidze to help satisfy MIG’s obligations to the holders of its preferred shares;

⁴ The petitioning preferred shareholders include Committee members Farallon Capital Offshore Investors II, LP, Black Horse Capital, and Zazove Associates, LLC.

(xi) inclusion of appropriate carve-outs to provide equity to holders of Preferred Shares; and (xii) claw-back provisions for MIG in case of certain breaches by Dr. Jokhtaberidze of the PSA and Second LLC Agreement.

In exchange for these numerous benefits, Dr. Jokhtaberidze, from the very early stages of the negotiations, insisted that MIG include a non-alienation provision in the PSA that would restrict a change of control. Dr. Jokhtaberidze felt very strongly about ensuring that the management of the company stayed with himself and a set of partners that he trusted. Although the Committee has alleged that the change of control provisions were negotiated to “entrench” MIG management, the uncontroverted evidence demonstrates that Dr. Jokhtaberidze insisted on these provisions over the resistance of MIG’s management.

4. Planning to Satisfy the Appraisal Judgment

Until 2008, MIG’s management thought that any judgment could be satisfied by drawing on its cashflow, incurring debt from the usual sources, including banks, and by receiving a loan from Badri Patarkashvilli, a Georgian billionaire, who had the means and expressed willingness to provide liquidity to MIG. Following Mr. Patarkashvilli’s death in January 2008, however, his estate became the subject of litigation, eliminating the possibility that any loan would come from Mr. Patarkashvilli. After the collapse of Lehman Brothers in September 2008, MIG’s management increasingly grew concerned over its ability to satisfy a potential judgment in the Appraisal Action. The worsening condition of the credit markets and the deterioration of the global economy raised concerns that MIG would encounter great difficulty in borrowing money to satisfy a judgment. These circumstances caused MIG’s management to seek the concessions from Dr. Jokhtaberidze in the PSA and Second LLC Agreement. These concessions, coupled with cash from dividends, led MIG to believe that it had sufficient resources to satisfy a reasonably anticipated judgment in the Appraisal Action.

On April 16, 2009, the Chancery Court issued an opinion (the “Opinion”), finding that the value of each preferred share was \$38.93 on August 22, 2007 (the “Appraisal Date”). Subsequently, on May 5, 2009, the Petitioners made a motion for reconsideration to the Chancery Court. After considering the motion for reconsideration, the Chancery Court revised its Opinion on May 28, 2009, finding that the value of each preferred share was \$47.47 on August 22, 2007. The Chancery Court entered judgment in the Appraisal Action on June 5, 2009, in the total amount of \$188,367,736.47 (the “Judgment”) representing principal and pre-judgment interest for the appraisal of 3,533,203 preferred shares that are the subject of the Appraisal Action (3,198,742 held by the Petitioners and 334,461 preferred shares held by preferred shareholders that filed a demand for appraisal but were not Petitioners in the Appraisal Action). The Judgment is substantially higher than MIG had anticipated, and MIG continues to believe that the Judgment is wrong. The Delaware Supreme Court, however, affirmed the Chancery Court’s decision on November 2, 2009. Given the size of the Judgment and the lack of liquidity in the financial markets, MIG was forced to seek chapter 11 protection in order to give it the time and means to satisfy the Judgment and maximize the value for its other stakeholders.

5. The Debtor's Lack of Liquidity

Because the Debtor's prime assets are illiquid interests in Georgian telecommunications companies, the Debtor did not have the ability to pay the judgment in the Appraisal Action or to post a bond to secure a stay during the pendency of the Appeal. In addition, due to the global economic crisis and the lack of available credit, particularly for businesses like the Debtor's that are focused on emerging and volatile markets, the Debtor was unable to obtain additional capital or credit in any significant or expedited manner. The Debtor's Board determined that any attempt to pay the judgment by liquidating its illiquid assets, if such liquidation were even possible, would destroy both the ongoing business and any remaining value for the Debtor's other constituents.

The Debtor exhausted all available remedies to address its liquidity issues outside of a bankruptcy filing. First, it sought to obtain an appeal bond from companies that specialize in arranging large bonds, but due to the current state of the worldwide credit markets, the illiquid nature of the Debtor's assets, and the risky nature of the Debtor's business given its exposure to an emerging and politically unstable market like Georgia, it was unable to do so. Second, during the course of the Appraisal Action litigation, the Debtor sought an overall settlement with the Petitioners and, once the Chancery Court issued its opinion, sought their agreement to a stay of execution of the judgment pending Appeal. The Debtor also offered to post alternative security and restrict the transfer of its assets and to settle the Judgment. These negotiations with the Petitioners were unsuccessful. Finally, the Debtor sought a stay from the Chancery Court and proposed to provide alternative security, but the Chancery Court denied the Debtor's motion. Without a consensual or judicial stay in place, under Delaware law, the Petitioners could commence execution on the Judgment and destroy value for the Debtor's other constituents.

The Debtor's chapter 11 filing seeks to protect the value of its enterprise for all of its constituencies: the Petitioners; the other dissenting preferred shareholders; the remaining outstanding preferred shareholders; creditors with severance, pension, health benefits, workers' compensation, and environmental liability claims; its common shareholder; and employees. After careful consideration, the Debtor's Board concluded that, regardless of the outcome of the Appeal, the Debtor must avail itself of the benefits of chapter 11 to pursue the Appeal, restructure its balance sheet, and consummate a reorganization plan that will satisfy any final judgment rendered in the Appraisal Action while preserving the Debtor's significant value for its other stakeholders.

6. The Debtor's Current Valuation

As set forth in more detail below in Section X.E. below, Lazard Frères & Co. LLC ("Lazard") has evaluated each of the Debtor's businesses, assets, and investments on a going-concern basis to estimate its total enterprise value ("TEV"). The TEV for the Reorganized Debtor is comprised of the Debtor's interests in the following: (i) 46% ownership interest in Magticom; (ii) Other Operating Assets; (iii) 85% interest in Ayety TV; (iv) 100% interest in Telecom Georgia; (v) 100% interest in Telenet; and (vi) Other assets (*i.e.*, cash). To arrive at its estimate of the range of TEV of the Reorganized Debtor, Lazard utilized three generally accepted valuation methods for assessing TEV: (1) discounted cash flow analysis; (2) comparable company analysis; and (3) precedent transactions analysis. Lazard applied slightly

more weight to the Comparable Company Analysis and Precedent Transaction Analysis than the Discounted Cash Flow Analysis. Lazard estimated the enterprise value of Magticom to be in a range between approximately \$1 billion to \$1.2 billion. Using the methodologies discussed above, Lazard estimates that the TEV for the Reorganized Debtor to be in a range between approximately \$460 million to \$552 million. For purposes of the Plan, the Debtor has established a \$1.2 billion TEV for Magticom.

V. THE CHAPTER 11 CASE

A. Commencement of the Case

As described above, on June 18, 2009, the Debtor commenced the Chapter 11 Case by filing a petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. Since the Petition Date, the Debtor has continued to operate as debtor in possession subject to the supervision of the Bankruptcy Court and in accordance with the Bankruptcy Code. The Debtor is authorized to operate its business and manage its properties in the ordinary course, with transactions outside of the ordinary course of business requiring Bankruptcy Court approval.

An immediate effect of the filing of the Debtor's bankruptcy petition was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by creditors, the enforcement of liens against property of the Debtor, and the continuation of litigation against the Debtor. The relief provides the Debtor with the "breathing room" necessary to assess and reorganize its business and prevents creditors from obtaining an unfair recovery advantage while the Chapter 11 Case are ongoing. The automatic stay remains in effect, unless modified by the Bankruptcy Court, until consummation of a plan.

B. Modification of the Stay to Pursue the Appeal

Immediately upon the commencement of this case, the Debtor Filed a motion for relief from the stay to continue with the Appeal, which the Bankruptcy Court granted on a final basis on July 30, 2009 [Docket No. 98]. The Debtor filed its brief in support of the Appeal on July 30, 2009, and the Petitioners filed their answering brief on September 29, 2009. The Debtor's reply brief in further support of its appeal was filed on October 19, 2009, and the Supreme Court heard oral argument on the Appeal for October 28, 2009. On November 2, 2009, the Supreme Court affirmed the judgment of the Chancery Court in the Appraisal Action.

C. Other First Day Orders

The first day hearing (the "First Day Hearing") was held in the Chapter 11 Case before the Bankruptcy Court on June 26, 2009. At the First Day Hearing, the Bankruptcy Court heard certain requests for immediate relief Filed by the Debtor to facilitate the transition between the Debtor's pre-petition and post-petition business operations, including:

- *Cash Management Order*: This order authorized the Debtor to (i) continue to use its existing cash management system, (ii) maintain its

existing bank accounts, and (iii) continue to use its existing business forms and checks. [Interim Order, Docket No. 31; Final Order, Docket No. 94]

- *Workers' Compensation Order*: This order authorized the Debtor to pay certain pre-petition workers' compensation obligations, in connection with the Debtor's past practice of self-insuring workers' compensation in various states and in connection with the Debtor's former insurance captive in the state of Georgia, in the ordinary course of business. [Interim Order, Docket No. 30; Final Order, Docket No. 97]

D. Retention of Professionals

During the Chapter 11 Case, the Bankruptcy Court has authorized the retention of various professionals by the Debtor, including:

Greenberg Traurig, LLP as bankruptcy counsel [Docket No. 91];

Potter Anderson Corroon LLP, as special Delaware litigation counsel, [Docket No. 95];

Debevoise & Plimpton LLP, as special corporate and litigation counsel [Docket No. 148];

Aaron Richard Golub, Esq., P.C., as special litigation counsel [Docket No. 149];

Proctor Heyman, LLP, as special conflicts counsel [Docket No. 140];

Lazard Frères & Co. LLC ("Lazard") as financial advisors [Docket No. 185];

The Garden City Group, Inc. as claims and noticing agent [Docket No. 62];

Ordinary Course Professionals [Docket No. 150].

E. Official Committee

On June 30, 2009, the U.S. Trustee, pursuant to its authority under section 1102(a) of the Bankruptcy Code, appointed the following members to the Committee, see Docket No. 36:

Farallon Capital Offshore Investors II, LP;

Black Horse Capital;

Lawrence P. Klamon;

Palogic Value Fund, LP; and

Zazove Associates, LLC.

During the Chapter 11 Case, the Bankruptcy Court has authorized the retention of various professionals by the Committee, including (i) the retention of Baker & McKenzie LLP as Committee counsel [Docket No. 96], (ii) Bifferato LLC as Delaware counsel to the Committee [Docket No. 140], and (iii) Rothschild Inc. as financial advisor to the Committee [Docket No. 176]. The expenses of members of the Committee, and the fees and expenses of the

Professionals serving on behalf of the Committee, are entitled to be paid by the Debtor, subject to approval by the Bankruptcy Court.

F. Other Matters Addressed During the Chapter 11 Case

In addition to the first day relief sought in the Chapter 11 Case, the Debtor has sought authority with respect to matters designed to assist in the administration of the Chapter 11 Case, maximize the value of the Debtor's Estate, and provide the foundation for the Debtor's emergence from Chapter 11. Set forth below is a brief summary of certain of the principal motions the Debtor has Filed during the pendency of the Chapter 11 Case.

1. Motion to Extend Exclusivity Periods

On October 16, 2009, the Debtor Filed its motion for entry of an order extending the period during which the Debtor has the exclusive right to file a chapter 11 plan through and including February 16, 2010, and extending the period during which the Debtor has the exclusive right to solicit acceptances thereof through and including April 16, 2010. The Debtor believes that it has developed the framework of a reorganization plan that will satisfy the judgment in the Appraisal Action and preserve value for its other creditors and interest holders. The Debtors sought an extension of its exclusive periods to afford it sufficient time to finalize its future business plan, to allow Lazard to perform a valuation of the Debtor's assets to support the Plan, and to afford its constituencies ample time to evaluate the business plan and valuation and to negotiate with those constituencies over the final terms of the Plan in an attempt to reach a consensus.

2. Motion to Extend Time to Assume or Reject Unexpired Leases of Nonresidential Property

On October 9, 2009, the Debtor Filed its motion for entry of an order further extending until January 14, 2010, the time within which it must assume or reject its lease of office space in Charlotte, NC and any other Unexpired Leases. The Debtor believes that cause exists for the extension of this deadline because it intends to make the decision to assume or reject its Unexpired Leases in the context of the negotiation and finalization of the Plan.

3. Claims Process

The Debtor Filed its Schedules and Statements on July 17, 2009 [Docket No. 67] and amended Schedules and Statements on August 6, 2009 [Docket No. 107] that, among other things, set forth the Claims of known creditors against the Debtor as of the Petition Date, based upon the Debtor's books and records.

G. The Committee's Motions

1. *Motion for Trustee, Termination of Exclusivity or Dismissals of the Chapter 11 Case*

On July 23, 2009, the Committee filed its Motion for Order Pursuant to Sections 105(a), 1104(a), 1121(c)(1) and (d)(1) and 1112(b), Appointing a Chapter 11 Trustee and Terminating the Debtor's Exclusivity to File a Plan or, in the Alternative, Dismissing Chapter 11 Case for Cause (the "Trustee Motion") [Docket No. 78]. The Debtor disputes the allegations in the Trustee Motion and is vigorously defending against the Motion. The Debtor believes the Trustee Motion is without merit and has spent an extraordinary amount of time and resources responding the Trustee Motion and the voluminous document demands, interrogatories, requests for admission, and deposition notices propounded by the Committee. A hearing on the Trustee Motion is currently scheduled for December 21-22, 2009.

2. *The "Standing" Motion*

On November 17, 2009, the Committee filed its Motion for Order Granting the Committee Standing to: (i) Prosecute Actions on Behalf of the Debtor's Estate; and (ii) Seek a Temporary Restraining Order, Preliminary Injunction and Other Related Relief (the "Standing Motion") [Docket No. 310]. In the Standing Motion, the Committee makes various allegations and challenges, including among other things:

- ITCC's entry into certain agreements dated January 15, 2009 with Dr. Jokhataberize that contain various "poison pill provisions";
- certain transactions related to the Merger; and
- certain potential fraudulent transfers and insider transactions (together, the "Alleged Voidable Transactions").

The Committee attached to the Standing Motion a draft complaint (the "Draft Complaint") whereby it seeks to pursue (derivatively on behalf of the Debtor) the Alleged Voidable Transactions against CaucusCom and members of the Debtor's Board (the "Putative Defendants"). The Draft Complaint asserts that the Putative Defendants are liable to the Debtor for the losses the Debtor allegedly suffered as a result of the Alleged Voidable Transactions. The Debtor, however, believes that there is no liability on the part of MIG, the Debtor or the other Putative Defendants in connection with the Alleged Voidable Transactions. Moreover, assuming that some of or all the allegations against the Putative Defendants in the Alleged Voidable Transactions were true, in order to be granted derivative standing to assert a variety of tort and contract claims against the Putative Defendants, the Committee must demonstrate that it has satisfied four requirements:

- a demand has been made upon the statutorily authorized party to take action;
- the demand is declined;

- a colorable claim that would benefit the estate if successful exists, based on a cost-benefit analysis performed by the court; and
- the inaction is an abuse of discretion (i.e., unjustified) in light of the debtor-in-possession's duties in a Chapter 11 case.

The Debtor has objected to the Standing Motion and believes that the Committee cannot make the necessary evidentiary showing to satisfy any of these four requirements. A hearing in connection with the Standing Motion is scheduled for November 18, 2009.

H. Confidential Stipulation

Shortly after the commencement of this case, the Debtor and the Committee entered into a confidential stipulation (the "Confidential Stipulation"). The Confidential Stipulation was agreed to by the Debtor voluntarily to demonstrate its good faith to the Committee in the hopes that the two sides could work productively together. The Debtor is able to terminate the Confidential Stipulation upon with five (5) business days written notice to the Committee.

VI. SUMMARY OF THE PLAN OF REORGANIZATION

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

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

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

A. Overall Structure of the Plan

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

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

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

If the Plan is confirmed by the Bankruptcy Court and consummated, (i) the Claims in certain Classes will be Reinstated or modified and receive Distributions equal to the full amount of such Claims and (ii) the Claims of certain other Classes will be modified and receive Distributions constituting a partial recovery on such Claims. On the Initial Distribution Date and at certain times thereafter, the Reorganized Debtor will distribute Cash, New MIG Notes, New Preferred LLC Interests or New Common LLC Interests, and other property in respect of certain Classes of Claims and Interests as provided in the Plan. The Classes of Claims against and Interests in the Debtor created under the Plan, the treatment of those Classes under the Plan, and the other property to be distributed under the Plan, are described below.

B. Classification and Treatment of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1122 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims and Priority Tax Claims, which, pursuant to section 1123(a)(1), do not need to be classified). The Debtor also is required, under section 1122 of the Bankruptcy Code, to classify Claims against and Interests in the Debtor into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Debtor believes that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law, but it is possible that a Holder of a Claim or Interest may challenge the Debtor's classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In that event, the Debtor intends, to the extent permitted by the Bankruptcy Code, the Plan, and the Bankruptcy Court, to make such reasonable modifications to the classifications under the Plan to permit Confirmation and to use the Plan acceptances received for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting Holder ultimately is deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder initially was a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

The amount of any Impaired Claim that ultimately is Allowed by the Bankruptcy Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims ultimately Allowed by the Bankruptcy Court with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the value of the property that ultimately will be received by a particular Holder of an Allowed Claim under the Plan may be adversely (or favorably) affected by the aggregate amount of Claims ultimately Allowed in the applicable Class.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized below. The Debtor believes that the consideration, if any, provided under the Plan to Holders of Claims and Interests reflects an appropriate resolution of their Claims and Interests, taking into account the differing nature and priority (including applicable contractual and statutory subordination) of such Claims and Interests and the fair value of the Debtor's assets. The Debtor may seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, if necessary. Specifically, section 1129(b) of the Bankruptcy Code permits Confirmation of a chapter 11 plan in certain circumstances even if the plan has not been accepted by all Impaired classes of Claims and interests. See Section X.G below. Although the Debtor believes that the Plan can be confirmed under section 1129(b), there can be no assurance that the Bankruptcy Court will find that the requirements to do so have been satisfied.

1. Treatment of Unclassified Claims under the Plan

(a) ADMINISTRATIVE CLAIMS

Except to the extent that an Allowed Administrative Claim has been paid prior to the Initial Distribution Date, and except as otherwise provided for in the Plan, each Holder of an Administrative Claim shall be entitled to receive in full and complete settlement, release, and discharge of such Claim, payment in full in Cash of the unpaid portion of an Allowed Administrative Claim on the Distribution Date.

(b) PRIORITY TAX CLAIMS

Except to the extent that an Allowed Priority Tax Claim has been paid prior to the Initial Distribution Date, each Holder of an Allowed Priority Tax Claim shall be entitled to receive in full and complete settlement, release, and discharge of such Claim, payment in Cash of the unpaid portion of an Allowed Priority Tax Claim on the Distribution Date.

2. Treatment of Classified Claims and Interests under the Plan

(a) CLASS 1: OTHER PRIORITY CLAIMS

Classification: Class 1 consists of Other Priority Claims against the Debtor.

Treatment: The legal, equitable and contractual rights of the Holders of Allowed Class 1 Claims will be unaltered by the Plan. Unless otherwise agreed to by the Holders of the Allowed Class 1 Claims and the Debtor, each Holder of an Allowed Class 1 Claim shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 1 Claim, payment of the Allowed Class 1 Claim in full in Cash on the Distribution Date; provided, however, that, notwithstanding any contract provision or applicable law that entitles a holder of an Allowed Class 1 Claim to post-petition interest, no Allowed Class 1 Claim shall receive post-petition interest on account of such Claim.

Voting: Class 1 is Unimpaired, and the Holders of Class 1 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims will not be entitled to vote to accept or reject the Plan.

(b) CLASS 2: SECURED WORKERS' COMPENSATION OBLIGATIONS CLAIMS

Classification: Class 2 consists of Secured Workers' Compensation Obligations Claims against the Debtor.

Treatment: Each Holder of an Allowed Class 2 Claim shall have its Claim Reinstated and shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 2 Claim and on account of its Allowed Class 2 Claim, Cash payments in the ordinary course as set forth in the Order Authorizing the Debtor to Pay Certain Pre-Petition Workers' Compensation Obligation in the Ordinary Course of Business Pursuant to Sections 105(a) and 363 of the Bankruptcy Code [Docket No. 97].

Voting: Class 2 is Unimpaired, and the Holders of Class 2 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Claims will not be entitled to vote to accept or reject the Plan.

(c) CLASS 3: HAUF SECURED CLAIMS

Classification: Class 3 consists of the Hauf Secured Claims.

Treatment: The Class 3 Claims shall be Allowed in the amount of \$607,500 and shall be paid in Cash on the Distribution Date, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 3 Claim; provided, however, that, notwithstanding any contract provision or applicable law that entitles the Holder of the Allowed Class 3 Claims to interest, no Allowed Class 3 Claim shall receive post petition interest on account of such Claim.

Voting: Class 3 is Impaired, and the Holder of the Class 3 Claims will be entitled to vote to accept or reject the Plan.

Allowance: The Class 3 Claims shall be Allowed in the amount of \$607,500 (which is 90% of the total Class 3 Claims).

(d) CLASS 4: GENERAL UNSECURED CLAIMS

Classification: Class 4 consists of General Unsecured Claims against the Debtor.

Treatment: Each Holder of an Allowed Class 4 Claim shall be paid in Cash on the Distribution Date, seventy percent (70%) of the Allowed amount of its Class 4 Claim.

Voting: Class 4 is Impaired, and the Holders of Class 4 Claims will be entitled to vote to accept or reject the Plan.

(e) CLASS 5: APPRAISAL CLAIMS

Classification: Class 5 consists of the Appraisal Claims against the Debtor.

Treatment: On the Distribution Date, each Holder of an Allowed Class 5 Claim shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 5 Claim its Pro Rata share of Class 5's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value.

Voting: Class 5 is Impaired, and the Holders of Class 5 Claims will be entitled to vote to accept or reject the Plan.

Allowance: Class 5 Claims shall be Allowed in the amount of the Allowed Final Appraisal Amount.

(f) CLASS 6: NON-APPRAISAL CLAIMS

Classification: Class 6 consists of all Non-Appraisal Claims in the Debtor.

Treatment: On the Distribution Date, each Holder of an Allowed Class 6 Claim shall be entitled to elect to receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 6 Claim, one of the following forms of treatment under the Plan: (i) one Preferred Unit per share of Preferred Equity Interests held by such Holder of an Allowed Class 6 Claim; or (ii) its Pro Rata share of Class 6's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value; provided, however, that the Holder of an Allowed Class 6 Claim makes the written election provided for in Section 3.03(d)(ii) of the Plan on a validly executed Ballot that is delivered on or before the Voting Deadline. Holders of Allowed Class 6 Claims that do not properly and timely make this written election shall be treated in accordance with Section 3.03(d)(i) of the Plan.

Voting: Class 6 is Impaired, and Holders of Class 6 Claims will be entitled to vote to accept or reject the Plan.

Allowance: Class 6 Claims shall be Allowed in the amount of the Allowed Non-Appraisal Amount.

(g) CLASS 7: COMMON EQUITY INTERESTS

Classification: Class 7 consists of all Common Equity Interests in the Debtor.

Treatment: Each Holder of an Allowed Class 7 Interest shall receive their Pro Rata share of Common A Membership Interests.

Voting: Class 7 is Impaired, and the Holders of Class 7 Interests will be entitled to vote to accept or reject the Plan.

3. *Special Provisions Regarding Insured Claims*

Under the Plan, an Insured Claim is any Claim or portion of a Claim (other than a Secured Workers' Compensation Obligation Claim) that is insured under the Debtor's insurance policies, but only to the extent of such coverage. Distributions under the Plan to each holder of an Insured Claim will be in accordance with the treatment provided under the Plan for General Unsecured Claims; provided, however, that the maximum amount of any Distribution under the Plan on account of an Allowed Insured Claim will be limited to an amount equal to the applicable self-insured retention under the relevant insurance policy; provided further, however, that, to the extent a holder has an Allowed Insured Claim, the amount of which exceeds the total

coverage available from the relevant insurance policies of the Debtor, such holder will have an Allowed General Unsecured Claim in the amount by which such Allowed Insured Claim exceeds the coverage available from the Debtor's insurance policies. Furthermore, nothing in Section 3.04 of the Plan will constitute a waiver of any Litigation Rights the Debtor may hold against any Person, including the Debtor's insurance carriers; and nothing in Section 3.04 of the Plan is intended to, will, or will be deemed to preclude any holder of an Allowed Insured Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtor in addition to (but not in duplication of) any Distribution such holder may receive under the Plan; provided, however, that the Debtor does not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estate to which they are entitled.

The Plan does not expand the scope of, or alter in any other way, the rights and obligations of the Debtor's insurers under their policies, and the Debtor's insurers will retain any and all defenses to coverage that such insurers may have, including the right to contest and/or litigate with any party, including the Debtor, the existence, primacy and/or scope of available coverage under any alleged applicable policy.

4. Reservation of Rights Regarding Claims

Except as otherwise explicitly provided in the Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Claims, including, but not limited to, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

C. Reorganized Debtor's Obligations Under the Plan

From and after the Effective Date, the Reorganized Debtor shall exercise its reasonable discretion and business judgment to perform the corresponding obligations set forth under the Plan of its predecessor or predecessor-in-interest. The Plan will be administered and actions will be taken in the name of the Debtor and the Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor shall conduct, among other things, the following tasks:

- administer the Plan and take all steps and execute all instruments and documents necessary to effectuate the Plan;
- pursue (including, as it determines through the exercise of its business judgment, prosecuting, enforcing, objecting to, litigating, reconciling, settling, abandoning, and resolving) all of the rights, Claims, Causes of Action, defenses, and counterclaims retained by the Debtor or the Reorganized Debtor;
- reconcile Claims and resolve Disputed Claims, and administer the Claims Allowance and disallowance processes as set forth in the Plan, including objecting to, prosecuting, litigating, reconciling, settling, and resolving Claims and Disputed Claims in accordance with the Plan;

- make decisions regarding the retention, engagement, payment, and replacement of professionals, employees and consultants;
- administer the Distributions under the Plan, including making Distributions in accordance with the terms of the Plan;
- exercise such other powers as necessary or prudent to carry out the provisions of the Plan;
- file appropriate tax returns; and
- take such other action as may be necessary or appropriate to effectuate the Plan.

D. Description of New Securities under the Plan

The following is a summary of the terms of the New MIG Notes Indenture and 10.5% Senior Notes Due 2017 to be issued pursuant to the New MIG Notes Indenture (the “Notes”). Also the terms of the Operating Agreement, New Preferred LLC Interests and the New Common LLC Interests are described below.

1. Summary Description of New MIG Notes Indenture and the Notes⁵

Notes Offered	10.5% Senior Notes Due 2017
Issuer	New MIG LLC (the “ <u>Issuer</u> ”)
Interest Rate	10.5%
	Interest on the Notes following and during the continuance of an Event of Default shall accrue at a rate of 12.5%.
Maturity Date	The seventh anniversary of the Effective Date.
Interest Payment Dates	Semi-annually commencing six (6) months following the Effective Date, and at maturity or earlier prepayment (each an “ <u>Interest Payment Date</u> ”).
Prepayment	The Issuer may elect to prepay any interest or principal payment, in whole or in part, at any time without penalty. So long as no Default or Event of Default shall have occurred and be continuing, any Prepayment shall be applied by the Issuer to reduce the outstanding principal

⁵ Capitalized terms used in this section describing the New MIG Notes Indenture and Notes but not otherwise defined herein have the meanings ascribed to such terms in the New MIG Notes Indenture to be filed with the Plan Supplement.

amount of the Notes.

Mandatory Prepayment

To the extent the net cash proceeds from the sale or sales of assets by the Issuer prior to the Maturity Date, in the aggregate, exceed \$100 million, the outstanding principal amount of the Notes plus accrued and unpaid interest, if any, thereon to the date of such prepayment shall be repaid, in whole or in part and without premium or penalty, in an amount equal to 50% of the net cash proceeds in excess of \$100 million.

The outstanding principal amount of the Notes, plus accrued and unpaid interest, if any, thereon to the date of such prepayment shall be repaid, in whole without premium or penalty, upon the occurrence of a Change of Control (to be defined in the New MIG Notes Indenture).

Events of Default

The following shall constitute Events of Default under the Indenture in respect of the Notes: (i) default in the payment of any interest payment or any prepayment on any Note when it becomes due and payable, and continuance of such default for a period of 30 days, (ii) default in any payment of principal on any Note when it becomes due and payable, (iii) default in the performance, or breach, of any covenant or warranty of the Issuer in the New MIG Notes Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in clause (i), (ii), (iv) or (v) specifically dealt with), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Issuer by the trustee or to the Issuer and the trustee by the requisite holders of the Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Indenture, (iv) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under the Bankruptcy Code or any other similar Federal or State law or (B) a decree or order adjudging the Issuer as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or of any substantial part of the property of the Issuer, or ordering the winding up or liquidation of the affairs of the Issuer, and the continuance of any such

decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days, and (v) the commencement by the Issuer of a voluntary case or proceeding under the Bankruptcy Code or any other similar Federal or State law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer to the entry of a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under the Bankruptcy Code or any other similar Federal or State law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer, or the filing by the Issuer of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by the Issuer to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Issuer or of any substantial part of the property of the Issuer, or the making by the Issuer of an assignment for the benefit of creditors, or the admission by the Issuer in writing of its inability to pay its debts generally as they become due.

Denominations	The Notes issued in definitive registered form without coupons are issuable only in initial denominations of \$1,000 and in any integral multiple of \$1,000 in excess thereof or any remaining principal amount of Notes, if less.
Issuance of Additional Debt	The Indenture restricts the Issuer and its direct and indirect subsidiaries (other than Magticom) from issuing funded debt; provided that the Issuer and its direct and indirect subsidiaries (other than Magticom) may issue funded debt that in aggregate principal amount does not exceed \$50 million and is not be used to fund distributions or dividends to equity holders of the Issuer or any of its Subsidiaries.
Magticom Debt	The New MIG Notes Indenture will not restrict the incurrence of debt by Magticom.
Reports by the Issuer	The Issuer will provide (i) annual audited financial statements for each of the Issuer and Magticom within 90 days after the end of each fiscal year of the Issuer and/or Magticom; and (ii) quarterly unaudited financial statements for the Issuer and Magticom within 90 days after the end of each fiscal quarter of the Issuer and Magticom.

Security	The Notes are secured by pledges by New MIG LLC and ITC Cellular LLC of their respective rights to receive dividends and distributions from their direct subsidiaries.
Investment Considerations	Investment in the Notes involves a significant degree of risk. The Notes have not been rated by any credit rating agency.

2. Description of New Limited Liability Company Agreement

As part of the Plan, the Debtor will be converted into a Delaware limited liability company. As provided in the Delaware Limited Liability Company Act, the Reorganized Debtor will constitute a continuation of the existence of the Debtor. The affairs of the Reorganized Debtor will be governed by the Operating Agreement.

The Operating Agreement provides that the limited liability company interests of the Reorganized Debtor are initially divided into three (3) classes: (i) Common A Membership Interests (represented by “Common A Units” and held by “Common A Members”); (ii) Common B Membership Interests (represented by “Common B Units” and held by “Common B Members,” and together with the Common A Members, the “Common Members”); and (iii) the New Preferred LLC Interests (represented by “Preferred Units” and held by “Preferred Members”). Each class of limited liability company interests is described in more detail below.

The business and affairs of the Reorganized Debtor are managed by or under the direction of a board of managers (the “Board”), initially consisting of six (6) managers, four (4) of whom are elected by the affirmative vote of at least a majority of the “Common Units” (comprising both Common A Units and Common B Units) held by Common Members, voting together as a single class, and up to two (2) of whom are elected by the affirmative vote of at least a majority of the Preferred Units held by Preferred Members. For so long as the Preferred Members (i) hold at least 50% of the Preferred Units outstanding as of the Effective Date, the Preferred Members shall be entitled to elect up to two (2) managers (the “Preferred Managers,” and each, a “Preferred Manager”), who shall be elected by the affirmative vote of the Preferred Members holding at least a majority of the then outstanding Preferred Units and (ii) hold at least 25%, but less than 50%, of the Preferred Units outstanding as of the Effective Date, the Preferred Members shall be entitled to elect only one (1) Preferred Manager, who shall be elected by the affirmative vote of the Preferred Members holding at least a majority of the then outstanding Preferred Units. Additionally, for so long as the Common B Members (i) hold at least 25% of the Common B Units outstanding as of the Effective Date, the Common B Members shall be entitled to elect an Appraisal Claims Representative to attend and observe all meetings of the Board, subject to certain limitations. The initial Appraisal Claims Representative will be designated by the Committee on or before the Effective Date. Thereafter, the Appraisal Claims Representative shall be elected by the affirmative vote of the Common B Members holding at least a majority of the then outstanding Class B Units, voting separately as a single class.

The Board may appoint officers and agents of the Reorganized Debtor to exercise such powers and perform such duties as may be determined from time to time by the Board. Pursuant to the Operating Agreement, the Reorganized Debtor is obligated to exculpate, indemnify, and advance expenses to, the managers, officers and key employees of the Reorganized Debtor (acting in such capacity), for any loss, damage or claim incurred or suffered by reason of any act or omission performed or omitted by such manager, officer or key employee. Notwithstanding such exculpation, such individuals remain liable for any such loss, damage or claim incurred or suffered by reason of any act or omission performed or omitted by such individual involving a violation of the implied contractual covenant of good faith and fair dealing. The Reorganized Debtor is also obligated to provide a director and officer liability insurance policy for the former and current directors and officers of the Reorganized Debtor.

The Operating Agreement provides that the Board may, without any vote or approval of the Common Members or the Preferred Members, approve and take all necessary action to consummate a public offering pursuant to an effective registration statement under the Securities Act of 1933 (the “Securities Act”) filed with the Securities and Exchange Commission or the equivalent thereof in a jurisdiction other than the United States. The Operating Agreement further provides that the Board may, without any vote or approval of the Common Members or the Preferred Members, convert the Reorganized Debtor into another form of legal entity (including a corporation), and in connection with such conversion, the New Common LLC Interests and the New Preferred LLC Interests in the Reorganized Debtor may be converted into or exchanged for capital stock or other equity securities as the Board may determine.

3. Description of New Preferred LLC Interests

The New Preferred LLC Interests in the Reorganized Debtor are represented by “Preferred Units.” The Reorganized Debtor is authorized to issue up to _____ Preferred Units. Each Preferred Unit is represented by a certificate in the form attached to the Operating Agreement. A Preferred Unit entitles the holder thereof to share in the profits and losses, and distributions from, and to receive such allocation of income, gain, loss, deduction, credit or similar item of, the Reorganized Debtor. The Preferred Members are not entitled to vote or otherwise participate in the management or operation of the Reorganized Debtor, except (i) with respect to the election of managers of the Reorganized Debtor as provided above and (ii) that the vote of at least 66-2/3% of the Preferred Members is required for the Reorganized Debtor to create, authorize or issue any units ranking senior to the Preferred Units or to amend the Operating Agreement to adversely affect the specified rights, preferences, privileges or voting rights of the Preferred Members. Preferred Members are entitled, when, as and if declared by the Board, to receive distributions on each outstanding Preferred Unit in the amount of 7.25%, payable quarterly, at the option of the Board, in cash, by issuing Common Units or a combination thereof, which such dividends accrue whether or not paid and declared by the Board. The Preferred Units rank, as to distributions, senior to the Common Units. The Board may redeem all or part of the outstanding Preferred Units, in cash, by delivery of Common A Units, or a combination thereof.

4. Description of New Common LLC Interests

The New Common LLC Interests in the Reorganized Debtor include Common A Membership Interests and Common B Membership Interests. The Common A Membership Interests will be issued to Holders of Allowed Class 7 Claims. The Common B Membership Interests will be issued to any Holders of Allowed Class 5 Claims and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders. The sole difference between the Common A Membership Interests and the Common B Membership Interests is that the holders of the Common B Membership Interests are entitled to elect the Appraisal Claims Representative described above.

The New Common LLC Interests are represented by “Common Units.” The Reorganized Debtor is authorized to issue up to _____ Common A Units and up to _____ Common B Units. Each Common Unit is represented by a certificate in the form attached to the Operating Agreement. A Common Unit entitles the holder thereof to share in the profits and losses, and distributions from, and to receive such allocation of income, gain, loss, deduction, credit or similar item of, the Reorganized Debtor. Except as provided above with respect to the right of the Preferred Members to vote as a separate single class with respect to certain matters and with respect to the election of managers as described above, Common Members are entitled to vote on all matters that require a vote of the members under the Operating Agreement, voting together as a single class. Subject to the preferential distributions payable upon the Preferred Units as described above, distributions may be declared and paid on the Common Units at such times and in such amounts as the Board in its discretion may determine.

E. Preservation and Pursuit of Rights; Resulting Claim Treatment

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code and to the fullest extent possible under applicable law, on the Effective Date, the Reorganized Debtor shall retain and may enforce, and shall have the sole right to enforce or prosecute, any claims, demands, rights and Causes of Action that the Debtor may hold against any Entity, including all Avoidance Actions. The Reorganized Debtor or its successor may pursue such retained claims, demands, rights or Causes of Action or Avoidance Actions, as appropriate, in accordance with the best interests of the Reorganized Debtor or its successor holding such claims, demands, rights, Causes of Action or Avoidance Actions.

If, as a result of the pursuit of any Litigation Rights or Avoidance Actions, a Claim would arise from a recovery pursuant to section 550 of the Bankruptcy Code after Distributions under the Plan have commenced, making it impracticable to treat the Claim in accordance with the applicable provisions of Article VII of the Plan, the Reorganized Debtor shall be permitted to reduce the recovery by an amount that reflects the value of the treatment that would have been accorded to the Claim under the Plan, thereby effectively treating the Claim through the reduction.

F. Allowed Claims, Distribution Rights and Objections to Claims

1. Allowance Requirement

Only Holders of Allowed Claims are entitled to receive Distributions under the Plan. An Allowed Claim is a Claim or any portion thereof (a) that has been Allowed by a Final Order of the Bankruptcy Court (or such court as the Debtor or Reorganized Debtor, as applicable, and the Holders of any such Claim agree may adjudicate such Claim and any objections thereto), (b) that either (x) has been scheduled as a liquidated, non-contingent, and undisputed Claim in an amount greater than zero on the Schedules, or (y) is the subject of a timely Filed proof of Claim as to which either (i) no objection to its Allowance has been Filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code, or any order of the Bankruptcy Court, or on or before the Claims Objection Deadline or (ii) any objection to its Allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (c) that is expressly Allowed in a liquidated amount in the Plan; provided, however, that with respect to an Administrative Claim, "Allowed Claim" means an Administrative Claim as to which a timely written request for payment has been made in accordance with applicable bar dates for such requests set by the Bankruptcy Court (if such written request is required) in each case as to which the Debtor, Reorganized Debtor, or any other party in interest (x) has not interposed a timely objection by the applicable Claims Objection Bar Date or (y) has interposed a timely objection and such objection has been settled, waived through payment, or withdrawn, or has been denied by a Final Order; provided further, however, that for purposes of determining the status (i.e., Allowed or Disputed) of a particular Claim prior to the expiration of the period fixed for filing objections to the Allowance or disallowance of Claims, any such Claim which has not been previously Allowed or Disallowed by a Final Order of the Bankruptcy Court or the Plan will be deemed a Disputed Claim unless such Claim is specifically identified by the Debtor as being an Allowed Claim. Unless otherwise provided in the Plan, section 506(b) of the Bankruptcy Code, or a Final Order of the Bankruptcy Court, "Allowed Claim" will not, for purposes of Distributions under the Plan, include for prepetition Claims interest or any other amounts accruing on, in connection with, or with respect to, such Allowed Claim from and after the Petition Date.

An Allowed Administrative Claim is an Allowed Claim arising under Bankruptcy Code section 507(a)(2) for costs and expenses of administration of the Chapter 11 Case under Bankruptcy Code sections 503(b), 507(b) or 1114(e)(2), to the extent not previously paid, including, but not limited to, (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the business of the Debtor (such as wages, salaries and commissions for services rendered after the commencement of the Chapter 11 Case and payments for premises), (b) all other Claims entitled to Administrative Claim status pursuant to a Final Order of the Bankruptcy Court, but excluding Priority Tax Claims, Other Priority Claims and Professional Fee Claims, and (c) all fees and charges assessed against the Estate under chapter 123 of title 28, United States Code.

In no event will those Administrative Claims or those other Claims subject to disallowance under section 502(d) of the Bankruptcy Code be deemed to be an Allowed Claim.

2. Distribution Record Date Requirements

In making Distributions under the Plan, the Debtor will recognize only Holders as of the applicable Distribution Record Date. As defined in the Plan, the Distribution Record Date is the date for determining entitlement to receive Distributions under the Plan on account of Allowed Claims and/or Allowed Interests. For all Holders of Claims, the Distribution Record Date is on the third (3rd) Business Day after the Confirmation Date at 5:00 p.m. prevailing Eastern Time.

At the close of business on the Distribution Record Date, the claims registers for all Claims will be closed, and there will be no further changes in the record holders of such Claims. Except as provided in the Plan, the Reorganized Debtor, the Disbursing Agent, and each of their respective agents, successors, and assigns will have no obligation to recognize any transfer of Claims occurring after the Distribution Record Date and will be entitled instead to recognize and deal for all purposes thereunder with only those record holders stated on the claims registers as of the close of business on the Distribution Record Date irrespective of the number of Distributions to be made under the Plan to such Persons or the date of such Distributions.

3. Date of Distribution

All Distributions to Holders of Allowed Claims and/or Allowed Interests as of the applicable Distribution Date will be made on or as soon as practicable after the applicable Distribution Date. Distributions on account of Claims that first become Allowed Claims after the applicable Distribution Date will be made pursuant to Section 8.02 of the Plan and on such day as selected by the Reorganized Debtor, in its sole discretion.

Distributions made after the Effective Date will be deemed to have been made on the Effective Date. The Reorganized Debtor will have the right, in its discretion, to accelerate any Distribution Date occurring after the Effective Date if the facts and circumstances warrant. The Plan provides, however, that as to all Allowed Claims, a later date than those specifically prescribed in the Plan may be established by order of the Bankruptcy Court upon motion of the Debtor, the Reorganized Debtor or any other party.

4. Sources of Cash for Plan Distributions

Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for the Reorganized Debtor to make payments pursuant to the Plan will be obtained from the Debtor's Cash balances. Cash payments to be made pursuant to the Plan will be made by the Disbursing Agent as set forth in Article VII of the Plan.

5. Interest on Claims; Dividends

Unless otherwise specifically provided for in the Plan or the Confirmation Order, post-petition interest will not accrue or be paid on Claims, and no Holder of a Claim will be entitled to interest accruing on or after the Petition Date on any Claim. Unless otherwise

specifically provided for in the Plan or the Confirmation Order, interest will not accrue or be paid upon any Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Claim becomes an Allowed Claim.

6. Making of Distributions

The Debtor will, on or before the Effective Date, designate the Person or Entity to serve as the Disbursing Agent under the Plan on terms and conditions mutually agreeable to the Debtor and such Person or Entity. The Reorganized Debtor may also serve as the Disbursing Agent. At the direction of the Reorganized Debtor, Distributions to Holders of Allowed Claims will be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim Filed by such Holders, (b) at the addresses reflected in the Schedules if no Proof of Claim has been Filed, or (c) at the addresses set forth in any written notices of address changes delivered to the Debtor, the Reorganized Debtor or the Disbursing Agent after the date of any related Proof of Claim or after the date of the Schedules if no Proof of Claim was Filed.

If any Holder's Distribution is returned as undeliverable, a reasonable effort will be made to determine the current address of such Holder, but no further Distributions to such Holder will be made unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed Distributions will be made to such Holder without interest. Unless otherwise agreed by the Reorganized Debtor and the Disbursing Agent, amounts in respect of undeliverable Distributions made by the Disbursing Agent will be returned to the Reorganized Debtor and held in trust by the Reorganized Debtor, until such Distributions are claimed at which time the applicable amounts will be returned to the Disbursing Agent for Distribution pursuant to the Plan.

All claims for undeliverable Distributions must be made on or before the second (2nd) anniversary of the Initial Distribution Date, after which date all unclaimed property will revert to the Reorganized Debtor free of any restrictions thereon and the claims of any Holder or successor to such Holder with respect to such property will be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary. Nothing contained in the Plan will require any Debtor, any Reorganized Debtor or any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

The Disbursing Agent will make all Distributions required to be made to Holders of Claims under the Plan. If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent will receive, without further approval from the Bankruptcy Court, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out of pocket expenses incurred in connection with such services from Reorganized Debtor. The Plan provides that no Disbursing Agent will be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

7. Tax Withholding, Payment and Reporting Requirements

In connection with the Plan and all Distributions under the Plan, the Disbursing Agent will, to the extent applicable, comply with all tax withholding, payment, and reporting

requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all Distributions under the Plan will be subject to any such withholding, payment, and reporting requirements. The Disbursing Agent will be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment, and reporting requirements. For example, with respect to any employee-related withholding, if the Debtor is obligated by law to withhold amounts from Distributions to a present or former employee to satisfy such present or former employee's tax and other payroll obligations, the Disbursing Agent may withhold a portion of the Distributions allocated to the Holder of an Allowed Claim that is a present or former employee, whether such Distributions are in the form of Cash, in such amount as is determined necessary to satisfy such Holder's tax and other payroll obligations with respect to the Distributions. Notwithstanding any other provision of the Plan, (a) each Holder of an Allowed Claim that is to receive a Distribution pursuant to the Plan will have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution, and including, in the case of any Holder of a Disputed Claim that has become an Allowed Claim, any tax obligation that would be imposed upon the Reorganized Debtor in connection with such Distribution, and (b) no Distribution will be made to or on behalf of such Holder pursuant to the Plan unless and until such Holder has made arrangements satisfactory to the Disbursing Agent for the payment and satisfaction of such withholding tax obligations or such tax obligation that would be imposed upon the Reorganized Debtor in connection with such Distribution. Any property to be distributed pursuant to the Plan will, pending the implementation of such arrangements, be treated as an undeliverable Distribution pursuant to Section 7.07 of the Plan.

8. *Setoffs*

The Reorganized Debtor may, but will not be required to, set off against any Claim or any Allowed Claim, and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever that the Debtor or the Reorganized Debtor may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the Allowance of any Claim hereunder will constitute a waiver or release by the Reorganized Debtor of any such claim that the Debtor or the Reorganized Debtor may have against such Holder.

9. *Means of Cash Payment*

The Plan provides that Cash payments under the Plan will be in U.S. funds, and will be made, at the option, and in the sole discretion, of the Reorganized Debtor, by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Reorganized Debtor. Cash payments to foreign creditors may be made, at the option, and in the sole discretion, of the Reorganized Debtor, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction. Cash payments made pursuant to the Plan in the form of checks issued by the Reorganized Debtor will be null and void if not cashed within 120 days of the date of the issuance thereof. Requests for reissuance of any check will be made directly to the Reorganized Debtor.

For purposes of effectuating Distributions under the Plan, any Claim denominated in foreign currency will be converted to U.S. dollars pursuant to the applicable published exchange rate in effect on the Petition Date.

10. *Fractional Distributions*

Notwithstanding any other provision of the Plan to the contrary, no fractional units of New Common LLC Interests or New Preferred LLC Interests will be issued or distributed, no New MIG Notes will be issued in an amount less than \$1,000, and no cash payments of fractions of cents will be made. Fractional cents shall be rounded to the nearest whole cent (with .5 cent or less to be rounded down). Fractional New Preferred LLC Interests or New Common LLC Interests shall be rounded to the nearest whole unit (with .5 unit or less to be rounded down). New MIG Notes in denominations of less than \$1,000 shall be rounded to the nearest \$1,000 increment (with New MIG Notes in denominations of \$50 or less to be rounded down). No cash will be paid in lieu of such fractional shares or New MIG Notes in increments of less than \$1,000.

11. *De Minimis Distributions*

The Plan provides that notwithstanding anything to the contrary contained in the Plan, the Disbursing Agent will not be required to distribute, and will not distribute, Cash or other property to the Holder of any Allowed Claim if the amount of Cash or other property to be distributed on account of such Claim is less than \$50. Any Holder of an Allowed Claim on account of which the amount of Cash or other property to be distributed is less than such amount will have such Claim discharged and will be forever barred from asserting such Claim against the Debtor, the Reorganized Debtor, or their respective property. Any Cash or other property not distributed pursuant to this provision will be the property of the Reorganized Debtor, free of any restrictions thereon.

12. *Pre-Payment*

Except as otherwise provided in the Plan, any ancillary documents entered into in connection with the Plan, or the Confirmation Order, the Reorganized Debtor will have the right to pre-pay, without penalty, all or any portion of an Allowed Claim entitled to payment in Cash at any time; provided, however, that any such pre-payment will not be violative of, or otherwise prejudice, the relative priorities and parities among the Classes of Claims.

13. *No Distribution in Excess of Allowed amounts*

Notwithstanding anything to the contrary set forth in the Plan, no Holder of an Allowed Claim shall receive in respect of such Claim any Distribution of a value as of the Effective Date in excess of the Allowed amount of such Claim (excluding payments on account of interest due and payable from and after the Effective Date pursuant to the Plan, if any).

14. Allocation of Distributions

All Distributions received under the Plan by Holders of Claims will be deemed to be allocated first to the principal amount of such Claim as determined for United States federal income tax purposes and then to accrued interest, if any, with respect to such Claim.

15. Objection Procedures

All objections to Claims, other than Claims that are deemed to be disputed, must be Filed and served on the Holders of such Claims by the applicable Claims Objection Bar Date. If a timely objection has not been Filed to a Proof of Claim or the Schedules have not been amended with respect to a Claim that (i) was scheduled by the Debtor but (ii) was not scheduled as contingent, unliquidated and/or disputed, the Claim to which the Proof of Claim or scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been Allowed earlier.

With respect to Administrative Claims, the last day for Filing an objection to any Administrative Expense Claim will be the later of (a) 180 days after the Effective Date, (b) 90 days after the filing of such Administrative Claim or (c) such other date specified in the Plan or ordered by the Bankruptcy Court. The filing of a motion to extend the Administrative Claims Bar Date will automatically extend the Administrative Claims Bar Date until a Final Order is entered on such motion. In the event that such motion to extend the Administrative Claims Bar Date is denied by the Bankruptcy Court, the Administrative Claims Bar Date will be the later of the current Administrative Claims Bar Date (as previously extended, if applicable) or 30 days after the Bankruptcy Court's entry of an order denying the motion to extend the Administrative Claims Bar Date.

With respect to Unsecured Claims, the last day for filing objections to Claims, Administrative Claims and Professional Fee Claims, will be the latest of (a) one hundred and eighty (180) days after the Effective Date, (b) thirty (30) days after entry of a Final Order under section 502(j) of the Bankruptcy Code Reinstating any Claim previously Disallowed, or (c) such other later date as is established by order of the Bankruptcy Court upon motion of the Debtor, the Reorganized Debtor or any other party in interest.

After the Effective Date, only the Reorganized Debtor will have the authority to File objections to Claims and to settle, compromise, withdraw, or litigate to judgment objections to Claims, including, without limitation, Claims for reclamation under section 546(c) of the Bankruptcy Code. The Reorganized Debtor may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

16. Estimation of Contingent or Unliquidated Claims

The Debtor or the Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtor or the Reorganized Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time

during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event the Bankruptcy Court so estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as applicable and as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection to Claims, estimation, and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanisms.

17. Provisions for Disputed Claims

No payments or Distributions will be made on account of a Disputed Claim or, if less than the entire Claim is a Disputed Claim, the portion of a Claim that is Disputed, until such Disputed Claim becomes an Allowed Claim.

The Disbursing Agent will, on the applicable Distribution Dates, make Distributions on account of any Disputed Claim that has become an Allowed Claim. Such Distributions will be made pursuant to the provisions of the Plan governing the applicable Class. Such Distributions will be based upon the Distributions that would have been made to the Holder of such Claim under the Plan if the Disputed Claim had been an Allowed Claim on the Effective Date in the amount ultimately Allowed.

The Plan provides that, on the Effective Date and on each subsequent Distribution Date, the Debtor or Reorganized Debtor will withhold on a Pro Rata basis from property that would otherwise be distributed to Classes of Claims entitled to Distributions under the Plan on such date, in a separate Disputed Claims Reserve, such amounts or property as may be necessary to equal one hundred percent (100%) of Distributions to which Holders of such Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed in their Disputed Claims Amount. The Debtor or Reorganized Debtor may request, if necessary, estimation for any Disputed Claim that is contingent or unliquidated, or for which the Debtor or Reorganized Debtor determines to reserve less than the Face Amount. The Debtor or Reorganized Debtor will withhold the applicable portion of the Disputed Claims Reserve with respect to such Claims based upon the estimated amount of each such Claim as estimated by the Bankruptcy Court. If the Debtor or Reorganized Debtor elects not to request such an estimation from the Bankruptcy Court with respect to a Disputed Claim that is contingent or unliquidated, the Debtor or Reorganized Debtor will withhold the applicable Disputed Claims Reserve based upon the good faith estimate of the amount of such Claim by the Debtor or Reorganized Debtor. If practicable, the Debtor or Reorganized Debtor will invest any Cash that is withheld as the applicable Disputed Claims Reserve in an appropriate manner to ensure the safety of the investment. Nothing in the Plan or Disclosure Statement will be deemed to entitle the Holder of a Disputed Claim to post-petition interest on such Claim, however.

G. Disposition of Executory Contracts and Unexpired Leases

1. Executory Contracts and Unexpired Leases Deemed Assumed

The Plan provides for the deemed assumption of all written Executory Contracts or Unexpired Leases that have not been otherwise disposed of. Specifically, except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, the Debtor will be deemed to have assumed each pre-petition written Executory Contract and Unexpired Lease to which it is a party unless such contract or lease (a) was previously assumed or rejected upon motion by a Final Order, (b) previously expired or terminated pursuant to its own terms, (c) is listed on the Schedule of rejected contracts and leases to be provided with the Plan Supplement, or (d) is the subject of any pending motion, including a motion to assume, to assume on modified terms, to reject, or to make any other disposition Filed by the Debtor on or before the Confirmation Date. The Confirmation Order will constitute an order of the Bankruptcy Court under section 365(a) of the Bankruptcy Code approving the assumption and/or assignment of pre-petition Executory Contracts and Unexpired Leases described above, as of the Effective Date. Notwithstanding anything to the contrary, the Debtor and the Reorganized Debtor reserve the right to assert that any license, franchise and partially performed contract is a property right and not an Executory Contract. Contracts and leases entered into after the Petition Date will be performed by the Reorganized Debtor in the ordinary course of business.

2. Assignment of Executory Contracts and Unexpired Leases

To the extent provided under the Bankruptcy Code or other applicable law, any Executory Contract or Unexpired Lease transferred and assigned pursuant to the Plan will remain in full force and effect for the benefit of the transferee or assignee in accordance with its terms, notwithstanding any provision in such Executory Contract or Unexpired Lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts or conditions such transfer or assignment. To the extent provided under the Bankruptcy Code or other applicable law, any provision that prohibits, restricts or conditions the assignment or transfer of any such Executory Contract or Unexpired Lease or that terminates or modifies such Executory Contract or Unexpired Lease or allows the counterparty to such Executory Contract or Unexpired Lease to terminate, modify, recapture, impose any penalty, condition renewal or extension or modify any term or condition upon any such transfer and assignment constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

3. Rejection Damages Bar Date for Rejections Pursuant to Plan

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan results in a Claim, then such Claim will be forever barred and will not be enforceable against the Debtor or Reorganized Debtor or the properties of any of them unless a Proof of Claim is Filed with the Voting Agent and served upon counsel to the Reorganized Debtor within thirty (30) days after entry of the order authorizing the rejection of such Executory Contract or Unexpired Lease. The foregoing applies only to Claims arising from the rejection of an Executory Contract or Unexpired Lease; any other Claims held by a party to a rejected contract or lease will have

been evidenced by a Proof of Claim Filed by earlier applicable Bar Dates or will be barred and unenforceable.

4. Rejection of Executory Contracts and Unexpired Leases

The contracts and leases set forth in the Plan Supplement will be deemed rejected as of the Effective Date. Under the Plan, the Debtor reserves the right, at any time prior to the Effective Date, except as otherwise specifically provided in the Plan, to seek to reject any Executory Contract or Unexpired Lease to which any Debtor is a party and to File a motion requesting authorization for the rejection of any such Executory Contract or Unexpired Lease.

5. Cure with Respect to Assumed Executory Contracts and Unexpired Leases

Any monetary amounts by which each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan is in default will be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure. If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of any Reorganized Debtor or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, Cure will occur following the entry of a Final Order by the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided, however, that the Debtor or Reorganized Debtor, as applicable, will be authorized to reject any Executory Contract or Unexpired Lease to the extent the Debtor or Reorganized Debtor, in the exercise of its sound business judgment, conclude that the amount of the Cure obligation, as determined by such Final Order, renders assumption of such Executory Contract or Unexpired Lease unfavorable to the Debtor or Reorganized Debtor. Cure amounts are listed in the Plan Supplement, which shall be Filed at least ten (10) days prior to the Confirmation Hearing as part of the Plan Supplement. If no Cure amount for an assumed Executory Contract or Unexpired Lease is listed in the Plan Supplement, the Cure amount shall be deemed to be \$0

The foregoing applies only to assumptions that will occur pursuant to the provisions of the Plan, rather than to assumptions that will occur pursuant to separate motions. Parties to the contracts and leases proposed to be assumed under such motions have the opportunity to File an objection disputing the amount of cure designated by the Debtor in such motions. If the dispute cannot be consensually resolved, the Bankruptcy Court will determine the amount of cure the Debtor must pay to assume the contract or lease at issue.

6. Indemnification Obligations

The Plan provides that Indemnification Obligations owed to directors, officers, and employees of the Debtor (or the Estate) who served or were employed by the Debtor as of or after the Petition Date, excluding (i) claims resulting from gross negligence, willful misconduct, breach of fiduciary duty, self-interested transactions or intentional tort and (ii) claims arising from actions, events or circumstances prior to the Petition Date, will be deemed to be, and will be treated as though they are, Executory Contracts that are assumed pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan.

The Plan further provides that all Indemnification Obligations owed to directors, officers, and employees of the Debtor who served or were employed by the Debtor on or prior to the Petition Date will be deemed to be, and will be treated as though they are Executory Contracts that are rejected pursuant to section 365 of the Bankruptcy Code under the Plan.

Indemnification Obligations owed to any Professionals retained pursuant to sections 327 or 328 of the Bankruptcy Code and order of the Bankruptcy Court, to the extent that such Indemnification Obligations relate to the period after the Petition Date, excluding claims resulting from gross negligence, willful misconduct, breach of fiduciary duty, self-interested transactions or intentional tort, will be deemed to be, and will be treated as though they are, Executory Contracts that are assumed pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan.

7. Continuing Obligations Owed to Debtor

Under the Plan, any confidentiality agreement entered into between the Debtor and any other Person requiring the parties to maintain the confidentiality of each other's proprietary information will be deemed to be, and will be treated as though it is, an Executory Contract that is assumed and assigned pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan.

The Plan also provides that continuing obligations of third parties to the Debtor under insurance policies, contracts, or leases that have otherwise ceased to be executory or have otherwise expired on or prior to the Effective Date, including, without limitation, continuing obligations to pay insured claims, to defend against and process claims, to refund premiums or overpayments, to provide indemnification, contribution or reimbursement, to grant rights of first refusal, to maintain confidentiality, or to honor releases, will continue and will be binding on such third parties notwithstanding any provision to the contrary in the Plan, unless otherwise specifically terminated by the Debtor or by order of Bankruptcy Court.

The Plan further provides that, to the extent any insurance policy under which the insurer has a continuing obligation to pay the Debtor or a third party on behalf of the Debtor is held by the Bankruptcy Court to be an Executory Contract, such insurance policy will be treated as though it is an Executory Contract that is assumed pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan.

8. Limited Extension of Time to Assume or Reject

Under the Plan, in the event of a dispute as to whether a contract or lease is executory or unexpired, the right of the Debtor or the Reorganized Debtor to move to assume or reject such contract or lease will be extended until the date that is thirty (30) days after entry of a Final Order by the Bankruptcy Court determining that the contract or lease is executory or unexpired.

In the event the Debtor or the Reorganized Debtor becomes aware after the Confirmation Date of the existence of an Executory Contract or Unexpired Lease that was not included in the Schedules, the right of the Reorganized Debtor to move to assume or reject such

contract or lease will be extended until the date that is thirty (30) days after the date on which the Reorganized Debtor receive written notice of the existence and terms of such contract or lease (an “Unknown Contract”). Such Unknown Contract may be assumed or rejected by the Reorganized Debtor. The limited extension of the time to assume or reject provided by Section 6.08 of the Plan will not apply to Unexpired Leases or any written amendments or modifications thereto that are included in the Schedules.

9. Post-petition Contracts and Leases

The Plan provides that the Debtor will not be required to assume or reject any contract or lease entered into by the Debtor after the Petition Date. Any such contract or lease will continue in effect in accordance with its terms after the Effective Date, unless the Reorganized Debtor has obtained a Final Order of the Bankruptcy Court approving rejection of such contract or lease. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtor in the ordinary course of its business.

10. Treatment of Claims Arising From Assumption or Rejection

The Plan provides that all Allowed Claims arising from the assumption of any Executory Contract or Unexpired Lease will be treated as Administrative Claims pursuant to Section 2.02 of the Plan; all Allowed Claims arising from the rejection of an Executory Contract or Unexpired Lease will be treated, to the extent applicable, as General Unsecured Claims, unless otherwise ordered by Final Order of the Bankruptcy Court; and all other Allowed Claims relating to an Executory Contract or Unexpired Lease will have such status as they may be entitled to under the Bankruptcy Code as determined by Final Order of the Bankruptcy Court.

H. Revesting of Assets; Preservation of Causes of Action, Litigation Rights and Avoidance Actions; Release of Liens

Except as otherwise provided in the Plan or in the Confirmation Order, and pursuant to section 1123(b)(3) and section 1141(b) and (c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of the Debtor and all Causes of Action, Litigation Rights and Avoidance Actions shall automatically revert in the Reorganized Debtor, free and clear of all Claims, Liens and Interests.

The Reorganized Debtor (directly or through the Disbursing Agent) shall make all Distributions under the Plan. Thereafter, each Reorganized Debtor may operate its business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of each Reorganized Debtor shall be free and clear of all Claims, Liens and Interests, except as specifically provided in the Plan or the Confirmation Order and the Reorganized Debtor shall receive the benefit of any and all discharges under the Plan.

I. Restructuring Transactions

On, as of, or after the Effective Date, the Reorganized Debtor may enter into such transactions and may take such actions as may be necessary or appropriate, in accordance with any applicable state law, to effect a corporate or operational restructuring of its business, to otherwise simplify the overall corporate or operational structure of the Reorganized Debtor, to achieve corporate or operational efficiencies, or to otherwise improve financial results; provided that such transactions or actions are not otherwise inconsistent with the Plan, the Distributions to be made under the Plan or the New Corporate Governance Documents. Such transactions or actions may include any mergers, conversions, consolidations, restructurings, dispositions, liquidations, closures, or dissolutions, as may be determined by the Reorganized Debtor to be necessary or appropriate.

On the Effective Date, the following transactions will occur:

- The Reorganized Debtor will be formed as a limited liability company organized under Delaware law on or before the Effective Date.
- The Common B Membership Interests and the New MIG Notes will be distributed to Holders of Allowed Class 5 Claims and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders.
- The New Preferred LLC Interests will be issued to Holders of Allowed Class 6 Claims (other than Electing Class 6 Holders).
- The Common A Membership Interests will be issued to Holders of Class 7 Interests.
- The Reorganized Debtor shall cause the dissolution of MIG Telecommunications, Inc. and MIG Georgia Holdings, Inc. such that the Reorganized Debtor will own 100% of the membership or limited liability company interests in ITC Cellular LLC, International Telcell Cellular LLC and Telcell Wireless LLC.
- On the Effective Date, certain entities owned by the Debtor (a) may be merged with and into the Reorganized Debtor or (b) may be dissolved.

J. Authorization and Issuance of New Common LLC Interests and New Preferred LLC Interests

On the Effective Date, the Reorganized Debtor shall be authorized to issue and deliver: (i) the New MIG Notes and the Common B Membership Interests to Holders of Allowed Class 5 Claims in accordance with Section 3.03(c) of the Plan and to the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders in accordance with Section 3.03(d)(ii) of the Plan; (ii) the New Preferred LLC Interests to be issued to Holders of Allowed Class 6 Claims (other than Electing Class 6 Holders) in accordance with Section 3.03(d)(i) of the Plan; and (iii)

the Common A Membership Interests to Holders of Class 7 Interests in accordance with Section 3.03(e) of the Plan.

The issuance of the New MIG Notes, New Preferred LLC Interests and New Common LLC Interests pursuant to distributions under the Plan shall be authorized under section 1145 of the Bankruptcy Code as of the Effective Date without further act or action by any Person, except as may be required by the New Corporate Governance Documents, or applicable law, regulation, order or rule; and all documents evidencing same shall be executed and delivered as provided for in the Plan or the Plan Supplement.

K. Post-Confirmation Corporate Structure, Management and Operation

1. *Continued Corporate Existence*

The Plan provides that, on the Effective Date, the Reorganized Debtor shall convert from a corporation to a limited liability company. After the Effective Date, the Reorganized Debtor may operate its business and use, acquire, dispose of property and settle and compromise Claims or Interests without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

2. *New Corporate Governance Documents*

The New Corporate Governance Documents shall be substantially in the forms of such documents set forth in the Plan Supplement. The New Corporate Governance Documents shall be amended as necessary to satisfy the provisions of the Plan and the Bankruptcy Code and shall include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by section 1123(a)(6) of the Bankruptcy Code.

3. *New Management Incentive Plan*

On or after the Effective Date, the New Board of the Reorganized Debtor shall develop, approve and implement the terms and the conditions of the Management Incentive Plan (including the identity of the participants and the number of shares to be granted). The compensation, cash bonus targets, and severance policies shall remain those that were effective as of December 31, 2008, subject to the continued approval of the New Board. On and after the Effective Date, eligible persons who receive awards under such Management Incentive Plan shall be entitled to the benefits thereof on the terms and conditions provided for therein. As of the Effective Date, all equity-based awards granted by the Debtor prior to the Petition Date shall terminate and cease to be binding on the Debtor.

4. *New Board of Managers of the Reorganized Debtor*

Pursuant to the Operating Agreement, the Reorganized Debtor's board of managers will initially consist of six (6) members to be elected and appointed as follows: (a) collectively, the Holders of Allowed Class 5 Claims, the Holders of Allowed Class 7 Interests

and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders shall be entitled to elect four (4) managers of the Reorganized Debtor, and (b) as long as there are New Preferred LLC Interests outstanding, the Holders of Allowed Class 6 Claims (other than Electing Class 6 Holders) shall be entitled to elect up to two (2) managers of the Reorganized Debtor. The initial members of the New Board shall serve from the Effective Date and thereafter in accordance with the New Corporate Governance Documents. Additionally, the Holders of Allowed Class 6 Claims shall be entitled to an Appraisal Claims Representative. The Reorganized Debtor shall permit the Appraisal Claims Representative to attend and observe all meetings of the New Board of the Reorganized Debtor; provided, however, that the Appraisal Claims Representative shall be recused and shall not participate in any discussions by the New Board related to the Appraisal Action and any appeal, litigation strategy or any other matter protected by the attorney-client privilege.

The intended members of the New Board shall be the persons identified in the Plan Supplement. Holders of Allowed Class 6 Claims (other than Electing Class 6 Holders) shall elect up to two (2) managers of the Reorganized Debtor on or after the Effective Date.

5. Officers and Managers of Reorganized Debtor

The initial officers and managers of the Reorganized Debtor shall be set forth in the Plan Supplement.

6. Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer from the Debtor to the Reorganized Debtor or any other Person or Entity pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment and State or local governmental officials or agents are directed to forego the collection of any such tax or governmental assessment and to accept for Filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

7. Corporate Action

On the Effective Date, the adoption and filing of the New Corporate Governance Documents, the appointment of managers and/or officers of the Reorganized Debtor, and all actions contemplated by the Plan will be authorized and approved in all respects pursuant to the Plan. On the Effective Date, pursuant to section 1142(b) of the Bankruptcy Code and Section 303 of the Delaware General Corporation Law, the appropriate officers or directors of the Reorganized Debtor will be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the with like effect as if exercised and taken by unanimous action of the directors and stockholders of the Debtor.

8. *Effectuating Documents; Further Transactions*

The Chief Executive Officer, the Chief Financial Officer, or any other appropriate officer of the Reorganized Debtor, as the case may be, will be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Secretary or Assistant Secretary of the Reorganized Debtor, as the case may be, will be authorized to certify or attest to any of the foregoing actions.

L. Accounts; Escrows; Reserves

Under the Plan, the Debtor and Reorganized Debtor will, subject to and in accordance with the provisions of the Plan, (a) establish one or more general accounts into which shall be deposited all funds not required to be deposited into any other account, reserve or escrow, (b) create, fund and withdraw funds from, as appropriate, the Administrative Claims Reserve, and the Professional Fee Reserve and (c) if practicable, invest any Cash that is withheld as the applicable Claims reserve in an appropriate manner to ensure the safety of the investment. Nothing in the Plan or the Disclosure Statement shall be deemed to entitle the Holder of a Disputed Claim to post-petition interest on such Claim, however.

1. *Administrative Claims Reserve*

Under the Plan, on the Effective Date (or as soon thereafter as is practicable), the Debtor or Reorganized Debtor will create and fund the Administrative Claims Reserve in the initial amount of amount budgeted to be used by the Reorganized Debtor to pay Distributions on account of Allowed Administrative Claims. To the extent necessary to fund payments to Allowed Claims thereunder, the funds in the Administrative Claims Reserve will be periodically replenished by the Reorganized Debtor in such amounts as may be determined by the Reorganized Debtor in its sole discretion. The Reorganized Debtor will be obligated to pay all Allowed Claims designated to be paid from the proceeds of the Administrative Claims Reserve thereunder in excess of the amounts actually deposited in the Administrative Claims Reserve. In the event that any Cash remains in the Administrative Claims Reserve after payment of all Allowed Claims to be paid thereunder, such Cash will be distributed to the Reorganized Debtor.

2. *Professional Fee Reserve*

Under the Plan, the Debtor or Reorganized Debtor will create and fund the Professional Fee Reserve on the Effective Date (or as soon thereafter as is practicable) in the amount of unpaid Professional fees projected through the Effective Date, which amount will be used to pay Allowed Professional Fee Claims held by (i) any professionals working on behalf of the Debtor and (ii) counsel and any advisors to the Committee. The Reorganized Debtor will be obligated to pay all Allowed Professional Fee Claims even if in excess of the amounts actually deposited in the Professional Fee Reserve. In the event that any Cash remains in the Professional Fee Reserve after payment of all Allowed Professional Fee Claims, such Cash will be distributed to the Reorganized Debtor.

M. Releases, Discharge, Injunctions, Exculpation and Indemnification

1. Releases by Debtor in Favor of Third Parties

AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR, THE REORGANIZED DEBTOR AND ANY PERSON OR ENTITY SEEKING TO EXERCISE THE RIGHTS OF THE DEBTOR'S ESTATE, INCLUDING, WITHOUT LIMITATION, ANY SUCCESSOR TO THE DEBTOR OR ANY ESTATE REPRESENTATIVE APPOINTED OR SELECTED PURSUANT TO SECTION 1123(B)(3) OF THE BANKRUPTCY CODE, SHALL BE DEEMED TO FOREVER RELEASE, WAIVE, AND DISCHARGE EACH OF THE EXCULPATED PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION (INCLUDING AVOIDANCE ACTIONS), AND LIABILITIES WHATSOEVER IN CONNECTION WITH OR RELATED TO THE DEBTOR, THE CONDUCT OF THE DEBTOR'S BUSINESS, THE CHAPTER 11 CASE, OR THE PLAN (OTHER THAN THE RIGHTS OF THE DEBTOR AND THE REORGANIZED DEBTOR TO ENFORCE THE OBLIGATIONS UNDER THE CONFIRMATION ORDER AND THE PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES, INDENTURES, AND OTHER AGREEMENTS OR DOCUMENTS DELIVERED THEREUNDER), WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, THAT ARE BASED IN WHOLE OR PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTOR, THE CONDUCT OF THE DEBTOR'S BUSINESS, THE REORGANIZED DEBTOR, THE CHAPTER 11 CASE, THE DISCLOSURE STATEMENT OR THE PLAN, AND THAT MAY BE ASSERTED BY OR ON BEHALF OF THE DEBTOR, THE ESTATE, OR THE REORGANIZED DEBTOR AGAINST (I) ANY OF THE PRESENT OR FORMER SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES OR ADVISORS OF ANY OF THE DEBTOR, EXCLUDING CLAIMS RESULTING FROM GROSS NEGLIGENCE, WILLFUL MISCONDUCT, BREACH OF FIDUCIARY DUTY, SELF-INTERESTED TRANSACTIONS OR INTENTIONAL TORT, (II) ANY PROFESSIONALS OF THE DEBTOR, AND (III) THE COMMITTEE, ITS MEMBERS, AND ITS AND THEIR ADVISORS, RESPECTIVELY (BUT NOT ITS MEMBERS IN THEIR INDIVIDUAL CAPACITIES); PROVIDED, HOWEVER, THAT NOTHING IN SECTION 11.10(A) OF THE PLAN SHALL BE DEEMED TO PROHIBIT THE REORGANIZED DEBTOR FROM ASSERTING AND ENFORCING ANY CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION OR LIABILITIES THEY MAY HAVE AGAINST ANY EMPLOYEE (INCLUDING DIRECTORS AND OFFICERS) FOR ALLEGED BREACH OF CONFIDENTIALITY, OR ANY OTHER CONTRACTUAL OBLIGATIONS OWED TO THE DEBTOR OR THE REORGANIZED DEBTOR, INCLUDING NON-COMPETE AND RELATED AGREEMENTS OR OBLIGATIONS. NOTHING IN THE PLAN CONSTITUTES A WAIVER OF ANY RIGHT OF THE REORGANIZED DEBTOR TO (I) ENFORCE ALL RIGHTS AND CLAIMS CONCERNING ANY AND ALL INTELLECTUAL PROPERTY (INCLUDING, WITHOUT

LIMITATION, TRADEMARKS, COPYRIGHTS, PATENTS, CUSTOMER LISTS, TRADE SECRETS AND CONFIDENTIAL OR PROPRIETARY BUSINESS INFORMATION), ALL OF WHICH RIGHTS ARE EXPRESSLY RESERVED AND NOT RELEASED AND (II) ASSERT ANY DEFENSE BASED ON WHETHER OR NOT APPLICABLE STANDARDS HAVE BEEN MET.

The releases being provided by the Debtor relate to Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action (including Claims or Causes of Action arising under Chapter 5 of the Bankruptcy Code), and liabilities held by the Debtor or that may be asserted on behalf of the Debtor (the “Debtor Claims”). The Debtor Claims are part of the Debtor’s Estate created pursuant to section 541 of the Bankruptcy Code and, absent extraordinary circumstances, the Debtor has the exclusive authority to pursue or settle such Claims. See, e.g., Mitchell v. Mitchell, 734 F.2d 129, 131 (2d Cir. 1984) (holding that derivative actions are property of the bankruptcy estate and enforceable by the trustee). The releases of the Debtor Claims are in the best interests of the Debtor’s Estate and arise from an appropriate exercise of the Debtor’s authority under section 1123(b)(3) to include in the Plan “the settlement or adjustment of any Claim or Interest belonging to the debtor or to the estate.” 11 U.S.C. § 1123(b)(3). See also In re Pacific Gas & Elec. Co., 304 B.R. 395, 404, 416-418 (Bankr. N.D. Cal. 2004) (court approved release and settlement of Debtor’s claims pursuant to section 1123(b)(3)); In re Best Products Co., Inc., 168 B.R. 35, 61, 63-64 (Bankr. S.D.N.Y. 1994) (same); In re General Homes Corp., FGMC, Inc., 134 B.R. 853, 861 (Bankr. S.D. Tex. 1991) (“To the extent that the language contained in the plan purports to release any causes of action against the Bank Group which the Debtor could assert, such provision is authorized by § 1123(b)(3)(A), subject to compliance with provisions of the code requiring that the plan be proposed in good faith.”); In re Freedom Rings LLC, (Case No. 05-14268) (CSS) (Bankr. D. Del. April 20, 2006) (stating that “[under] In Re: Zenith Electronics Corporation, 241 B[.]R[.] 92 and it[.]s progeny, this Court may authorize the release of direct and derivative claims of the Debtor . . .”); In re Zenith Elecs. Corp., 241 B.R. 92, 110-11 (Bankr. D. Del. 1999) (approving plan provision allowing for the releases of Debtor’s claims); In re Coram Healthcare Corp., 315 B.R. 321, 335 (Bankr. D. Del. 2004) (same).

The Debtor does not believe that there are any valid Debtor Claims against any of their present or former directors, officers, and employees, any of its Professionals, or the Committee and its advisors. Moreover, any action brought to enforce a potential Debtor Claim would involve significant costs to the Debtor, including legal expenses and the distraction of the Debtor’s key personnel from the demands of the Debtor’s ongoing businesses. In light of these considerations, and given the contributions made by the recipients of the releases to the Debtor’s businesses and reorganization efforts, the releases of the Debtor Claims are appropriate and in the best interests of the Debtor’s Estate.

2. Releases by Creditors of Claims Against Third Parties

In furtherance of the release provisions of the Plan, as of the Effective Date and to the extent permitted under Delaware law, Holders of Claims and Interests (a) voting to accept the Plan or (b) abstaining from voting on the Plan and electing not to opt out of the release contained in this paragraph (which by definition, does not include Holders of Claims and Interests who are not entitled to vote in favor of or against the Plan), shall be deemed to have conclusively,

absolutely, unconditionally, irrevocably and forever released and discharged the Debtor, the Reorganized Debtor and the present or former shareholders, directors, officers, employees or advisors of any Debtor (the “Releasees”) from any and all Claims (including Intercompany Claims and the Alleged Fraudulent Transfer Claims), Interests, Causes of Action or Avoidance Actions that such Entity would have been legally entitled to assert (whether individually or collectively or directly, indirectly or derivatively, at law in equity or otherwise), based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Debtor’s restructuring, the conduct of the Debtor’s business, the Chapter 11 Case, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Releasee and the Debtor, the restructuring of Claims and Interests prior to or in the Chapter 11 Case, the negotiation, formulation or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of the Debtor, the Reorganized Debtor, or a Releasee that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Debtor, the Reorganized Debtor, or the Releasee reasonably believed to be in the best interests of the Debtor (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence; provided, however, that nothing in the Plan shall be deemed to prohibit any party from asserting or enforcing any direct contractual obligation against any Releasee, with all rights and defenses to such Claims being reserved by the Releasees.

The releases by and among the Claim Holders who receive Distributions pursuant to the Plan and the Releasees meet the standards of fairness and necessity to the Debtor’s reorganization required to justify Court approval of non-consensual releases. See Gillman v. Continental Airlines (In re Continental Airlines), 203 F.3d 203, 214 (3d Cir. 2000) (noting that “[t]he hallmarks of permissible non-consensual releases [are] fairness, necessity to the reorganization, and specific factual findings to support these conclusions”). The Holders of Allowed Claims who will receive Distributions pursuant to the Plan are receiving material, specific and identifiable consideration for such releases consisting of: (a) the services and contributions of the Releasees to the Debtor’s business and reorganization, and (b) the releases granted by the Releasees to the Claim Holders.

3. Discharge and Discharge Injunction

Confirmation of the Plan effects a discharge of all Claims against the Debtor. As set forth in the Plan, pursuant to section 1141(d) of the Bankruptcy Code, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release, effective as of the Effective Date, of all Claims, Interests and Causes of Action of any nature whatsoever, including any interest accrued on such Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to the Plan on account of such Claims and Interests, including demands, liabilities and Causes of Action that arose before the Effective Date, and all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (A) a Proof of Claim

based upon such debt is Filed or deemed Filed under section 501 of the Bankruptcy Code, (B) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (C) a Claim based upon such debt is or has been Disallowed by order of the Bankruptcy Court, or (D) the Holder of a Claim based upon such debt accepted the Plan. The Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or votes to reject the Plan.

Under the Plan, as of the Effective Date, all Persons shall be precluded from asserting against the Debtor or the Reorganized Debtor or any of their assets or properties, any other or further Claims, debts, rights, Causes of Action, claims for relief, liabilities, or equity Interests relating to the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination, as of the Effective Date, of discharge of all such Claims and other debts and liabilities against the Debtor and termination of all Preferred Equity Interests and Common Equity Interests, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

In furtherance of the discharge of Claims and the termination of Interests, the Plan provides that, except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim or other debt or liability that is discharged pursuant to Section 11.11 of the Plan, released pursuant to Section 11.10 of the Plan, or are subject to exculpation pursuant to Section 11.13 of the Plan are permanently enjoined from taking any of the following actions against the Debtor, the Reorganized Debtor, and their respective affiliates or their property on account of any such discharged Claims, debts, or liabilities or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding of any kind; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Debtor, the Reorganized Debtor or its property; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a right of setoff, recoupment or subrogation of any kind against any debt, liability, or obligation due to the Debtor or the Reorganized Debtor; or (v) commencing or continuing any action, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

Moreover, the Plan provides that, without limiting the effect of the provisions of Section 11.12 of the Plan upon any Person, by accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim receiving Distributions pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in Section 11.12 of the Plan.

The Plan further provides that nothing in Section 11.12 of the Plan will impair (i) the rights of any Holder of a Disputed Claim to establish its Claim in response to an objection Filed by the Debtor or the Reorganized Debtor, (ii) the rights of any defendant in an Avoidance Action Filed by the Debtor to assert defenses in such action, or (iii) the rights of any party to an Executory Contract or Unexpired Lease that has been assumed by the Debtor pursuant to an order of the Bankruptcy Court or the provisions of the Plan to enforce such assumed contract or lease.

4. Exculpation Relating to Chapter 11 Case

The Plan contains standard exculpation provisions applicable to the key parties in interest with respect to their conduct in the Chapter 11 Case. Specifically, the Plan provides that on the Effective Date, the Exculpated Parties shall neither have, nor incur any liability to any Holder of a Claim or an Interest, the Debtor, the Reorganized Debtor, or any other party-in-interest, or any of their respective agents, employees, representatives, advisors, attorneys, or affiliates, or any of their successors or assigns, for any pre-petition or post-petition act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the formulation, negotiation, or implementation of the Plan, the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions that are the result of fraud, gross negligence, or willful misconduct; provided further, however, that the foregoing is not intended to limit or otherwise impact any defense of qualified immunity that may be available under applicable law; provided further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan; provided still further, that the foregoing Exculpation shall not be deemed to, release, affect, or limit any of the rights and obligations of the Exculpated Parties from, or exculpate the Exculpated Parties with respect to, any of the Exculpated Parties' obligations or covenants arising pursuant to the Plan or the Confirmation Order.

Moreover, the Plan provides that no Holder of a Claim or an Interest, the Debtor, the Reorganized Debtor, no other party-in-interest, none of their respective agents, employees, representatives, advisors, attorneys, or affiliates, and none of their respective successors or assigns shall have any right of action against any of the Exculpated Parties for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the formulation, negotiation, or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which are the result of fraud, gross negligence, or willful misconduct.

The exculpations contained in the Plan are appropriate and are standard in a Chapter 11 Case. The exculpations are appropriately limited in scope, applying only to acts and omissions occurring after the Petition Date and in connection with the Chapter 11 Case or the Plan and conferring only a qualified immunity by excluding acts or omissions which are the result of fraud, gross negligence or willful misconduct. Moreover, these exculpations have, in the Debtor's view, been earned. The beneficiaries of the exculpations have made significant contributions to the Debtor's reorganization, which contributions have allowed for the formulation of the Plan which resolves many complicated issues between and between the Debtor and other interested parties and which, in the Debtor's view, provides for the best possible recoveries for Claims against the Debtor. In the Debtor's view, the beneficiaries of the exculpations would not have contributed as they did without the prospect of the limited immunity reflected in the exculpations. The Debtor are also unaware of any valid Causes of Action against any of the beneficiaries of the exculpations. In view of the foregoing, the exculpations are appropriate and in the best interests of the Debtor's Estate.

5. Post-Effective Date Indemnification

The Plan provides that upon the Effective Date, the New Corporate Governance Documents of the Reorganized Debtor shall contain provisions which (a) eliminate the personal liability of the Reorganized Debtor's managers, officers and key employees (as determined in the sole discretion of the Chief Executive Officer and the Board) for damages resulting by reason of any act or omission performed or omitted by such person, except for any damages resulting by reason of any act or omission performed or omitted by such person involving a violation of the implied contractual covenant of good faith and fair dealing; and (b) require such Reorganized Debtor, subject to appropriate procedures, to indemnify and advance expenses to the Reorganized managers, officers and key employees (as determined in the sole discretion of the Chief Executive Officer and the Board) serving on or after the Effective Date damages resulting by reason of any act or omission performed or omitted by such person, except for any damages resulting by reason of any act or omission performed or omitted by such person involving a violation of the implied contractual covenant of good faith and fair dealing.

It is the intention of the Debtor that upon and after the Effective Date, and for six (6) years thereafter, the Debtor or the Reorganized Debtor, as the case may be, shall obtain and maintain reasonably sufficient tail coverage under a director and officer liability insurance policy for the current and former directors and officers. As of the Effective Date, the Debtor shall assume all obligations owing under the director and officer insurance policies pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtor's foregoing assumption of each of the director and officer liability insurance policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair or otherwise modify any indemnity or advancement obligations assumed by the foregoing assumption of the director and officer liability insurance policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Debtor under the Plan as to which no Proof of Claim need be Filed.

6. Causes of Action and Avoidance Actions

Section 108(a) of the Bankruptcy Code provides that if a statute of limitations under nonbankruptcy law has not expired prior to the filing of a bankruptcy petition, then a debtor may bring a cause of action before the later of (a) the end of such limitations period, including any suspension of such period occurring on or after the commencement of the bankruptcy case and (b) two years after the petition date. As a result, the Debtor has at least two years from the Petition Date to commence various Causes of Action or Avoidance Actions.

(a) MIG BOARD'S APPOINTMENT OF SPECIAL COMMITTEE OF THE BOARD

In accordance with Section 141(f) of the Delaware General Corporation Law and the applicable provisions of Certificate of Incorporation and Bylaws of the Debtor, the Debtor's Board has authorized the formation of a Special Committee to investigate and analyze the Committee's proposed form of derivative complaint. The Special Committee is authorized to

determine what action, if any is in the best interest of the Debtor, its creditors and other parties in interest. The Special Committee will consist of disinterested and independent directors Alan Greene and Wayne Henderson.

The Special Committee has and may exercise in connection with the discharge of its responsibilities all the powers and authority of the Board and such other powers and authority as may be accorded to a committee of a board of directors under applicable law. In addition, the Special Committee is authorized by the Board, subject to Bankruptcy Court approval, to engage such experts and advisors, including independent legal counsel, as the Special Committee shall deem necessary or desirable in order to assist it in connection with the discharge of its responsibilities. The Special Committee has interviewed counsel from the law firm Young Conaway Stargatt & Taylor, LLP and likely will seek leave from this Court to retain that firm as its counsel in this matter.

(b) PRESERVATION OF MALPRACTICE ACTION

Prior to the Petition Date, MIG also filed a civil action by its attorney Aaron Richard Golub for malpractice (the “Malpractice Action”) against Paul, Weiss, Rifkind, Wharton & Garrison, LLP (“PW”), Civil Action No. 1:09-cv-05593 (GEL) in the United States District Court for the Southern District of New York. MIG’s claims arise out of PW’s legal work for MIG in connection with a “Certificate of Designation of 7.25% Cumulative Convertible Preferred Stock of Metromedia International Group, Inc.,” dated September 16, 1997, the interpretation and application of which was the basis of the Judgment entered by the Chancery Court in connection with the Appraisal Action. Pursuant to Section 5.08 of the Plan, the Malpractice Action shall automatically revert in and be preserve for the Reorganized Debtor to pursue.

N. Retention of Jurisdiction

The Plan provides that under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, and except as otherwise ordered by the Bankruptcy Court, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

- allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, or unsecured status of any Claim not otherwise Allowed under the Plan (other than personal injury or wrongful death Claims, unless agreed by the Holder), including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the Allowance or priority of Claims;
- hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the Professionals of the Reorganized Debtor shall be

made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

- hear and determine all matters with respect to the assumption or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or Allowance of any Claims arising therefrom;
- effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;
- hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Case, the Avoidance Actions, the Litigation Rights or the Plan;
- enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
- hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;
- consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;
- enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;
- hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, or the Confirmation Order;

- enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case has been closed);
- except as otherwise limited in the Plan, recover all assets of the Debtor and property of the Estates, wherever located;
- hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- hear and determine all disputes involving the existence, nature, or scope of the Debtor's discharge;
- hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code; and
- enter a final decree closing the Chapter 11 Case.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Case, including the matters set forth in Section 10.01 of the Plan, the provisions of Article X of the Plan will have no effect upon and will not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

O. Amendment, Alteration and Revocation of Plan

The Debtor may alter, amend, or modify the Plan or any exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. The Debtor shall provide parties-in-interest with notice of such amendments or modifications as may be required by the Bankruptcy Rules or order of the Bankruptcy Court. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or clarified, if the proposed alteration, amendment, modification, or clarification does not materially and adversely change the treatment of the Claim of such Holder. In the event of any dispute as to whether such proposed alteration, amendment, modification, or clarification materially and adversely changes the treatment of the Claim of any such Holder, the Debtor shall bear the burden of demonstrating that such proposed alteration, amendment, modification, or clarification does not materially adversely change the treatment of the Claim of such Holder.

After the Confirmation Date and prior to substantial consummation (as defined in section 1101(2) of the Bankruptcy Code) of the Plan, the Debtor or Reorganized Debtor, as applicable, may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement approved with respect to the Plan, or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such

proceedings do not adversely affect the treatment of Holders of Claims under the Plan; provided, however, that, to the extent required, prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or an order of the Bankruptcy Court. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or clarified, if the proposed alteration, amendment, modification, or clarification does not materially and adversely change the treatment of the Claim of such Holder. In the event of any dispute as to whether such proposed alteration, amendment, modification, or clarification materially and adversely changes the treatment of the Claim of any such Holder, the Debtor or Reorganized Debtor, as the case may be, shall bear the burden of demonstrating that such proposed alteration, amendment, modification, or clarification does not materially adversely change the treatment of the Claim of such Holder.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, Impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

The Debtor reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, or if Confirmation or the Effective Date does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of Executory Contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims against, or any Interests in, any Debtor, or any Avoidance Actions, Litigation Rights or other Claims by or against the Debtor, the Committee or any Person or Entity, (ii) prejudice in any manner the rights of the Debtor, the Committee, or any Person or Entity in any further proceedings involving the Debtor, or (iii) constitute an admission of any sort by the Debtor, the Committee, or any other Person or Entity.

P. Plan Implementing Documents

The documents necessary to implement the Plan include the following:

- Form of Certificate of Conversion to Limited Liability Company and Form of Certificate of Formation for Reorganized MIG, Inc.
- Form of Operating Agreement for Reorganized MIG, Inc.

- Form of New MIG Notes Indenture and New MIG Notes
- List of Intended Members of Board of Managers of Reorganized MIG, Inc.
- List of Particular Contracts to be Assumed or Rejected

The proposed forms for each of the foregoing will each be set forth in the Plan Supplement. The Plan Supplement shall be Filed with the Bankruptcy Court at least ten (10) days prior to the Voting Deadline or by such later date as may be established by order of the Bankruptcy Court. Upon such Filing, all documents set forth in the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal business hours. Holders of Claims or Interests may obtain a copy of any document set forth in the Plan Supplement upon written request to the Debtor in accordance with Section 11.22 of the Plan.

Q. Confirmation and/or Consummation

Described below are certain important considerations under the Bankruptcy Code in connection with Confirmation of the Plan.

1. *Requirements for Confirmation of the Plan*

Before the Plan can be confirmed, the Bankruptcy Court must determine at the Confirmation Hearing that, among others, the following requirements for Confirmation, set forth in section 1129 of the Bankruptcy Code, have been satisfied:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtor has complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised by the Debtor or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before Confirmation of the Plan is reasonable, or if such payment is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.
- The Debtor has disclosed or will disclose in the Plan Supplement (a) the identity and affiliations of (i) any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized Debtor, (ii) any affiliate of the Debtor participating in a joint

plan with the Debtor, or (iii) any successor to the Debtor under the Plan (and the appointment to, or continuance in, such office of such individual(s) is consistent with the interests of Claim and Interest Holders and with public policy), and (b) the identity of any insider that will be employed or retained by the Debtor and the nature of any compensation for such insider.

- With respect to each Class of Claims or Interests, each Impaired Claim and Impaired Interest Holder either has accepted the Plan or will receive or retain under the Plan, on account of the Claims or Interests held by such Holder, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code.
- The Plan provides that Administrative Claims and Priority Claims other than Priority Tax Claims will be paid in full on the Effective Date, except to the extent that the Holder of any such Claim has agreed to another less favorable treatment.
- If a Class of Claims is Impaired under the Plan, at least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by insiders holding Claims in such Class.
- Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.
- The Plan provides for the continuation after the Effective Date of all retiree benefits, if any, at the level established pursuant to sections 1114(e)(1)(B) or 1114(g) of the Bankruptcy Code at any time prior to Confirmation of the Plan, for the duration of the period the Debtor has obligated themselves to provide such benefits.

The Debtor believes that, upon receipt of the votes required to confirm the Plan, the Plan will satisfy the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all of the requirements of chapter 11, and that the Plan has been proposed and submitted to the Bankruptcy Court in good faith.

2. Conditions to Confirmation Date and Effective Date

The Plan specifies conditions precedent to the Confirmation Date and the Effective Date.

Under the Plan, the conditions precedent to the occurrence of the Confirmation Date, which is the date of entry by the clerk of the Bankruptcy Court of the Confirmation Order, are that: (a) the Confirmation Order will have been entered in form and substance reasonably

satisfactory to the Debtor and the Plan Sponsor, and shall, among other things, (i) provide that the Debtor and the Reorganized Debtor are authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan; and (ii) authorize the issuance of New Common LLC Interests, New Preferred LLC Interests and New MIG Notes; and (b) all exhibits to the Plan are in form and substance reasonably satisfactory to the Debtor.

The Plan further provides that the conditions that must be satisfied on or prior to the Effective Date, which is the Business Day upon which all conditions to the consummation of the Plan have been satisfied or waived by the Debtor, and is the date on which the Plan becomes effective, are that: (a) the Plan and all Plan Supplement documents, including any amendments, modifications or supplements thereto, shall be acceptable to the Debtor; (b) the Confirmation Order approves and authorizes the Debtor and the Reorganized Debtor to take all actions necessary or appropriate to implement the Plan, including completion of the transactions contemplated by the Plan and the implementation of and consummation of contracts, instruments, releases and other agreements or documents created in connection with the Plan; (c) all material authorizations, consents, and regulatory approvals required, if any, in connection with consummation of the Plan will have been obtained; and (e) each of the exhibits to the Plan and any other necessary documents shall be fully executed and delivered to the Debtor, shall be in form and substance acceptable to the Debtor and shall be fully enforceable in accordance with their terms.

The Plan provides that each of the aforementioned conditions that must be satisfied on or prior to the Confirmation Date and the Effective Date, as set forth in Sections 9.01 and 9.02 of the Plan, with the express exception of the conditions to the Effective Date may be waived in whole or in part by the Debtor without any notice to parties-in-interest or the Bankruptcy Court and without a hearing.

3. Anticipated Effective Date

The length of time between a confirmation date and an effective date varies from case to case and depends upon how long it takes to satisfy each of the conditions precedent to the occurrence of the effective date specified in the particular plan of reorganization.

VII. CERTAIN RISK FACTORS TO BE CONSIDERED

THE IMPLEMENTATION OF THE PLAN IS SUBJECT TO A NUMBER OF MATERIAL RISKS, INCLUDING THOSE ENUMERATED BELOW. IN EVALUATING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HERewith AND/OR INCORPORATED BY REFERENCE HEREIN), BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS ASSOCIATED WITH THE PLAN AND ITS IMPLEMENTATION, OR ALTERNATIVES TO THE PLAN.

A. Certain Business Considerations

1. Continuing Global Economic Crisis Could Adversely Affect the Debtor's Business

As noted above, the Debtor's primary asset is its indirect interests in several leading and innovative telecommunications providers in the Republic of Georgia, including Magticom. Like other developing countries, Georgia's economy has been hit by the global economic crisis. The current global economic crisis and turbulent financial markets could adversely affect the Debtor's business, results of operations, and financial condition. Lower consumer spending worldwide could lead to a decline in demand for the Magticom's products and services. If the global credit markets do not improve, the Debtor could have difficulty in the future refinancing of debt and raising capital for operations.

2. Fluctuating Foreign Currencies Could Have an Adverse Impact on Operations

The Debtor's net revenue is primarily derived from operations outside of the United States. The local currency of the Republic of Georgia is the Georgian Lari. After the Effective Date, the Reorganized Debtor expects to continue to derive a significant portion of its net revenue and incur a significant portion of its operating costs outside the United States, and changes in exchange rates have had and may have a significant, and potentially adverse, effect on the Debtor's operating results. Due to the large percentage of the Debtor's operations conducted outside of the United States, strengthening of the U.S. dollar relative to the local currency of entities operating abroad could have an adverse impact on future results of operations.

3. The Debtor is Exposed to Constantly Changing Regulations

The Debtor's operations are subject to constantly changing regulation. There can be no assurance that future regulatory changes will not have a material adverse effect on the Debtor, or that regulators or third parties will not raise material issues with regard to the Debtor's compliance or noncompliance with applicable regulations, any of which could have a material adverse effect upon the Debtor. As an indirect shareholder of multinational telecommunications assets, the Debtor's non-debtor

operating affiliates are subject to varying degrees of regulation in each of the jurisdictions in which they provide services. Local laws and regulations, and the interpretation of such laws and regulations, differ significantly among the jurisdictions in which these affiliates operate. Enforcement and interpretations of these laws and regulations can be unpredictable and are often subject to the informal views of government officials. Potential future regulatory, judicial, legislative, and government policy changes in jurisdictions where these affiliates operate could have a material adverse effect the Debtor. International regulators or third parties may raise material issues with regard to the compliance or noncompliance with applicable regulations, and therefore may have a material adverse impact on the competitive position, growth and financial performance of the Debtor's non-debtor operating affiliates. Any adverse developments implicating the foregoing could materially adversely affect the Debtor's business, financial condition, result of operations and prospects.

4. Foreign Country Risks

As with other companies in emerging markets, the operations of the Debtor's non-debtor operating affiliates in the Republic of Georgia are generally subject to greater risk of global economic slowdown, political uncertainty, regulatory pressures, currency devaluation, exchange controls and the ability to enforce and defend legal and contractual rights than are domestic companies. Moreover, political pressure may cause regulators to enact new regulations or to modify or repeal existing regulations that could adversely affect the Debtor's operating affiliates in the Republic of Georgia. The operating affiliates may suffer losses as a result of political instability, civil unrest, and regime change.

5. Triggering Non-Alienation Provisions of Certain Joint-Venture Agreements

As described above, as part of the ITCL joint venture agreements, both the Debtor and Dr. Jokhtaberidze are bound by strict non-alienation and change of control provisions regarding their interests in Magticom. Subject to certain limited exceptions, these provisions provide that if there is any change of beneficial ownership of equity securities of ITCL or Magticom by either party or certain of their affiliates, including the Debtor, the breaching party shall lose all voting rights in the joint venture, thereby leaving that breaching party in the position as a minority shareholder with no management or voting rights and protections. Triggering these provisions could cause material value destruction to the value of the Debtor's investment in its non-debtor operating affiliates.

6. Dependence on Key Employees

The Debtor is dependent upon the continued services of certain senior executives and certain key technical personnel. In addition, so long as the Chapter 11 Case continues, the Debtor's senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. The Debtor believes that the loss of the services of key individuals could have a material adverse effect on Reorganized MIG.

7. Projected Financial Information

The financial projections annexed as Exhibit B to this Disclosure Statement are dependent upon the successful implementation of the business plan and the validity of the other assumptions contained therein. These projections reflect numerous assumptions, including Confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of Magticom, the Debtor's primary asset, industry performance, expected market pricing for Magticom's key products, results of cost savings programs, technical process improvements, certain assumptions with respect to competitors of Magticom, general business and economic conditions, and other matters, many of which are beyond the control of the Debtor. In addition, unanticipated events and circumstances occurring subsequent to the preparation of the projections may affect the actual financial results of the Debtor. Although the Debtor believes that the projections are reasonably attainable, variations between the actual financial results and those projected may occur and may be material.

Finally, the projections were not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Rather, the projections were developed in connection with the planning, negotiation and development of the Plan. Neither the Debtor nor the Reorganized Debtor undertakes any obligation to update or otherwise revise the projections to reflect events or circumstances existing or arising after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events. In management's view, however, the projections were prepared on a reasonable basis and represent a reasonable view of the expected future financial performance of the Reorganized Debtor after the Effective Date. Nevertheless, the projections should not be regarded as a representation, guaranty or other assurance by the Debtor, the Reorganized Debtor or any other person that the projections will be achieved and Holders are therefore cautioned not to place undue reliance on the projected financial information contained in this Disclosure Statement.

8. Historical Financial Information May Not Be Comparable

As a result of the consummation of the Plan and the transactions contemplated thereby, the financial condition and results of operations of the Reorganized Debtor from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtor's historical financial statements.

9. Competition

Many of the businesses owned by the Debtor currently face competition in their respective markets. If existing competitors expand their market share or enter into new markets, competition will intensify. Such increased competition may result in a loss of market share and could have a material adverse effect the Debtor's business, results of operations, and financial condition.

10. *Adverse Publicity in Connection with the Chapter 11 Case or Otherwise, Could Negatively Affect Business*

Adverse publicity or news coverage relating to the Debtor, including but not limited to publicity or news coverage in connection with the Chapter 11 Case, may negatively impact the Reorganized Debtor's efforts to establish and promote a positive image after the Effective Date. The Debtor believes that any such adverse effects may worsen during the pendency of a protracted bankruptcy case if the Plan is not confirmed as expected or if it were necessary for operating subsidiaries to file bankruptcy petitions.

11. *Litigation*

The Reorganized Debtor will be subject to various Claims and legal actions arising in the ordinary course of its business. The Debtor is not able to predict the nature and extent of any such Claims and actions and cannot guarantee that the ultimate resolution of such Claims and actions will not have a material adverse effect on the Reorganized Debtor.

B. Certain Bankruptcy Considerations

The Reorganized Debtor's future results are dependent upon the successful Confirmation and implementation of a plan of reorganization. Failure to obtain this approval in a timely manner could adversely affect the Debtor's operating results, as the Debtor's ability to obtain financing to fund its operations may be harmed by protracted bankruptcy proceedings. Furthermore, the Debtor cannot predict the ultimate amount of all settlement terms for its liabilities that will be subject to a plan of reorganization.

1. *Non-Confirmation or Delay of Confirmation of the Plan*

The Bankruptcy Court, which sits as a court of equity, may exercise substantial discretion. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, that the confirmation of the Plan not be followed by a need for further financial reorganization and that the value of Distributions to dissenting creditors and shareholders not be less than the value of Distributions such creditors and shareholders would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code.

Although the Debtor believes that the Plan will satisfy all requirements for Confirmation under the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications would not be sufficiently material as to necessitate the resolicitation of votes on the Plan.

In the event that any Class of Claims entitled to vote fails to accept the Plan in accordance with section 1126(c) and 1129(a)(8) of the Bankruptcy Code, the Debtor reserves the right: (a) to request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code; and/or (b) to modify the Plan in accordance with Section 11.04 thereof. While the Debtor believes that the Plan satisfies the requirements for non-consensual

Confirmation under section 1129(b) of the Bankruptcy Code because it does not “discriminate unfairly” and is “fair and equitable” with respect to the Classes that reject or are deemed to reject the Plan, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can be no assurance that any such challenge to the requirements for non-consensual Confirmation will not delay the Debtor’s emergence from chapter 11 or prevent Confirmation of the Plan.

If the Plan is not confirmed, there can be no assurance that the Chapter 11 Case will continue rather than be converted into chapter 7 liquidation case or that any alternative plan of reorganization would be on terms as favorable to the Holders of Claims against and Interests in the Debtor as the terms of the Plan. If a liquidation or protracted reorganization of the Debtor’s Estate were to occur, there is a substantial risk that the Debtor’s going concern value would be substantially eroded to the detriment of all stakeholders.

Moreover, there can be no assurance with respect to timing of the Effective Date. The occurrence of the Effective Date is also subject to certain conditions precedent as described in Section 9.02 of the Plan. Failure to meet any of these conditions could result in the Plan not being consummated.

If the Confirmation Order is vacated, (a) the Plan shall be null and void in all respects; (b) any settlement of Claims or Interests provided for in the Plan shall be null and void without further order of the Bankruptcy Court; and (c) the time within which the Debtor may assume and assign or reject all Executory Contracts and Unexpired Leases shall be extended for a period of one hundred twenty (120) days after the date the Confirmation Order is vacated.

If the Effective Date of the Plan does not occur, there can be no assurance that the Chapter 11 Case will continue rather than be converted into chapter 7 liquidation case or that any alternative plan of reorganization would be on terms as favorable to the Holders of Claims against any of the Debtor as the terms of the Plan. If a liquidation or protracted reorganization of the Debtor’s Estate were to occur, there is a substantial risk that the Debtor’s going concern value would be eroded to the detriment of all stakeholders.

2. Classification and Treatment of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires that a plan classify claims against, and interests in, a debtor. The Bankruptcy Code also provides that a plan may place a claim or interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtor believes that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtor presently anticipates that it would seek (i) to modify the Plan to provide for whatever classification might be required for confirmation and (ii) to use the acceptances received from any creditor pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such creditor ultimately is deemed to be a member. Any such reclassification of creditors, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such creditor was initially a member,

or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtor will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan of any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder regardless of the Class as to which such Holder is ultimately deemed to be a member. The Debtor believes that under the Federal Rules of Bankruptcy Procedure the Debtor would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the claim of any creditor or equity Holder.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the holder of a particular claim or interest agrees to a less favorable treatment of its claim or interest. The Debtor believes it has complied with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny Confirmation of the Plan.

Issues or disputes relating to classification and/or treatment could result in a delay in the Confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.

3. Claims Estimation

The Debtor reserves the right to object to the amount or classification of any Claim or Interest except any such Claim or Interest that is deemed Allowed under the Plan or except as otherwise provided in the Plan. There can be no assurance that any estimated Claim amounts set forth in this Disclosure Statement are correct. The actual Allowed amount of Claims likely will differ in some respect from the estimates. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, the actual Allowed amount of Claims may vary from those estimated herein. With respect to Holders of Claims entitled to receive a Distribution of New Preferred LLC Interests or New Common LLC Interests under the Plan, the value of the New Preferred LLC Interests or New Common LLC Interests received by Holders of such Claims will be diluted by additional issuances of units.

4. Bankruptcy-Related Litigation

On July 23, 2009, the Committee filed its Motion for Order Pursuant to Sections 105(a), 1104(a), 1121(c)(1) and (d)(1) and 1112(b), Appointing a Chapter 11 Trustee and Terminating the Debtor's Exclusivity to File a Plan or, In the Alternative, Dismissing Chapter 11 Case for Cause (the "Motion to Dismiss"). While the Debtor has vigorously opposed the Motion to Dismiss, there can be no assurances that the Bankruptcy Court will not grant all or a portion of the relief requested by the Committee in its Motion to Dismiss.

C. Risks to Creditors Who Will Receive Securities

The ultimate recoveries under the Plan to Holders of Claims in Class 5 and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders that will receive Common B Membership Interests and New MIG Notes, Holders of Interests in Classes 6 (other than Electing Class 6 Holders) that will receive New Preferred LLC Interests and Holders of Interests in Classes 7 that will receive Common A Membership Interests will depend on the realizable value of these securities. The securities to be issued pursuant to the Plan are subject to a number of material risks, including, but not limited to, those specified below. Prior to voting on the Plan, each Holder of a Claim in Classes 5 and 6 and Interests in Class 7 should carefully consider the risk factors specified or referred to below, as well as all of the information contained in the Plan.

1. Lack of Market for Securities Issued Pursuant to the Plan

There is no currently existing market for the New MIG Notes, the New Preferred LLC Interests and the New Common LLC Interests and there can be no assurance that an active trading market will develop. There can also be no assurance as to the degree of price volatility in any such particular market and no assurance as to the prices at which such securities might be traded. Accordingly, no assurance can be given that a Holder of securities issued pursuant to the Plan will be able to sell such securities in the future or as to the price at which any such sale may occur. If such market were to exist, the liquidity of the market for such securities and the prices at which such securities will trade will depend upon many factors, including the number of holders, investor expectations for the Debtor, and other factors beyond the Debtor's control.

2. Lack of Dividends on Securities May Adversely Affect Liquidity

The Operating Agreement provides that the New Preferred LLC Interests are entitled, when, as and if declared by the Board, to receive distributions on each outstanding Preferred Unit in the amount of 7.25%, payable quarterly, at the option of the Board, in cash, by issuing New Common LLC Interests or a combination thereof, which such dividends accrue whether or not paid and declared by the Board. Subject to the preferential distributions payable upon the Preferred Units as described above, distributions may be declared and paid on the Common Units at such times and in such amounts as the Board in its discretion may determine. The Debtor does not anticipate that cash dividends or other distributions will be made by the Reorganized Debtor with respect to the New Preferred LLC Interests or New Common LLC Interests in the foreseeable future. In addition, covenants in certain debt instruments to which the Reorganized Debtor will be a party may restrict the ability of the Reorganized Debtor to pay dividends and make certain other payments. Further, such restrictions on dividends may have an adverse impact on the market demand for New Preferred LLC Interests or New Common LLC Interests as certain institutional investors may invest only in dividend-paying equity securities or may operate under other restrictions that may prohibit or limit their ability to invest in the securities issued pursuant to the Plan.

D. Certain Tax Considerations

There are a number of income tax considerations, risks, and uncertainties associated with consummation of the Plan. Interested parties should read carefully the

discussions set forth in Section IX of this Disclosure Statement regarding certain U.S. federal income tax consequences of the transactions proposed by the Plan to the Debtor and the Reorganized Debtor and to certain Holders of Claims and Interests who are entitled to vote to accept or reject the Plan.

VIII. APPLICABILITY OF FEDERAL AND OTHER SECURITIES LAWS

Except as noted above, the Debtor believes that, subject to certain exceptions described below, various provisions of the Securities Act, the Bankruptcy Code and state securities laws exempt from federal and state securities registration requirements (a) the offer and the sale of such securities pursuant to the Plan and (b) subsequent transfers of such securities.

A. Offer and Sale of New Securities; Bankruptcy Code Exemption

Holders of Allowed Claims in Classes 5 and 6 and Interests in Class 7 will receive New MIG Notes, New Preferred LLC Interests and/or New Common LLC Interests pursuant to the Plan. Section 1145(a)(1) of the Bankruptcy Code exempts the offer or sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws if three principal requirements are satisfied: (1) the securities must be issued “under a plan” of reorganization by the debtor or its successor under a plan or by an affiliate participating in a joint plan of reorganization with the debtor; (2) the recipients of the securities must hold a pre-petition or administrative expense claim against the debtor or an interest in the debtor; and (3) the securities must be issued entirely in exchange for the recipient’s Claim against or Interest in the debtor, or “principally” in such exchange and “partly” for cash or property. In reliance upon this exemption, the Debtor believes that the offer and sale of the New MIG Notes, New Preferred LLC Interests or New Common LLC Interests under the Plan will be exempt from registration under the Securities Act and state securities laws.

In addition, the Debtor will seek to obtain, as part of the Confirmation Order, a provision confirming such exemption. Accordingly, such securities may be resold without registration under the Securities Act or other federal securities laws pursuant to an exemption provided by Section 4(1) of the Securities Act, unless the holder is an “underwriter” (see discussion below) with respect to such securities, as that term is defined under the Bankruptcy Code. In addition, such securities generally may be resold without registration under state securities or “blue sky” laws pursuant to various exemptions provided by the respective laws of the several states. Recipients of securities issued under the Plan, however, are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirement or conditions to such availability.

B. Subsequent Transfers of New Securities

Section 1145(b) of the Bankruptcy Code defines the term “underwriter” for purposes of the Securities Act as one who, except with respect to “ordinary trading transactions” of an entity that is not an “issuer,” (1) purchases a claim against, interest in, or claim for an administrative expense in the case concerning the debtor, if such purchase is with a view to distributing any security received in exchange for such a claim or interest; (2) offers to sell securities offered or sold under a plan for the holders of such securities; (3) offers to buy securities offered or sold under the Plan from the holders of such securities, if the offer to buy is: (a) with a view to distribution of such securities and (b) under an agreement made in connection with the Plan, with the consummation of the Plan, or with the offer or sale of securities under the Plan; or (4) is an “issuer” with respect to the securities, as the term “issuer” is defined in Section 2(11) of the Securities Act.

The term “issuer” is defined in Section 2(4) of the Securities Act; however, the reference contained in section 1145(b)(1)(D) of the Bankruptcy Code to Section 2(11) of the Securities Act purports to include as statutory underwriters all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. “Control” (as such term is defined in Rule 405 of Regulation C under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract or otherwise. Accordingly, an officer or director of a reorganized debtor (or its successor) under a plan of reorganization may be deemed to be a “control person,” particularly if such management position is coupled with the ownership of a significant percentage of the Debtor’s (or successor’s) voting securities. Mere ownership of securities of a reorganized debtor could result in a person being considered to be a “control person.”

To the extent that persons deemed to be “underwriters” receive New MIG Notes, New Preferred LLC Interests or New Common LLC Interests pursuant to the Plan, resales by such persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such persons would not be permitted to resell such New MIG Notes, New Preferred LLC Interests or New Common LLC Interests unless such securities were registered under the Securities Act or an exemption from such registration requirements were available. Entities deemed to be statutory underwriters for purposes of section 1145 of the Bankruptcy Code may, however, be able, at a future time and under certain conditions, to sell securities without registration pursuant to the resale provisions of Rule 144 under the Securities Act.

Pursuant to the Plan, certificates evidencing the New MIG Notes and the New Preferred LLC Interests or New Common LLC Interests will bear a legend substantially in the form below:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS REGISTERED OR QUALIFIED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR

UNLESS THE REORGANIZED DEBTOR RECEIVES AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO IT, THAT SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED.

Whether or not any particular person would be deemed to be an “underwriter” with respect to the New MIG Notes, New Preferred LLC Interests or New Common LLC Interests to be issued pursuant to the Plan, or an “affiliate” of the Reorganized Debtor, would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtor express no view as to whether any such person would be such an “underwriter” or “affiliate.” PERSONS WHO RECEIVE NEW MIG NOTES, NEW PREFERRED LLC INTERESTS OR NEW COMMON LLC INTERESTS UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER RULE 144 AND THE CIRCUMSTANCES UNDER WHICH SHARES MAY BE SOLD IN RELIANCE UPON SUCH RULE.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTOR MAKES NO REPRESENTATIONS CONCERNING, AND DOES NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE NEW MIG NOTES, NEW PREFERRED LLC INTERESTS OR NEW COMMON LLC INTERESTS OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, THE DEBTOR ENCOURAGES EACH CREDITOR, INTEREST HOLDER AND PARTY-IN-INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, THE DEBTOR MAKES NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE NEW MIG NOTES, NEW PREFERRED LLC INTERESTS OR NEW COMMON LLC INTERESTS.

IX. CERTAIN U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain anticipated U.S. federal income tax consequences of the Plan to the Debtor and certain Holders of Claims that are entitled to vote to accept or reject the Plan. This summary is provided for information purposes only and is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect, that could adversely affect the U.S. federal income tax consequences described below.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder of a Claim in light of its particular facts and circumstances or to certain types of Holders of Claims subject to special treatment under the Tax Code (for example, non-U.S. taxpayers, financial institutions, broker-dealers, life insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, grantor

trusts, persons holding a Claim as part of a “hedging,” “integrated,” or “constructive” sale or straddle transaction, persons holding claims through a partnership or other pass through entity, persons that have a “functional currency” other than the U.S. dollar, and persons who acquired or expect to acquire either an equity interest or other security in a Debtor or a Claim in connection with the performance of services). In addition, this summary does not discuss any aspects of state, local, or non-U.S. taxation and does not address the U.S. federal income tax consequences to Holders of Claims that are Unimpaired under the Plan or Holders of Claims that are not entitled to receive or retain any property under the Plan.

A substantial amount of time may elapse between the date of this Disclosure Statement and the receipt of a final Distribution under the Plan. Events occurring after the date of this Disclosure Statement, such as additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. There can be no assurance that the Internal Revenue Service (the “IRS”) will not take a contrary view with respect to one or more of the issues discussed below. No ruling will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtor with respect thereto.

Accordingly, the following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a Holder of a Claim. All Holders of Claims are urged to consult their own tax advisors for the federal, state, local and other tax consequences applicable to them under the Plan.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED HEREBY BY THE DEBTOR IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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

1. *Formation of the Reorganized Debtor as a Limited Liability Company*

The formation of the Reorganized Debtor as a limited liability company organized under Delaware law on or before the Effective Date is a taxable event for both the Debtor and its shareholders. In general, the Debtor recognizes gain or loss (subject to certain limitations) in an amount equal to the difference, if any, between the fair market value of the Debtor’s assets and the adjusted basis of such assets. In general, if the Debtor has net operating loss (“NOL”) carryforwards, those carryforwards may be used against any recognized gains. Unlike subchapter C corporations, which may be subject to two levels of tax (once at the corporate level

and then again when distributions are made to the shareholders), a limited liability company that is treated as a partnership for federal income tax purposes is not subject to federal income tax. Instead, items of income, gain, loss, deduction and credit of the limited liability company are allocated to the members, who report such items on their respective tax returns.

2. Cancellation of Indebtedness Income

Under the Tax Code, a U.S. taxpayer generally must include in gross income the amount of any cancellation of indebtedness (“COD”) income recognized during the taxable year. COD income generally equals the excess of the adjusted issue price of the indebtedness discharged over the sum of (i) the amount of cash and (ii) the fair market value of any property (including equity interests) transferred by the debtor in satisfaction of such discharged indebtedness. COD income also includes any interest that has been previously accrued and deducted but remains unpaid at the time the indebtedness is discharged.

The Tax Code permits a debtor in bankruptcy to exclude its COD income from gross income, but requires the debtor to reduce its tax attributes – such as NOL carryforwards, current year NOLs, tax credits, and tax basis in assets (collectively, “Tax Attributes”) – by the amount of the excluded COD income. Treasury regulations address the application of the rules for the reduction of tax attributes to situations where a member of a U.S. consolidated group recognizes excluded COD income. Under the ordering rules of the Treasury regulations, generally, the Tax Attributes of the debtor corporation are reduced first (including its NOLs and the stock basis of its subsidiaries). In this regard, the Treasury regulations adopt a “tier-down” approach such that if the debtor reduces its basis in its stock in a subsidiary, corresponding reductions must be made to the Tax Attributes of that subsidiary. To the extent that the excluded COD exceeds the Tax Attributes of the debtor member, the Treasury regulations require the reduction of certain Tax Attributes (NOLs, but not tax basis in assets) of other members of the consolidated group. To the extent the amount of excluded COD income exceeds the Tax Attributes available for reduction after reduction of certain Tax Attributes of other consolidated group members, the remaining COD income generally, has no adverse federal income tax consequences. The reduction in Tax Attributes generally occurs after the calculation of a Debtor’s tax for the year in which the debt is discharged.

Under the Tax Code, a debtor that recognizes excluded COD income may elect to reduce its basis in depreciable assets prior to the reduction of other Tax Attributes, with any excess COD income applied next to reduce NOLs and other Tax Attributes in the prescribed statutory order.

The Debtor will not be required to include COD income in gross income if the indebtedness will be discharged while the Debtor is under the jurisdiction of the Bankruptcy Court. Instead, the Debtor will be required to reduce Tax Attributes by the amount of the COD income recognized in the manner described above. The Debtor has not yet determined whether it would be beneficial to elect to reduce the basis of their depreciable property prior to any reduction of NOLs or other Tax Attributes. The extent to which NOLs and other Tax Attributes remain following Tax Attribute reduction will depend upon the amount of the COD income.

B. U.S. Federal Income Tax Consequences to the Holders of Claims and Interests

The U.S. federal income tax consequences to Holders of Allowed Claims arising from the Distributions to be made in satisfaction of their Claims pursuant to the Plan may vary, depending upon, among other things: (a) the type of consideration received by the Holder of a Claim in exchange for such Claim; (b) the nature of such Claim; (c) whether the Holder has previously claimed a bad debt or worthless security deduction in respect of such Claim; (d) whether such Claim constitutes a security; (e) whether the Holder of such Claim is a citizen or resident of the United States for tax purposes, or otherwise subject to U.S. federal income tax on a net income basis; (f) whether the Holder of such Claim reports income on the accrual or cash basis; and (g) whether the Holder of such Claim receives Distributions under the Plan in more than one taxable year. For tax purposes, the modification of a Claim may represent an exchange of the Claim for a new Claim, even though no actual transfer takes place. In addition, where gain or loss is recognized by a Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the Holder, whether the Claim constitutes a capital asset in the hands of the Holder and how long it has been held or is treated as having been held, whether the Claim was acquired at a market discount, and whether and to what extent the Holder previously claimed a bad debt deduction with respect to the underlying Claim. A Holder who purchased its Claim from a prior Holder at a market discount may be subject to the market discount rules of the Tax Code. Under those rules, assuming that the Holder has made no election to amortize the market discount into income on a current basis with respect to any market discount instrument, any gain recognized on the exchange of its Claim (subject to a de minimis rule) generally would be characterized as ordinary income to the extent of the accrued market discount on such Claim as of the date of the exchange.

1. *Accrued but Unpaid Interest*

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

The extent to which property received by a Holder of a Claim or Interest will be attributable to accrued but unpaid interest is unclear. Pursuant to the Plan, all Distributions in respect of any Allowed Claim will be allocated first to the principal amount of such Allowed Claim, and thereafter to accrued but unpaid interest, if any. There is no assurance, however, that such allocation will be respected by the IRS for U.S. federal income tax purposes.

Each Holder of an Allowed Claim is urged to consult its tax advisor regarding the allocation of consideration and the deductibility of previously included unpaid interest and OID for tax purposes.

2. Exchange

(a) HOLDERS OF SECURED WORKERS' COMPENSATION OBLIGATIONS CLAIMS (CLASS 2)

A Holder of a Class 2 Claim who receives the collateral securing such Claim or who receives Cash with respect to such Claim pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the fair market value of the collateral or the amount of Cash, as the case may be, received in exchange therefor (other than any money or property received in respect of accrued interest) and such Holder's adjusted tax basis in the Claim (other than any portion of the Claim attributable to accrued interest).

The Debtor intends to take the position that the consummation of the Plan should not be a taxable event for a Holder of a Class 2 Claim whose legal, equitable, and contractual rights are Reinstated pursuant to the Plan. The law regarding the tax consequences associated with the Reinstatement of a Class 2 Claim is complex and unclear. No assurance can be given that the IRS will agree with Debtor's intended treatment of such a Reinstated Claim. Holders of Class 2 Claims are urged to consult their tax advisors concerning the tax treatment of such a Reinstatement transaction.

(b) HOLDERS OF HAUF SECURED CLAIMS (CLASS 3)

A Holder of a Class 3 Claim who receives Cash with respect to such Claim pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount of Cash received in exchange therefor (other than any money or property received in respect of accrued interest) and such Holder's adjusted tax basis in the Claim (other than any portion of the Claim attributable to accrued interest).

(c) HOLDERS OF GENERAL UNSECURED CLAIMS (CLASS 4)

A Holder of a Class 4 Claim who receives Cash with respect to such Claim pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount of Cash received in exchange therefor (other than any money or property received in respect of accrued interest) and such Holder's adjusted tax basis in the Claim (other than any portion of the Claim attributable to accrued interest).

(d) HOLDERS OF APPRAISAL CLAIMS (CLASS 5)

A Holder of a Class 5 Claim who receives Cash, Common B Membership Interests and New MIG Notes with respect to such Claim pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount of Cash and the fair market value (determined on the Distribution Date) of the Common B Membership Interests and/or New MIG Notes received in

exchange therefor (other than any money or property received in respect of accrued interest) and such Holder's adjusted tax basis in the Claim (other than any portion of the Claim attributable to accrued interest).

(e) HOLDERS OF NON-APPRAISAL CLAIMS (CLASS 6)

A Holder of a Class 6 Claim who receives New Preferred LLC Interests with respect to such Claim pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the fair market value (determined on the Distribution Date) of the New Preferred LLC Interests received in exchange therefor and such Holder's adjusted tax basis in the Claim. A Holder of an Allowed Class 6 Claim that is an Electing Class 6 Holder who receives Cash, Common B Membership Interests and New MIG Notes with respect to such Claim pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount of Cash and the fair market value (determined on the Distribution Date) of the Common B Membership Interests and New MIG Notes received in exchange therefor (other than any money or property received in respect of accrued interest) and such Holder's adjusted tax basis in the Claim (other than any portion of the Claim attributable to accrued interest).

(f) HOLDERS OF COMMON EQUITY INTERESTS (CLASS 7)

A Holder of a Class 7 Interest who receives Common A Membership Interests with respect to such Interest pursuant to the Plan generally will be required to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the fair market value (determined on the Effective Date) of the Common A Membership Interests received in exchange therefor and such Holder's adjusted tax basis in the Interest.

3. *Ordinary Income*

The market discount provisions of the Tax Code may apply to Holders of certain Claims. Gain recognized by a Claim Holder with respect to a "market discount bond" will generally be treated as ordinary interest income to the extent of the market discount accrued on such bond during the Claim Holder's period of ownership, unless the Claim Holder elected to include accrued market discount in taxable income currently. Additionally, to the extent that a Holder of a Claim receives consideration in exchange for such Claim, such consideration may be characterized as a fee taxable as ordinary income without reduction for such Holder's adjusted tax basis in such Claim.

C. Information Reporting and Backup Withholding

Certain payments, including certain payments of Claims pursuant to the Plan, payments of interest, and the proceeds from the sale or other taxable disposition of the Claims and Interests may be subject to information reporting to the IRS. Moreover, such reportable payments may be subject to backup withholding unless the taxpayer: (i) comes within certain exempt categories (which generally include corporations) or (ii) provides a correct taxpayer

identification number and otherwise complies with applicable backup withholding provisions. In addition, Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

D. Importance of Your Obtaining Your Own Professional Tax Assistance

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

X. FEASIBILITY OF THE PLAN AND BEST INTERESTS OF CREDITORS

A. Feasibility of the Plan

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

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

The Projections indicate that the Reorganized Debtor should have sufficient cash flow to fund its operations and fund Distributions. Accordingly, the Debtor believes that the Plan complies with the financial feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

The Projections are based on numerous assumptions, including Confirmation and consummation of the Plan in accordance with its terms; realization of the operating strategy of the Reorganized Debtor; industry performance; no material adverse changes in applicable legislation or regulations, or the administration thereof, or generally accepted accounting principles; no material adverse changes in general business and economic conditions; no material adverse changes in competition; the Reorganized Debtor's retention of key management and other key employees; the absence of material contingent or unliquidated litigation, indemnity, or other claims; and other matters, many of which will be beyond the control of the Reorganized Debtor and some or all of which may not materialize.

To the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and are based on assumptions considered reasonable by the Debtor, the assumptions and estimates underlying the Projections are subject to significant business, economic, and competitive uncertainties and contingencies, many of which will be beyond the control of the Reorganized Debtor. Accordingly, the Projections are only estimates and are necessarily speculative in nature. It can be expected that some or all of the assumptions in the Projections will not be realized and that actual results will vary from the Projections, which variations may be material and are likely to increase over time. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections. The Projections were not prepared in accordance with standards for projections promulgated by the American Institute of Certified Public Accountants or with a view to compliance with published guidelines of the SEC regarding projections or forecasts. The Projections have not been audited, reviewed, or compiled by the Debtor's independent public accountants. The Debtor will be required to adopt "fresh start" accounting upon their emergence from chapter 11. The actual adjustments for "fresh start" accounting that the Debtor may be required to adopt upon emergence, may differ substantially from those "fresh start" adjustments in the Projections. The projected financial information contained in this Disclosure Statement should not be regarded as a representation or warranty by the Debtor, the Debtor's advisors, or any other Person that the Projections can or will be achieved.

The Projections should be read together with the information in Article VII of this Disclosure Statement entitled "Certain Risk Factors to be Considered," which sets forth important factors that could cause actual results to differ from those in the Projections.

The Debtor does not intend to update or otherwise revise the Projections, including any revisions to reflect events or circumstances existing or arising after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions do not come to fruition. Furthermore, the Debtor does not intend to update or revise the Projections to reflect changes in general economic or industry conditions.

The Debtor will face a number of risks with respect to their continuing business operations upon emergence from chapter 11, including but not limited to those described in Article VII.

B. Acceptance of the Plan

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

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually timely and properly vote to accept or to reject the Plan. Thus, Holders of Claims in each of Classes 3, 4, 5 and 6 will have voted to accept the Plan only if two-thirds (2/3) in amount and a majority in number of the Claims actually voting in each Class cast their ballots in favor of

acceptance. Holders of Claims who fail to vote are not counted as either accepting or rejecting a plan.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds (2/3) of the number of shares in that class, but for that purpose counts only those who actually timely and properly vote to accept or to reject the Plan. Thus, Holders of Interests in Class 7 will have voted to accept the Plan only if two-thirds (2/3) of the number of the number of shares in that class actually voting cast their ballots in favor of acceptance. Holders of Interests who fail to vote or who vote on an untimely or improper basis are not counted as either accepting or rejecting a plan.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

C. Best Interests Test

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

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

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

rejection of a large number of executory contracts and unexpired leases and thereby significantly enlarge the total pool of unsecured claims by reason of resulting rejection damages Claims.

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

D. Liquidation Analysis

For purposes of the best interests test, in order to determine the amount of liquidation value available to Creditors, the Debtor prepared a liquidation analysis (the "Liquidation Analysis"), which concludes that in a chapter 7 liquidation, Holders of prepetition Unsecured Claims would receive less of a recovery than the recovery they would receive under the Plan. This conclusion is premised upon the assumptions set forth in the Liquidation Analysis, which the Debtor believes are reasonable.

Notwithstanding the foregoing, the Debtor believes that any liquidation analysis with respect to the Debtor is inherently speculative. The Liquidation Analysis for the Debtor necessarily contains estimates of the net proceeds that would be received from a forced sale of assets, as well as the amount of Claims that would ultimately become Allowed Claims. Claims estimates are based solely upon the Debtor's review of the Claims Filed and the Debtor's books and records. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims set forth in the Liquidation Analysis. In preparing the Liquidation Analysis, the Debtor has projected an amount of Allowed Claims that represents their best estimate of the chapter 7 liquidation dividend to Holders of Allowed Claims. The estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including, without limitation, any determination of the value of any Distribution to be made on account of Allowed Claims under the Plan.

The full Liquidation Analysis is annexed as Exhibit C to this Disclosure Statement.

E. Valuation of the Reorganized Debtor

THE VALUATION INFORMATION CONTAINED IN THIS SECTION WITH REGARD TO THE REORGANIZED DEBTOR IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED PURSUANT TO THE PLAN.

1. Overview

Lazard Frères & Co. LLC (“Lazard”), the Debtor’s investment banker and financial advisor, has evaluated each of MIG’s businesses, assets, and investments on a going-concern basis to estimate its total enterprise value (“TEV”). The TEV for MIG is comprised of MIG’s interests in the following: (i) 46% ownership interest in Magticom; (ii) other operating assets; (iii) 85% interest in Ayety TV; (iv) 100% interest in Telecom Georgia; (v) 100% interest in Telenet; and (vi) Other assets (i.e., cash). In reaching the valuation of the Reorganized Debtor, Lazard necessarily made numerous assumptions with respect to MIG, industry performance, general business, regulatory, economic, market and financial conditions and other matters, many of which are beyond the Debtor’s control.

To arrive at its estimate of the hypothetical range of TEV of MIG, Lazard utilized three generally accepted valuation methods for assessing TEV: (1) discounted cash flow analysis; (2) comparable company analysis; and (3) precedent transactions analysis. Lazard applied slightly more weight to the Comparable Company Analysis and Precedent Transaction Analysis than the Discounted Cash Flow Analysis. Solely for purposes of the Plan, Lazard estimated the enterprise value of Magticom to be in a range between approximately \$1 billion to \$1.2 billion. Using the methodologies discussed above, Lazard estimates that the TEV for the Debtor to range between approximately \$460 million to \$552 million. The Lazard valuation provides the basis for the Debtor’s view that substantial value exists in excess of the Judgment.

THE ESTIMATED HYPOTHETICAL RANGE OF ENTERPRISE VALUE, AS OF AN ASSUMED EFFECTIVE DATE OF DECEMBER 31, 2009, REFLECTS INFORMATION REGARDING THE BUSINESS AND ASSETS OF THE DEBTOR AVAILABLE AS OF NOVEMBER 17, 2009. IT SHOULD BE UNDERSTOOD THAT, ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT THESE VALUES, NEITHER THE DEBTOR NOR LAZARD SHALL HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM THESE ESTIMATES.⁶

With respect to the Projections prepared by the management of the Debtor and included as Exhibit B to this Disclosure Statement, Lazard assumed that such Projections: (i) were prepared in good faith; (ii) based on fully disclosed assumptions which, in light of the circumstances under which they were made, are reasonable; (iii) reflect the best currently available estimates; and (iv) reflect the good faith judgments of the Debtor.

As part of the process of developing a range of enterprise values for MIG, Lazard performed certain due diligence. Given Magticom’s value contribution to the value of MIG, Lazard spent considerable time analyzing Magticom. Lazard’s due diligence included:

⁶ The Debtor and its advisors continue to analyze and conduct due diligence with respect to the various matters summarized in this section, including, without limitation, MIG’s various interests in other operating assets which are currently positioned for sale in 2010. Accordingly, the Debtor reserves the right to supplement, modify, update and/or revise the information set forth in this section, if and as it may deem appropriate, through the hearing on approval of this Disclosure Statement and potentially up to the deadline for Filing the Plan Supplement.

- Review of various documents and pleadings prepared by MIG and/or its professionals in connection with the chapter 11 case
- Review of various depositions taken in the case
- Review of certain documents from the MIG appraisal litigation
- Review of prior valuations and appraisals of MIG and Magticom
- Review of management's 2009-2015 Long Term Business Plan financial forecast for Magticom as provided in October 2009, including various supporting schedules and other financial information
- Visits with senior management of MIG and Magticom in New York, Chicago, London, and Tbilisi, Georgia
- Site visit to Tbilisi, Georgia to inspect the physical operations of Magticom
- Discussions with various senior managers and professionals with respect to business operations, both current and projected
- Analysis of the performance, financial information and market position of Magticom relative to certain competitors and similar publicly traded companies
- Analysis of the wireless telecommunications industry and trends affecting the markets in which Magticom operates
- Review of various securities analyst research reports on the wireless telecommunications industry and its participants
- analysis of precedent transactions in the industry to determine prices paid for assets, business lines and/or companies similar to Magticom
- Preparation of such other analyses as Lazard deemed appropriate

Although Lazard conducted a review and analysis of the Debtor's business and the Reorganized Debtor's business plan, it assumed and relied on the accuracy, completeness and fairness of financial and other information furnished to it by the Debtor as well as publicly available information.

Lazard did not attempt to independently audit or verify management's projections in connection with such estimates of the range of TEV, and no independent appraisal of the assets or liabilities of the Debtor was sought or obtained in connection herewith. In the case of the Reorganized Debtor, the estimates of the TEV prepared by Lazard represent the hypothetical reorganization value of the Reorganized Debtor.

2. Valuation Methodology

The following is a brief summary of certain financial analyses performed by Lazard. To arrive at its estimate of the range of the TEV of the Reorganized Debtor, Lazard utilized three generally accepted valuation methods for assessing TEV: (1) Discounted Cash Flow Analysis; (2) Comparable Company Analysis; and (3) Precedent Transactions Analysis. Lazard applied slightly more weight to the Comparable Company Analysis and Precedent Transaction Analysis than the Discounted Cash Flow Analysis.

Lazard performed certain procedures, including each of the financial analyses described below, and reviewed the assumptions with the management of the Debtor on which such analyses were based and other factors, including the projected financial results of the Reorganized Debtor.

(a) DISCOUNTED CASH FLOW ANALYSIS

The Discounted Cash Flow (“DCF”) analysis estimates the value of an asset or business by ascertaining the present value of expected future cash flows to be generated by that asset or business. The cash flows analyzed include the value of unlevered free cash flows over the forecast period, plus a terminal value to account for the theoretical future value of the business beyond the forecast period, discounted to the present at a discount rate commensurate with the assessed risk of the cash flows. In this case, premiums were added to the discount rate to reflect the country risk of operating in Georgia and risks unique to MIG. Lazard utilized MIG’s detailed projections for the 2010–2015 period to derive projected unlevered free cash flows and discounted these cash flows, and the estimated terminal value, at the theoretical weighted average cost of capital (“WACC”).

(b) COMPARABLE COMPANY ANALYSIS

The Comparable Company analysis estimates the value of a company based on the implied valuations of other publicly traded companies with relatively similar business and financial characteristics to Magticom. The wireless communications industry is large and global. There are many public companies operating in this industry and, in particular, emerging markets similar to Magticom. Lazard’s analysis of the selected companies includes a review of the financial statements of each company in the peer group as well as an assessment of the business risks, profitability, leverage and growth prospects of each company and the markets in which they operate. In formulating its opinions, Lazard made certain qualitative judgments concerning differences between the characteristics of Magticom and the comparable companies in the selected universe. Upon selecting an appropriate peer group, Lazard determined the TEVs and calculated the implied multiples of EBITDA (earnings before interest, taxes, depreciation and amortization), operating cash flow and net income for 2009 and 2010E.

(c) PRECEDENT TRANSACTIONS ANALYSIS

The precedent transactions analysis estimates the value of a company by examining publicly disclosed information on M&A transactions for comparable companies or assets and

analyzing the purchase price as a multiple of EBITDA and operating cash flow. A range of these multiples is then applied to operating results of Magticom to arrive at an estimate of TEV. This methodology requires qualitative judgments to be applied since each transaction occurs under unique circumstances and involves assets with specific and unique characteristics. There are a large number of relevant transactions in various markets around the world including purchases for 100% of and minority stakes in companies. Certain of these transactions include change of control premiums while others do not. Lazard believes this analysis is relevant in determining Magticom's valuation.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF AN ESTIMATE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUSCEPTIBLE TO SUMMARY DESCRIPTION. IN PERFORMING THEIR ANALYSES, LAZARD AND THE DEBTOR MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

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

It is impossible to determine with any specificity the value each Holder of an Unsecured Claim will receive as a percentage of its Allowed Claim. Notwithstanding the difficulty in quantifying recoveries with precision, the Debtor believes that the financial disclosures and projections contained in this Disclosure Statement imply a greater or equal recovery to Holders of Claims in Impaired Classes than the recovery available in a chapter 7 liquidation. Accordingly, the Debtor believes that the "best interests" test of section 1129 of the Bankruptcy Code is satisfied.

G. Confirmation Without Acceptance of All Impaired Classes: The "Cramdown" Alternative

In the event that one of Classes 3, 4, 5, 6 or 7 does not vote to accept the Plan, the Debtor will seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed even if the plan is not accepted by all Impaired classes, as long as at least one impaired class of claims has accepted it. The Bankruptcy Court may confirm a plan at the request of the Debtor if the Plan "does not discriminate unfairly" and is "fair and equitable" as to each Impaired class that has not accepted the Plan. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank.

The Debtor believes the Plan does not discriminate unfairly with respect to the Claims and Interests in Classes.

A plan is fair and equitable as to a class of unsecured Claims that rejects a plan if the plan provides (i) for each Holder of a Claim included in the rejecting class to receive or retain on account of that Claim property that has a value, as of the effective date of the plan, equal to the Allowed amount of such Claim or (ii) that the Holder of any Claim or Interest that is junior to the Claims of such class will not receive or retain on account of such junior Claim or Interest any property at all.

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

The Debtor believes that they will meet the “fair and equitable” requirements of section 1129(b) of the Bankruptcy Code with respect to Holders of Claims in Classes 3, 4 and 5 and Holders of Interests in Classes 6 and 7 and that the Plan satisfies the foregoing requirements for nonconsensual confirmation of the Plan.

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATIONS OF THE PLAN

The Debtor believes that the Plan affords Holders of Claims and Interests in Classes 3, 4, 5, 6 and 7 the potential for the greatest realization on the Debtor’s assets and, therefore, is in the best interests of such Holders. If, however, the requisite acceptances are not received or the Plan is not confirmed and consummated, the theoretical alternatives include (a) formulation of an alternative plan or plans of reorganization or (b) liquidation of the Debtor under chapter 7 or chapter 11 of the Bankruptcy Code.

A. Alternative Plan(s) of Reorganization

If the requisite acceptances are not received or if the Plan is not confirmed, the Debtor could attempt to formulate and propose a different plan of reorganization. Such a plan might involve either a reorganization and continuation of the Debtor’s businesses or an orderly liquidation of assets.

The Debtor believes that the Plan enables Creditors to realize the greatest possible value under the circumstances and has the greatest chance to be confirmed and consummated.

B. Liquidation under Chapter 7 or Chapter 11

If no plan is confirmed, the Debtor’s case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the Debtor’s assets for distribution in accordance with the priorities established by the

Bankruptcy Code. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective Holders of Claims against or Interests in the Debtor.

The Debtor believes that in a liquidation under chapter 7, additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants, and other professionals to assist such trustees would cause a substantial diminution in the value of the Debtor's Estate. The assets available for distribution to Creditors would be reduced by such additional expenses and by Claims, some of which would be entitled to priority, arising by reason of the liquidation and from the rejection of leases and other Executory Contracts in connection with the cessation of operations and the failure to realize the greater going concern value of the Debtor's assets. More importantly, conversion to chapter 7 liquidation would likely result in the immediate cessation of the Debtor's businesses, as most chapter 7 trustees are disinclined to continue operations.

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

Although preferable to a chapter 7 liquidation, the Debtor believes that any alternative liquidation under chapter 11 is a much less attractive alternative to Creditors than the Plan because of the greater return anticipated by the Plan.

XII. THE SOLICITATION; VOTING PROCEDURES

A. Parties in Interest Entitled to Vote

In general, a Holder of a Claim or Interest may vote to accept or to reject a plan if (a) the Claim or Interest is "allowed," which means generally that no party in interest has objected to or is otherwise a Disputed Claim or Interest and (b) the Claim or Interest is "Impaired" by the Plan.

Under section 1124 of the Bankruptcy Code, a class of Claims or Interests is deemed to be "Impaired" under a plan unless (i) the Plan leaves unaltered the legal, equitable, and contractual rights to which such Claim or Interest entitles the Holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such Claim or Interest, the Plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and Reinstates the maturity of such Claim or Interest as it existed before the default.

If, however, the Holder of an Impaired Claim or Interest will not receive or retain any Distribution under the Plan on account of such Claim or Interest, the Bankruptcy Code deems such Holder to have rejected the Plan and, accordingly, Holders of such Claims and interests do not actually vote on the Plan. If a Claim or Interest is not Impaired by the Plan, the Bankruptcy Code deems the Holder of such Claim or Interest to have accepted the Plan and, accordingly, Holders of such Claims and interests are not entitled to vote on the Plan.

B. Classes Entitled to Vote to Accept or Reject the Plan

Holders of Claims and Interests in Classes 3, 4, 5, 6 and 7 are entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the Plan and, therefore, the Holders of Claims or Interests in such Classes are not entitled to vote to accept or reject the Plan. Consequently, Classes 1 and 2 are deemed to have accepted the Plan and, therefore, none of the Holders of Claims in Classes 1 and 2 are entitled to vote to accept or reject the Plan.

C. Waivers of Defects, Irregularities, Etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots will be determined by the Voting Agent and the Debtor in its sole discretion, which determination will be final and binding. As indicated below under “Withdrawal of Ballots; Revocation,” effective withdrawals of ballots must be delivered to the Voting Agent prior to the Voting Deadline. The Debtor reserves the absolute right to contest the validity of any such withdrawal. The Debtor also reserves the right to reject any and all ballots not in proper form, the acceptance of which would, in the opinion of the Debtor or their counsel, be unlawful. The Debtor further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular ballot. The interpretation (including the ballot and the respective instructions thereto) by the Debtor, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Debtor (or the Bankruptcy Court) determines. Neither the Debtor nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

D. Withdrawal of Ballots; Revocation

Any party who has delivered a valid ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claim(s) to which it relates and the aggregate principal amount represented by such Claim(s), (ii) be signed by the withdrawing party in the same manner as the ballot being withdrawn, (iii) contain a certification that the withdrawing party

owns the Claim(s) and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be received by the Voting Agent in a timely manner at MIG, Inc. Ballot Processing Center, c/o The Garden City Group, Inc., 105 Maxess Road, Melville, NY 11747. The Debtor intends to consult with the Voting Agent to determine whether any withdrawals of ballots were received and whether the requisite acceptances of the Plan have been received. As stated above, the Debtor expressly reserves the absolute right to contest the validity of any such withdrawals of ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of ballots which is not received in a timely manner by the Voting Agent will not be effective to withdraw a previously cast ballot.

Any party who has previously submitted to the Voting Agent prior to the Voting Deadline a properly completed ballot may revoke such ballot and change his or its vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent properly completed ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed ballot is received, only the ballot which bears the latest date will be counted for purposes of determining whether the requisite acceptances have been received.

E. Voting Objection Deadline

Pursuant to Bankruptcy Rule 3018(a), the deadline for the Debtor to File and serve any objections to Claims (each a "Voting Objection") to temporarily allow a Claim for purposes of voting on the Plan in a different class or different amount than is set forth in the Proof of Claim timely Filed by the applicable Bar Date as set by the Court, shall be [****], 2010 at 4:00 p.m. (Eastern) (the "Voting Objection Deadline"). Any party with a response to a Voting Objection may be heard at the Confirmation Hearing. Responses to any Voting Objection may be Filed with the Court up to and including the date of the Confirmation Hearing. If, and to the extent that, the Debtor and such party are unable to resolve the issues raised by the Voting Objection on or prior to the Confirmation Hearing, any such Voting Objection shall be heard at the Confirmation Hearing.

F. Further Information; Additional Copies

If you have any questions or require further information about the voting procedures for voting your Claim or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits or appendices to such documents (at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d) or the Solicitation Order), please contact the Voting Agent at:

THE GARDEN CITY GROUP, INC.
105 MAXESS ROAD
MELVILLE, NY 11747
TELEPHONE: (800) 327-3664
WEB SITE: <http://migreorg.com>

RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Debtor believes that Confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Debtor urges all Holders of Claims in Classes 3, 4, 5, 6 and 7 to vote to ACCEPT the Plan, and to complete and return their ballots so that they will be RECEIVED on or before 5:00 p.m. Eastern Time on the Voting Deadline.

Dated: November 17, 2009

GREENBERG TRAURIG, LLP

/s/ Scott D. Cousins

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Counsel for the Debtor and Debtor-in-Possession

Exhibit A

to

Disclosure Statement with Respect to the Chapter 11 Plan of
Reorganization for MIG, Inc. dated November 17, 2009

CHAPTER 11 PLAN OF
REORGANIZATION FOR MIG, INC.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: MIG, INC., Debtor.	Chapter 11 Case No. 09-12118 (KG)
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CHAPTER 11 PLAN OF REORGANIZATION FOR MIG, INC.

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CHAPTER 11 PLAN OF REORGANIZATION FOR MIG, INC.

INTRODUCTION¹

MIG, Inc., as a debtor and debtor in possession (the “Debtor”), hereby proposes this Plan for the resolution of the outstanding Claims against and Interests in the Debtor. Reference is made to the Disclosure Statement for a discussion of (i) the Debtor’s history, businesses, properties, results of operations, and projections for future operations, (ii) a summary and analysis of this Plan, and (iii) certain related matters, including risk factors relating to the consummation of this Plan and Distributions to be made under this Plan.

ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019, AND IN THE PLAN, THE DEBTOR RESERVES THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN, OR ANY PART THEREOF, PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

The Debtor is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I:

DEFINED TERMS AND RULES OF INTERPRETATION

For purposes of the Plan, except as expressly provided or unless the context otherwise requires, (a) all capitalized terms used in the Plan and not otherwise defined in the Plan shall have the meanings ascribed to them in the Disclosure Statement (or any exhibit hereto or thereto), (b) any capitalized term used in the Plan that is not defined in the Plan, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable, (c) whenever the context requires, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter, (d) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (e) any reference in the Plan to an existing document or exhibit means such document or exhibit as it may be amended, modified, or supplemented from time to time, (f) unless otherwise specified, all references in the Plan to sections, articles, schedules, and exhibits are references to sections, articles, schedules, and exhibits of or to the Plan, (g) the words

¹ All capitalized terms used in the Plan and not otherwise defined in Article I of the Plan shall have the meanings ascribed to them in the Disclosure Statement (or any exhibit hereto).

“herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan in its entirety rather than to any particular paragraph, subparagraph, or clause contained in the Plan, (h) captions and headings to articles and sections are inserted for convenience of reference only and shall not limit or otherwise affect the provisions hereof or the interpretation of the Plan, and (i) the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

1.1 “Administrative Claim” means a Claim for any costs or expenses of administration of the Estate under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, for: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the businesses of the Debtor; (b) any payment to be made under the Plan to cure a default on an assumed Executory Contract or assumed Unexpired Lease; (c) any postpetition cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtor in the ordinary course of its business; (d) any Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order under section 546(c)(2)(A) of the Bankruptcy Code; (e) any Allowed Claims of Professionals in the Chapter 11 Case; and (f) any fees and charges assessed against the Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-1930.

1.2 “Administrative Claims Bar Date” means the date (or dates), if any, set by the Bankruptcy Court as the last day for Filing all requests for payment of Administrative Claims.

1.3 “Administrative Claims Reserve” means the reserve of Cash established and maintained by the Debtor and Reorganized Debtor to pay Allowed Administrative Claims, including Claims under section 503(b)(9) of the Bankruptcy Code and all Claims for rent under section 503(b) of the Bankruptcy Code and lease payments under section 365(d)(5) of the Bankruptcy Code.

1.4 “Administrative Expense Request” means a request for the payment of an Administrative Claim.

1.5 “Affiliate” means “affiliate” as defined in section 101(2) of the Bankruptcy Code.

1.7 “Alleged Fraudulent Transfer Claims” means the claims alleged by the Committee in connection with its Motion for Order Granting the Committee Standing to: (i) Prosecute Actions on Behalf of the Debtor’s Estate; and (ii) Seek a Temporary Restraining Order, Preliminary Injunction and Other Related Relief dated November 17, 2009 [Docket No. 310].

1.8 “Allowed” means with respect to any Claim (including any Administrative Claim) or portion thereof (to the extent such Claim is not Disputed or Disallowed) or any Interest (a) any Claim or Interest, proof of which (i) was timely Filed with the Bankruptcy Court or its duly appointed claims agent, (ii) was deemed timely filed pursuant to section 1111(a) of the Bankruptcy Code, or (iii) by a Final Order, was not required to be Filed; (b) any Claim or Interest that has been, or hereafter is, listed in the Schedules as liquidated in an amount other than zero or unknown and not Disputed or Contingent (or as to which the applicable Proof of Claim has been withdrawn or Disallowed); and (c) any Claim or Interest which has been allowed

(whether in whole or in part) by a Final Order (but only to the extent so allowed), and, in (a), (b) and (c) above, as to which no objection to the allowance thereof, or action to subordinate, avoid, classify, reclassify, expunge, estimate or otherwise limit recovery with respect thereto, has been Filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order; (d) any Claim or Interest allowed under or pursuant to the terms of the Plan; (e) any Claim arising from the recovery of property under sections 550 or 553 of the Bankruptcy Code which has been allowed in accordance with section 503(h) of the Bankruptcy Code; (f) a Claim relating to a rejected Executory Contract or Unexpired Lease that either (i) is not a Disputed Claim or (ii) has been allowed by a Final Order, in either case only if a Proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law; or (g) which is a Professional Claim for which a fee award amount has been approved by order of the Bankruptcy Court; provided, however, that Claims or Interests allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed” hereunder.

1.9 “Allowed Claim” means an Allowed Claim of the particular type or Class described.

1.10 “Allowed __ Claim” means, with respect to any specified Class or type of Claim, whether classified or unclassified, that the referenced Claim is an Allowed Claim.

1.11 “Allowed Final Appraisal Amount” means \$188,367,736.47 or such other amount as determined in the Final Appraisal Judgment, together with interest thereon at the rate provided for in the Final Appraisal Judgment to and including the day prior to the Effective Date, or as otherwise provided by the Bankruptcy Court.

1.12 “Allowed Non-Appraisal Amount” means \$32 million or such other amount as determined based on a methodology consistent with that applied in the Final Appraisal Judgment, together with interest thereon at the rate provided for in the Final Appraisal Judgment to and including the day prior to the Effective Date, or as otherwise provided by the Bankruptcy Court.

1.13 “Appraisal Action” means *In re: Appraisal of Metromedia International Group, Inc.*, Civil Action No. 3351-CC in the Court of Chancery of the State of Delaware.

1.14 “Appraisal Claims” means Claims arising in connection with the Appraisal Action.

1.15 “Appraisal Claims Representative” means one (1) Holder of an Appraisal Claim designated by the Committee on or before the Effective Date to attend and observe all meetings of the New Board of the Reorganized Debtor.

1.16 “Avoidance Actions” means any and all Causes of Action (other than those which are released or dismissed as part of and pursuant to the Plan) which a trustee, debtor-in-possession, the estate or other appropriate party in interest may assert under sections 502(d), 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code or under related state or federal statutes and common law, including, without limitation, fraudulent transfer laws (whether or not litigation is commenced to prosecute such Causes of Action) and including the

Debtor's rights of setoff, recoupment, contribution, reimbursement, subrogation or indemnity (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction) and any other indirect claim of any kind whatsoever, whenever and wherever arising or asserted. The term "Avoidance Actions" includes the Alleged Fraudulent Transfer Claims.

1.17 "Ballot" means each of the ballot forms, other than a master ballot form, distributed to each Holder of a Claim or Interest entitled to vote to accept or reject this Plan.

1.18 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Case.

1.19 "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware or such other court as may have jurisdiction over the Chapter 11 Case or any aspect thereof.

1.20 "Bankruptcy Rules" means (i) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code, (ii) the applicable Federal Rules of Civil Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code, (iii) the applicable Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, and (iv) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Case or proceedings therein, as the case may be.

1.21 "Bar Date(s)" means the date (or dates) set by the Bankruptcy Court as the last day for Filing a Proof of Claim against the Debtor in the Chapter 11 Case.

1.22 "Business Day" means any day, excluding Saturdays, Sundays, or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in Wilmington, Delaware.

1.23 "Cash or \$" means legal tender of the United States of America or the equivalent thereof, including bank deposits, checks and cash equivalents.

1.24 "Causes of Action" means any and all actions, causes of action, Claims, rights, defenses, liabilities, obligations, executions, choses in action, controversies, rights (including rights to legal remedies, rights to equitable remedies, rights to payment), suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, choate or inchoate, existing or hereafter arising, suspected or unsuspected, foreseen or unforeseen, and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, based on whole or in part upon any act or omission or other event occurring

prior to the Petition Date or during the course of the Chapter 11 Case, including through the Effective Date.

1.25 “Chapter 11 Case” means chapter 11 case number 09-12118 (KG) commenced by the Debtor in the Bankruptcy Court.

1.26 “Claim” means any “claim” against the Debtor as defined in Bankruptcy Code section 101(5).

1.27 “Claims Objection Bar Date” means the date that is ninety (90) days after the Effective Date or such later date as may be extended by order of the Bankruptcy Court.

1.28 “Class” means a category of Holders of Claims or Common Equity Interests pursuant to section 1122(a) of the Bankruptcy Code, as described in Articles II and III of the Plan.

1.29 “Collateral” means any property or interest in property of the Debtor’s Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.30 “Common A Membership Interests” means the common limited liability company interests in the Reorganized Debtor (as diluted by the Common B Membership Interests) issued by the Reorganized Debtor on the Distribution Date to the Holders of Class 7 Allowed Claims. The Common A Membership Interests will be represented by “Common A Units.”

1.31 “Common B Membership Equity Distribution Value” means \$84 million.

1.33 “Common B Membership Interests” means fifteen percent (15%) of the common limited liability company interests in the Reorganized Debtor issued by the Reorganized Debtor on the Distribution Date to the Holders of Class 5 Allowed Claims and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders. The Common B Membership Interests will be represented by “Common B Units.”

1.34 “Common Equity Interest” means any share of common stock, preferred stock or other instrument evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in the Debtor that existed immediately prior to the Effective Date.

1.35 “Confirmation” means the entry of the Confirmation Order on the docket of the Chapter 11 Case, subject to all conditions specified having been (a) satisfied, or (b) waived.

1.36 “Confirmation Date” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

1.37 “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.38 “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to, among others, section 1129 of the Bankruptcy Code.

1.39 “Consummation” means the occurrence of the Effective Date.

1.40 “Contingent” means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

1.41 “Creditor” means any Holder of a Claim.

1.42 “Creditors Committee” means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Case pursuant to section 1102(a) of the Bankruptcy Code, as the membership of such committee is from time to time constituted and reconstituted.

1.43 “Cure” means the Distribution of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption or assumption and assignment of an Executory Contract or Unexpired Lease, pursuant to Bankruptcy Code section 365(b), in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties, under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law.

1.44 “Debtor” is defined in the Introduction to this Plan.

1.45 “Disallowed” means, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in the Debtor which: (i) has been disallowed, in whole or part, by a Final Order; (ii) has been withdrawn by agreement of the Holder thereof and the Debtor, in whole or in part; (iii) has been withdrawn, in whole or in part, by the Holder thereof; (iv) if listed in the Schedules as zero or as Disputed, contingent or unliquidated and in respect of which a Proof of Claim or a Proof of Interest, as applicable, has not been timely Filed or deemed timely Filed pursuant to the Plan, the Bankruptcy Code or any Final Order or other applicable law; (v) has been reclassified, expunged, subordinated or estimated to the extent that such reclassification, expungement, subordination or estimation results in a reduction in the Filed amount of any Proof of Claim or Proof of Interest; (vi) is evidenced by a Proof of Claim or a Proof of Interest which has been Filed, or which has been deemed to be Filed under applicable law or order of the Bankruptcy Court or which is required to be Filed by order of the Bankruptcy Court but as to which such Proof of Claim or Proof of Interest was not timely or properly Filed; (vii) is unenforceable to the extent provided in section 502(b) of the Bankruptcy Code; (viii) where the holder of a Claim is a Person or Entity from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, unless such Person, Entity or transferee has paid the amount, or turned over any such

Property, for which such Person, Entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of the Bankruptcy Code; or (ix) is for reimbursement or contribution that is contingent as of the time of allowance or disallowance of such claim. In each case a Disallowed Claim or a Disallowed Interest is disallowed only to the extent of disallowance, withdrawal, reclassification, expungement, subordination or estimation.

1.46 “Disallowed Claim” means a Claim, or any portion thereof, that is Disallowed.

1.47 “Disallowed Interest” means an Interest, or any portion thereof, that is Disallowed.

1.48 “Disbursing Agent” means the Reorganized Debtor or any Person or Persons designated by the Debtor or the Reorganized Debtor, in its discretion, to serve as disbursing agent under the Plan with respect to Distributions to Holders in particular Classes of Claims; which may include, without limitation, the claims agent.

1.49 “Disclosure Statement” means the disclosure statement for the Plan, as amended, supplemented or modified from time to time, describing the Plan, that is prepared and distributed in accordance with, among others, sections 1125, 1126(b) and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018 and other applicable law.

1.50 “Disputed Claim” means (a) if no Proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law: (i) a Claim that is listed on the Debtor’s Schedules as other than disputed, contingent or unliquidated, but as to which the Debtor or Reorganized Debtor or, prior to the Confirmation Date, any other party in interest, has Filed an objection by the Claims Objection Bar Date, and such objection has not been withdrawn or denied by a Final Order; or (ii) a Claim that is listed on the Debtor’s Schedules as disputed, contingent or unliquidated; or (b) if a Proof of Claim or request for payment of an Administrative Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law: (i) a Claim for which no corresponding Claim is listed on the Debtor’s Schedules; (ii) a Claim for which a corresponding Claim is listed on the Debtor’s Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the Proof of Claim varies from the nature and amount of such Claim as it is listed on the Schedules; (iii) a Claim for which a corresponding Claim is listed on the Debtor’s Schedules as disputed, contingent or unliquidated; (iv) a Claim for which an objection has been Filed by the Debtor or Reorganized Debtor or, prior to the Confirmation Date, any other party in interest, by the Claims Objection Bar Date, and such objection has not been withdrawn or denied by a Final Order; or (v) a tort claim.

1.51 “Disputed Claim Amount” means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtor or the Reorganized Debtor, as applicable, and the Holder of such Disputed Claim; or (iii) if a request for estimation is Filed by any party, the amount at which such Disputed Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by the Debtor or the Reorganized Debtor, as applicable, and the Holder of such Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to

such Disputed Claim; or (c) zero, if the Disputed Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was Filed, or deemed to have been Filed, by the applicable Bar Date and the Claim has not been resolved by written agreement of the parties or an order of the Court.

1.52 “Disputed Claims Reserve” means the reserve of Cash established and maintained by the Debtor and/or the Reorganized Debtor to pay Disputed Claims upon allowance by the Bankruptcy Court.

1.53 “Distribution” means any distribution pursuant to the Plan to the Holders of Allowed Claims or Interests.

1.54 “Distribution Date” means, when used with respect to an Allowed Claim or an Allowed Interest, the Initial Distribution Date and any date after the Effective Date upon which a Distribution is made by the Disbursing Agent in accordance with the Plan which is the latest to occur of (a) the Initial Distribution Date; (b) the date that is ten (10) Business Days after the date after such Claim or Interest becomes an Allowed Claim or an Allowed Interest by a Final Order; or (c) the date that such Claim becomes payable under any agreement between the Debtor and the Holder of such Claim.

1.55 “Distribution Record Date” means the record date for determining entitlement to receive Distributions under the Plan on account of Allowed Claims and/or Allowed Interests.

1.56 “Effective Date” means any Business Day following the date on which all conditions to consummation set forth in Section 9.02 of the Plan have been satisfied or, if capable of being duly and expressly waived, as provided in Section 9.04 of the Plan, any conditions to the occurrence of consummation set forth in the Plan has been satisfied or waived.

1.57 “Electing Class 6 Holder” means the Holder of an Allowed Class 6 Claim validly electing in accordance with Section 3.03(d)(ii) to receive its Pro Rata share of Class 6’s Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value.

1.58 “Entity” means a Person, estate, trust, governmental unit, and U.S. Trustee, within the meaning of Bankruptcy Code section 101(15).

1.59 “Estate” means the estate of the Debtor in the Chapter 11 Case, created pursuant to section 541 of the Bankruptcy Code.

1.60 “Excess Cash” means the Debtor’s Cash on the day immediately preceding the Effective Date less (a) amounts and reserves necessary to make Distributions or other payments under the Plan and (b) \$5 million.

1.61 “Exculpated Parties” means the (a) Debtor; (b) Reorganized Debtor; and (c) each Indemnified Person.

1.62 “Executory Contract” means a contract to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.63 “Exhibit Filing Date” means the date on which exhibits to the Plan or the Disclosure Statement shall be Filed with the Bankruptcy Court, which date shall be at least ten (10) days prior to the Confirmation Hearing or such later date as may be established by order of the Bankruptcy Court.

1.64 “Face Amount” means (a) when used in reference to a Disputed Claim, the Disputed Claim Amount and (b) when used in reference to an Allowed Claim, the Allowed Claim amount.

1.65 “File, Filed or Filing” means file, filed or filing with the Bankruptcy Court in the Chapter 11 Case; provided, however, that with respect to Proofs of Claim and Proofs of Interest only, “Filed” shall mean delivered and received in the manner provided in any order approving the Bar Date or the Administrative Claims Bar Date.

1.66 “Final Appraisal Judgment” means a Final Order entered in connection with the Appraisal Action.

1.67 “Final Order” means an order, ruling, judgment, the operation or effect of a judgment or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other court of competent jurisdiction which has not been reversed, vacated, stayed, modified or amended and as to which (i) the time to appeal or petition for review, rehearing, certiorari, reargument or retrial has expired and as to which no appeal or petition for review, rehearing, certiorari, reargument or retrial is pending or (ii) any appeal or petition for review, rehearing, certiorari, reargument or retrial has been finally decided and no further appeal or petition for review, rehearing, certiorari, reargument or retrial can be taken or granted; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

1.68 “General Unsecured Claim” means any Unsecured Claim against the Debtor that is not an Other Priority Claim or an Appraisal Claim.

1.69 “Georgia” means the Republic of Georgia, a country in the Caucasus region between Russia, Turkey and Azerbaijan.

1.70 “Holder” means the legal or beneficial holder of a Claim or Interest (and, when used in conjunction with a Class or type of Claim or Interest, means a Holder of a Claim or Interest in such Class or of such type).

1.71 “Hauf Secured Claims” means the portions of Claims of Mark Stephen Hauf that are Secured Claims arising out of the Separation of Employment and General Release Agreement by and between the Debtor and Mark S. Hauf, dated as of June 1, 2009.

1.72 “Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.73 “Impaired Class” means a Class or Claims or Interests that are Impaired.

1.74 “Indemnification Obligation” means any obligation of the Debtor to indemnify, reimburse, advance expenses or provide contribution to or with respect to any Indemnified Person, pursuant to by-laws, articles of incorporation, agreements, contracts, common law or otherwise as may be in existence immediately prior to the Petition Date.

1.75 “Indemnified Person” means all present or former officers, directors, employees, members, attorneys, actuaries, financial advisors, accountants, investment bankers, agents, professionals and representatives of the Debtor (in each case in his, her or its capacity as such).

1.76 “Initial Distribution Date” means, when used with respect to an Allowed Claim or an Allowed Interest, the Effective Date or as soon as reasonably practicable after the Effective Date.

1.77 “Insured Claim” means any Allowed Claim or portion of an Allowed Claim (other than a secured Workers’ Compensation Obligation Claim) that is insured under the Debtor’s insurance policies, but only to the extent of such coverage.

1.78 “Intercompany Claims” means all Claims held by the Debtor (or any subsidiary or Affiliate of the Debtor) against any or all Affiliates of the Debtor, including, without limitation, all derivative Claims asserted by or on behalf of one Debtor against the other.

1.79 “Interest” means the legal interests, equitable interests, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtor including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtor, partnership interests in the Debtor’s stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtor or obligating the Debtor to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated “stock” or a similar security.

1.80 “Lien” means, with respect to any asset or Property (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages or hypothecation to secure payment of a debt or performance of an obligation, liens, pledges, attachments, charges, leases evidencing a capitalizable lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or Property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any Property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of general unsecured Creditors; provided, however, that a

lien that has or may be avoided pursuant to any Avoidance Action shall not constitute a lien hereunder.

1.81 “Litigation Rights” means the Causes of Action including the Malpractice Action that the Debtor or the Estate may hold against any Person or Entity (except to the extent expressly released under the Plan), including, without limitation, Avoidance Actions (except with respect to the Avoidance Actions, if any, waived under the Plan).

1.82 “Magticom” means Magticom Ltd., a mobile telephony company located in Georgia which is wholly owned by International Telcell Cellular, LLC, a limited liability company in which MIG holds an indirect 46% membership interest.

1.83 “Malpractice Action” means the litigation filed by MIG against Paul, Weiss, Rifkind, Wharton & Garrison, LLP, and currently pending in the U.S. District Court for the Southern District of New York, Civil Action No. 1:09-cv-05593 (GEL).

1.84 “Management Incentive Plan” means the management incentive award plan, as determined and approved by the New Board of the Reorganized Debtor and implemented pursuant to Section 5.07 of this Plan after the Effective Date.

1.85 “New Board” means the initial board of managers of the Reorganized Debtor, to be constituted as of the Effective Date pursuant to Section 5.05 of the Plan.

1.86 “New Common LLC Interests” means the Common A Membership Interests and the Common B Membership Interests.

1.87 “New Corporate Governance Documents” means (i) the certificate of formation and the certificate of conversion of the Reorganized Debtor substantially in the form set forth in the Plan Supplement, and (ii) the Operating Agreement.

1.88 “New Indenture Trustee” means the Person that is the indenture trustee under the New MIG Notes Indenture.

1.89 “New MIG Notes” means the secured debt instruments to be issued by the Reorganized Debtor on the Distribution Date to the Holders of Class 5 Allowed Claims and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders pursuant to the New MIG Notes Indenture, certain material terms of which are described in the Disclosure Statement and substantially in the form set forth in the Plan Supplement.

1.90 “New MIG Notes Indenture” means the indenture, substantially in the form set forth in the Plan Supplement, to be entered into by the Reorganized Debtor and the New Indenture Trustee as of the Effective Date, pursuant to which the New MIG Notes are to be issued.

1.91 “New Preferred LLC Interests” means the shares of new preferred limited liability company interests in the Reorganized Debtor to be issued by the Reorganized Debtor on the Distribution Date to Holders of Class 6 Claims (other than Electing Class 6 Holders). The New Preferred LLC Interests are represented by “Preferred Units.”

1.92 “Non-Appraisal Claims” means Claims against the Debtor arising from the ownership of the Preferred Equity Interests that were not part of the Appraisal Action.

1.93 “Operating Agreement” the limited liability company agreement of the Reorganized Debtor substantially in the form set forth in the Plan Supplement, as the same may be amended pursuant to the Plan or otherwise from time to time.

1.94 “Other Priority Claims” means any and all Allowed Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim.

1.95 “Person” means and includes a natural person, individual, partnership, corporation (as defined in section 101(a) of the Bankruptcy Code), or organization including, without limitation, corporations, limited partnerships, limited liability companies, general partnerships, joint ventures, joint stock companies, trusts, land trusts, business trusts, unincorporated organizations or associations, Committee, or ad hoc committee, or other organizations, irrespective of whether they are legal entities, governmental bodies (or any agency, instrumentality or political subdivision thereof), or any other form of legal entities; provided, however, the term “Person” does not include governmental units, except that a governmental unit that (a) acquires an asset from a Person (i) as a result of the operation of a loan guarantee agreement or (ii) as receiver or liquidating agent of a Person; (b) is a guarantor of a pension benefit payable by or on behalf of a Debtor or an Affiliate of a Debtor; or (c) is the legal or beneficial owner of an asset of (i) an employee pension benefit plan that is a governmental plan, as defined in section 414(d) of the Internal Revenue Code of 1986 or (ii) an eligible deferred compensation plan, as defined in section 457(b) of the Internal Revenue Code of 1986, shall be considered for purposes of section 1102 of the Bankruptcy Code to be a Person with respect to such asset or such benefit.

1.96 “Petition Date” means June 18, 2009, the date on which the Debtor Filed its petition for relief commencing the Chapter 11 Case.

1.97 “Plan” means this plan of reorganization under chapter 11 of the Bankruptcy Code, as it may be altered, amended, modified or supplemented from time to time including in accordance with any Plan Supplement and the Bankruptcy Code or the Bankruptcy Rules.

1.98 “Plan Supplement” means the supplement to the Plan to be Filed as provided for herein.

1.99 “Preferred Equity Interests” means the outstanding 7.25% Cumulative Convertible Preferred Stock of the Debtor.

1.100 “Priority Tax Claim” means any and all Claims of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

1.101 “Professional” means any professional employed in this Chapter 11 Case pursuant to Bankruptcy Code sections 327, 328, or 1103.

1.102 “Professional Fee Claim” means a Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred after the Petition Date and on or before the Effective Date.

1.103 “Professional Fee Reserve” means the reserve of Cash established and maintained by the Debtor or the Reorganized Debtor to pay Allowed Professional Fee Claims.

1.104 “Proof of Claim” means a proof of claim, including, but not limited to, any Administrative Expense Request, Filed with the Bankruptcy Court or its duly appointed claims agent in connection with the Chapter 11 Case pursuant to section 501 of the Bankruptcy Code.

1.105 “Proof of Interest” means any proof of Interest Filed with the Bankruptcy Court or its duly appointed claims agent in connection with the Chapter 11 Case pursuant to Bankruptcy Rule 3002.

1.106 “Pro Rata” means with respect to any Distribution to a Class under the Plan, the ratio (expressed as a percentage) of the amount of an Allowed Claim in such Class to the aggregate amount of all Allowed Claims plus the Disputed Claim Amount of all Disputed Claims in the same Class.

1.107 “Ratable Portion” means, with respect to any distribution of Excess Cash, Common B Membership Interests and New MIG Notes to Holders of Allowed Class 5 Claims and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders, proportionate sharing pursuant to which the ratio of the amount distributed on account of such a Class to the amount of the sum of the distributions to Holders of Allowed Class 5 Claims and Holders of Allowed Class 6 Claims which are Electing Class 6 Holders is the same as the ratio of the total amount of all Allowed Claims in such a Class to the total aggregate amount of all Allowed Claims in Class 5 and Allowed Claims of Electing Class 6 Holders.

1.108 “Releasee” has the meaning ascribed to such term in Section 11.10(b) of the Plan.

1.109 “Reinstated” means (i) leaving unaltered the legal, equitable and contractual rights to which a Claim or Interest entitles the Holder so as to leave such Claim or Interest Unimpaired in accordance with Bankruptcy Code section 1124; or (ii) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default (a) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in Bankruptcy Code section 365(b)(2); (b) reinstating the maturity of such Claim or Interest as such maturity existed before such default; (c) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; and (d) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder of such Claim or Interest; provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim or Interest is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation and affirmative covenants regarding corporate existence prohibiting certain transactions or actions contemplated by the Plan, or

conditioning such transactions or actions on certain factors, shall not be required to be reinstated in order to accomplish reinstatement.

1.110 “Reorganized Debtor” means the Debtor as reorganized upon the Effective Date pursuant to this Plan.

1.111 “Schedules” means the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtor pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified or supplemented from time to time.

1.112 “Secured Claim” means a Claim that is secured by a Lien which is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, on property in which the Estate has an interest, or a Claim that is subject to setoff under section 553 of the Bankruptcy Code; to the extent of the value of the Holder’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable; as determined by a Final Order pursuant to section 506(a) of the Bankruptcy Code, or in the case of setoff, pursuant to section 553 of the Bankruptcy Code, or in either case as otherwise agreed upon in writing by the Debtor or the Reorganized Debtor and the Holder of such Claim. The amount of any Claim that exceeds the value of the Holder’s interest in the Estate’s interest in property or the amount subject to setoff shall be treated as a General Unsecured Claim.

1.113 “Secured Tax Claim” means a Claim of a governmental unit for the payment of a tax assessed against property of the Estate that is secured by a first Lien on property of the Estate.

1.114 “Secured Workers’ Compensation Obligations” means Claims arising out of and related to workers’ compensation asserted by former employees of the Debtor.

1.115 “Solicitation Procedures Order” means [**] [Docket No. ¶]

1.116 “Unexpired Lease” means a lease of non-residential real property to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.117 “Unimpaired” means Claims in an Unimpaired Class.

1.118 “Unimpaired Class” means an unimpaired Class within the meaning of section 1124 of the Bankruptcy Code.

1.119 “Unknown Contract” has the meaning ascribed to such term in Section 6.08(b) of the Plan.

1.120 “Unsecured Claim” means a Claim arising prior to the Petition Date against the Debtor that is neither a Secured Claim nor entitled to priority under section 507 of the

Bankruptcy Code or any order of the Bankruptcy Court, which Claim may be a General Unsecured Claim.

1.121 “U.S. Trustee” means the Office of the United States Trustee for the District of Delaware.

1.122 “Value” means the value of the New Common LLC Interests, which shall be fixed for purposes of the Plan at the amount set forth in the Plan Supplement.

1.123 “Voting Deadline” means [*****], 2010 at 5:00 p.m. Eastern Time, the date and time by which all Ballots to accept or reject the Plan must be received in order to be counted, as set forth by the Solicitation Procedures Order.

ARTICLE II:

CLASSIFICATION OF CLAIMS AND INTERESTS

Section 2.01 Introduction

(a) All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims and Priority Tax Claims have not been classified, and the respective treatment of such unclassified Claims is set forth below in Section 3.01 of the Plan.

(b) A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

Section 2.02 Unclassified Claims (not entitled to vote on the Plan)

(a) Administrative Claims

(b) Priority Tax Claims

Section 2.03 Unimpaired Classes of Claims and Interests (deemed to have accepted the Plan and, therefore, not entitled to vote on the Plan)

(a) Class 1. Other Priority Claims

(b) Class 2. Secured Workers' Compensation Obligations Claims

Section 2.04 Impaired/Voting Classes of Claims

- (a) Class 3. Hauf Secured Claims*
- (b) Class 4. General Unsecured Claims*
- (c) Class 5. Appraisal Claims*
- (d) Class 6. Non-Appraisal Claims*
- (e) Class 7. Common Equity Interests*

ARTICLE III:

TREATMENT OF CLAIMS AND INTERESTS

Section 3.01 Unclassified Claims

- (a) Administrative Claims*

Except to the extent that an Allowed Administrative Claim has been paid prior to the Initial Distribution Date, and except as otherwise provided for herein (including Section 11.02 with respect to Professional Fee Claims), each Holder of an Administrative Claim shall be entitled to receive in full and complete settlement, release, and discharge of such Claim, payment in full in Cash of the unpaid portion of an Allowed Administrative Claim on the Distribution Date.

- (b) Priority Tax Claims*

Except to the extent that an Allowed Priority Tax Claim has been paid prior to the Initial Distribution Date, each Holder of an Allowed Priority Tax Claim shall be entitled to receive in full and complete settlement, release, and discharge of such Claim, payment in Cash of the unpaid portion of an Allowed Priority Tax Claim on the Distribution Date.

Section 3.02 Unimpaired Classes of Claims and Interests

- (a) Class 1: Other Priority Claims*

Classification: Class 1 consists of Other Priority Claims against the Debtor.

Treatment: The legal, equitable and contractual rights of the Holders of Allowed Class 1 Claims will be unaltered by the Plan. Unless otherwise agreed to by the Holders of the Allowed Class 1 Claims and the Debtor, each Holder of an Allowed Class 1 Claim shall receive in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 1 Claim, payment of the Allowed Class 1 Claim in full in Cash on the Distribution Date; provided, however, that, notwithstanding any contract provision or applicable law that entitles a

holder of an Allowed Class 1 Claim to postpetition interest, no Allowed Class 1 Claim shall receive postpetition interest on account of such Claim.

Voting: Class 1 is Unimpaired, and the Holders of Class 1 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims will not be entitled to vote to accept or reject the Plan.

(b) Class 2: Secured Workers' Compensation Obligations Claims

Classification: Class 2 consists of Secured Workers' Compensation Obligations Claims against the Debtor.

Treatment: Each Holder of an Allowed Class 2 Claim shall have its Claim Reinstated and shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 2 Claim and on account of its Allowed Class 2 Claim, Cash payments in the ordinary course as set forth in the Order Authorizing the Debtor to Pay Certain Pre-Petition Workers' Compensation Obligations in the Ordinary Course of Business Pursuant to Sections 105(a) and 363 of the Bankruptcy Code [Docket No. 97].

Voting: Class 2 is Unimpaired, and the Holders of Class 2 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Claims will not be entitled to vote to accept or reject the Plan.

Section 3.03 Impaired/Voting Classes of Claims and Interests

(a) Class 3: Hauf Secured Claims

Classification: Class 3 consists of the Hauf Secured Claims.

Treatment: The Class 3 Claim shall be Allowed in the amount of \$607,500 and shall be paid in Cash on the Distribution Date, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 3 Claim; provided, however, that, notwithstanding any contract provision or applicable law that entitles the Holder of the Allowed Class 3 Claim to interest, no Allowed Class 3 Claim shall receive postpetition interest on account of such Claim.

Voting: Class 3 is Impaired, and the Holder of the Class 3 Claim will be entitled to vote to accept or reject the Plan.

Allowance: The Class 3 Claims shall be Allowed in the amount of \$607,500 (which is 90% of the total Class 3 Claims).

(b) Class 4: General Unsecured Claims

Classification: Class 4 consists of General Unsecured Claims against the Debtor.

Treatment: Each Holder of an Allowed Class 4 Claim shall be paid in Cash on the Distribution Date, seventy percent (70%) of the Allowed amount of its Class 4 Claim.

Voting: Class 4 is Impaired, and the Holders of Class 4 Claims will be entitled to vote to accept or reject the Plan.

(c) Class 5: Appraisal Claims

Classification: Class 5 consists of the Appraisal Claims against the Debtor.

Treatment: On the Distribution Date, each Holder of an Allowed Class 5 Claim shall receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 5 Claim its Pro Rata share of Class 5's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B Membership Equity Distribution Value.

Voting: Class 5 is Impaired, and the Holders of Class 5 Claims will be entitled to vote to accept or reject the Plan.

Allowance: Class 5 Claims shall be Allowed in the amount of the Allowed Final Appraisal Amount.

(d) Class 6: Non-Appraisal Claims

Classification: Class 6 consists of all Non-Appraisal Claims in the Debtor.

Treatment: On the Distribution Date, each Holder of an Allowed Class 6 Claim shall be entitled to elect to receive, in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Class 6 Claim, one of the following forms of treatment under the Plan:

(i) one Preferred Unit per share of Preferred Equity Interest held by such Holder of an Allowed Class 6 Claim; or

(ii) its Pro Rata share of Class 6's Ratable Portion of the sum of (x) one-hundred percent (100%) of Excess Cash; plus (y) the Common B Membership Interests; plus (z) New MIG Notes in the principal amount equal to the difference between the (a) Allowed Final Appraisal Amount and the Allowed Non-Appraisal Amount of Claims of Electing Class 6 Holders and (b) the sum of Excess Cash and the Common B

Membership Equity Distribution Value; provided, however, that the Holder of an Allowed Class 6 Claim makes the written election provided for in this Section 3.03(d)(ii) on a validly executed Ballot that is delivered on or before the Voting Deadline. Holders of Allowed Class 6 Claims that do not properly and timely make this written election shall be treated in accordance with Section 3.03(d)(i) of the Plan.

Voting: Class 6 is Impaired, and Holders of Class 6 Claims will be entitled to vote to accept or reject the Plan.

Allowance: Class 6 Claims shall be Allowed in the amount of the Allowed Non-Appraisal Amount.

(e) Class 7: Common Equity Interests

Classification: Class 7 consists of all Common Equity Interests in the Debtor.

Treatment: Each Holder of an Allowed Class 7 Interest shall receive their Pro Rata share of Common A Membership Interests.

Voting: Class 7 is Impaired, and the Holders of Class 7 Claims will be entitled to vote to accept or reject the Plan.

Section 3.04 Special Provisions Regarding Insured Claims

(a) Distributions under the Plan to each holder of an Insured Claim shall be in accordance with the treatment provided under the Plan for General Unsecured Claims; provided, however, that the maximum amount of any Distribution under the Plan on account of an Allowed Insured Claim shall be limited to an amount equal to the applicable self-insured retention under the relevant insurance policy; provided further, however, that, to the extent a Holder has an Allowed Insured Claim, the amount of which exceeds the total coverage available from the relevant insurance policies of the Debtor, such Holder shall have an Allowed General Unsecured Claim in the amount by which such Allowed Insured Claim exceeds the coverage available from the Debtor's insurance policies. Nothing in this section shall constitute a waiver of any Litigation Rights the Debtor may hold against any Person, including the Debtor's insurance carriers; and nothing in this section is intended to, shall, or shall be deemed to preclude any Holder of an Allowed Insured Claim from seeking and/or obtaining a Distribution or other recovery from any insurer of the Debtor in addition to (but not in duplication of) any Distribution such Holder may receive under the Plan; provided, however, that the Debtor does not waive, and expressly reserve its rights to assert that any insurance coverage is property of the Estates to which it is entitled.

(b) The Plan shall not expand the scope of, or alter in any other way, the rights and obligations of the Debtor's insurers under their policies, and the Debtor's insurers shall retain any and all defenses to coverage that such insurers may have, including the right to contest and/or litigate with any party, including the Debtor, the existence, primacy and/or scope of available coverage under any alleged applicable policy. The Plan shall not operate as a waiver of

any other Claims the Debtor's insurers have asserted or may assert in any Proof of Claim or the Debtor's rights and defenses to such Proofs of Claim.

Section 3.05 Reservation of Rights Regarding Claims

Except as otherwise explicitly provided in the Plan, nothing herein shall affect the Debtor's or the Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Claims, including, but not limited to, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

ARTICLE IV:

ACCEPTANCE OR REJECTION OF THE PLAN

Section 4.01 Impaired Classes of Claims Entitled to Vote

Holders of Allowed Claims and Interests in each Impaired Class of Claims or Interests are entitled to vote as a Class to accept or reject the Plan. Accordingly, only the votes of Holders of Claims in Classes 3 through 7 shall be solicited with respect to the Plan.

Section 4.02 Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code, and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan.

Section 4.03 Presumed Acceptances by Unimpaired Classes

Class 1 and Class 2 are Unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Unimpaired Claims are conclusively presumed to have accepted the Plan, and the votes of Holders of such Unimpaired Claims shall not be solicited.

Section 4.04 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtor reserves its rights to request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtor reserves the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

Section 4.05 Elimination of Vacant Classes

Any Class of Claims or Interests that does not contain, as of the date of the commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Interest, or a Holder of a Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for all purposes, including for purposes of determining acceptance of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

ARTICLE V:

MEANS FOR IMPLEMENTATION OF THE PLAN

Section 5.01 Continued Corporate Existence

After the Effective Date, the Reorganized Debtor may operate its business and use, acquire, dispose of property and settle and compromise claims or interests without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Section 5.02 Corporate Governance

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, on the Effective Date, the New Board will be constituted in the manner set forth in Section 5.05 below and the managers and officers of the Reorganized Debtor will be as set forth in Section 5.06 below. Each such manager and officer will serve from and after the Effective Date in accordance with the terms of the Operating Agreement and/or other governance policies of the Reorganized Debtor, as the same may be amended from time to time, pursuant to applicable state law.

The New Corporate Governance Documents shall be amended as necessary to satisfy the provisions of this Plan and the Bankruptcy Code and shall include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by section 1123(a)(6) of the Bankruptcy Code.

The New Corporate Governance Documents shall (a) include manager liability exculpation, indemnity and advancement provisions to the fullest extent permitted by Delaware law, and (b) satisfy the provisions of the Plan and the Bankruptcy Code. After the Effective Date, the Reorganized Debtor may amend and restate the New Corporate Governance Documents and any other certificates or articles of incorporation, by-laws, limited liability company agreements, certificates of formation, partnership agreements and certificates of partnership, as applicable, as permitted by applicable law.

Section 5.03 Cancellation of Common Equity Interests and Agreement

Except as otherwise provided for herein, or in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III hereof, the Common Equity Interests, the Preferred Equity Interests and any other promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Claims or Interests, other than a Claim that is being Reinstated and rendered Unimpaired, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Interests shall be deemed canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtor under the notes, share certificates and other agreements and instruments governing such Claims and Interests shall be discharged. The Holders of or parties to such canceled notes, shares, share certificates and other agreements and instruments shall have no rights arising from or relating to such notes, shares, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

Section 5.04 Authorization and Issuance of New Common LLC Interests and New Preferred LLC Interests

(a) On the Effective Date, the Reorganized Debtor shall be authorized to issue and deliver (i) the New Common LLC Interests; (ii) the requisite New Preferred LLC Interests; and (iii) the New MIG Notes.

(d) The issuance of the New Common LLC Interests, New Preferred LLC Interests and New MIG Notes and all other instruments, certificates and other documents required to be issued or distributed pursuant to the Plan shall be authorized under section 1145 of the Bankruptcy Code as of the Effective Date without further act or action, except as may be required by the New Corporate Governance Documents, or applicable law, regulation, order or rule; and all documents evidencing same shall be executed and delivered as provided for in the Plan or the Plan Supplement.

Section 5.05 New Board of Managers of the Reorganized Debtor

Pursuant to the Operating Agreement, the Holders of Allowed Class 5 Claims, the Holders of Allowed Class 6 Claims and the Holders of Allowed Class 7 Interests shall, to the fullest extent permitted by applicable law, be required to take any and all actions, including without limitation, voting their New Common LLC Interests and/or New Preferred LLC Interests to cause the Reorganized Debtor's board of managers to consist of six (6) members to be elected and appointed as follows: (a) the Holders of Allowed Class 5 Claims, the Holders of Allowed Class 7 Interests and the Holders of Allowed Class 6 Claims that are Electing Class 6 Holders, voting together as a single class, shall be entitled to elect four (4) managers of the Reorganized Debtor, and (b) as long as there are New Preferred LLC Interests outstanding, the Holders of Allowed Class 6 Claims shall be entitled to elect up to two (2) managers of the Reorganized Debtor. The initial members of the New Board shall serve from the Effective Date and thereafter

in accordance with the New Corporate Governance Documents. The Reorganized Debtor shall permit the Appraisal Claims Representative to attend and observe all meetings of the New Board of the Reorganized Debtor; provided, however, that the Appraisal Claims Representative shall be recused and shall not participate in any discussions by the New Board related to the Appraisal Action and any appeal, litigation strategy or any other matter protected by the attorney-client, work-product or privilege.

The intended members of the New Board as of the Effective Date shall be the persons identified in the Plan Supplement.

Section 5.06 *Managers, Officers and Key Employees of Reorganized Debtor; Indemnification*

(a) The initial officers and managers of the Reorganized Debtor shall be disclosed in the Plan Supplement.

(b) Upon the Effective Date, the New Corporate Governance Documents of the Reorganized Debtor shall contain provisions which (i) eliminate the personal liability of the Debtor's and the Reorganized Debtor's then present and future managers, directors and officers for post-emergence monetary damages resulting from breaches of their fiduciary duties on or after the Effective Date to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized; and (ii) require such Reorganized Debtor, subject to appropriate procedures, to indemnify and advance expenses to the Debtor's and the Reorganized Debtor's managers, directors, officers, and other key employees (as such key employees are identified by the Chief Executive Officer of the Reorganized Debtor and the New Board) serving on or after the Effective Date for all claims and actions relating to post-Petition Date service to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized.

(c) All indemnification provisions currently in place (whether in the by-laws, certificates of incorporation, or advancement, board resolutions, agreements or employment contracts) for the directors of the Debtor who were in place as of the Petition Date and current officers, employees, attorneys, other professionals and agents of the Debtor shall be assumed, and shall survive effectiveness of the Plan. All indemnification or advancement provisions in place on and prior to the Effective Date for current directors and officers of the Debtor and its subsidiaries and such current and former directors and officers' respective Debtor's Affiliates shall survive the Effective Date for Claims related to or in connection with any actions, omissions or transactions occurring prior to the Effective Date.

(d) Upon and after the Effective Date, and for six (6) years thereafter, the Debtor or the Reorganized Debtor, as the case may be, shall obtain reasonably sufficient tail coverage under a director and officer liability insurance policy for the current and former directors and officers of the Reorganized Debtor and its Affiliates. As of the Effective Date, the Debtor shall assume all obligations owing under the director and officer insurance policies pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Debtor's foregoing assumption of each of the director and officer liability insurance policies. Notwithstanding anything to the contrary contained in the Plan,

Confirmation of the Plan shall not discharge, impair or otherwise modify any indemnity or advancement obligations assumed by the foregoing assumption of the director and officer liability insurance policies, and each such indemnity or advancement obligation will be deemed and treated as an Executory Contract that has been assumed by the Debtor under the Plan as to which no Proof of Claim need be Filed.

Section 5.07 Management Incentive Plan

On or after the Effective Date, the New Board of the Reorganized Debtor shall develop, approve and implement the terms and the conditions of the Management Incentive Plan (including the identity of the participants and the number of shares to be granted). The compensation, cash bonus targets, and severance policies shall remain those that were effective as of December 31, 2008, subject to the continued approval of the New Board. On and after the Effective Date, eligible persons who receive awards under such Management Incentive Plan shall be entitled to the benefits thereof on the terms and conditions provided for therein. As of the Effective Date, all equity-based awards granted by the Debtor prior to the Petition Date shall terminate and cease to be binding on the Debtor.

Section 5.08 Revesting of Assets; Preservation of Causes of Action, Litigation Rights and Avoidance Actions; Release of Liens

Except as otherwise provided herein, or in the Confirmation Order, and pursuant to section 1123(b)(3) and section 1141(b) and (c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of the Debtor and all Causes of Action, Litigation Rights and Avoidance Actions shall automatically revert in the Reorganized Debtor, free and clear of all Claims, Liens and Interests. The Reorganized Debtor (directly or through the Disbursing Agent) shall make all Distributions under the Plan. Thereafter, each Reorganized Debtor may operate its business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of each Reorganized Debtor shall be free and clear of all Claims, Liens and Interests, except as specifically provided in the Plan or the Confirmation Order and the Reorganized Debtor shall receive the benefit of any and all discharges under the Plan.

Section 5.09 Restructuring Transactions

On, as of, or after the Effective Date, the Reorganized Debtor may enter into such transactions and may take such actions as may be necessary or appropriate, in accordance with any applicable state law, to effect a corporate or operational restructuring of its business, to otherwise simplify the overall corporate or operational structure of the Reorganized Debtor, to achieve corporate or operational efficiencies, or to otherwise improve financial results; provided that such transactions or actions are not otherwise inconsistent with the Plan, the Distributions to be made under the Plan or the New Corporate Governance Documents. Such transactions or actions may include any mergers, conversions, consolidations, restructurings, dispositions, liquidations, closures, or dissolutions, as may be determined by the Reorganized Debtor to be necessary or appropriate.

On the Effective Date, the following transactions will occur:

(a) The Reorganized Debtor will be formed as a limited liability company organized under Delaware law on or before the Effective Date.

(b) The Reorganized Debtor will issue and deliver: (i) the New MIG Notes and Common B Membership Interests in accordance with Sections 3.03(c) and 3.03(d)(ii) of the Plan; (ii) the New Preferred LLC Interests in accordance with Section 3.03(d)(i) of the Plan; and (iii) Common A Membership Interests in accordance with Section 3.03(e) of the Plan.

(b) The Reorganized Debtor shall cause the dissolution of MIG Telecommunications, Inc. and MIG Georgia Holdings, Inc. such that the Reorganized Debtor will own 100% of the membership or limited liability company interests in ITC Cellular LLC, International Telcell Cellular LLC and Telcell Wireless LLC.

(c) Certain entities owned by the Debtor (a) may be merged with and into the Reorganized Debtor or (b) may be dissolved.

Section 5.10 Preservation of Rights of Action; Resulting Claim Treatment

(a) Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code and to the fullest extent possible under applicable law, on the Effective Date, the Reorganized Debtor shall retain and may enforce, and shall have the sole right to enforce or prosecute, any claims, demands, rights and Causes of Action that the Debtor may hold against any Entity, including all Avoidance Actions. The Reorganized Debtor or its successor may pursue such retained claims, demands, rights or Causes of Action or Avoidance Actions, as appropriate, in accordance with the best interests of the Reorganized Debtor or its successor holding such claims, demands, rights, Causes of Action or Avoidance Actions.

(b) If, as a result of the pursuit of any Litigation Rights or Avoidance Actions, a Claim would arise from a recovery pursuant to section 550 of the Bankruptcy Code after Distributions under the Plan have commenced, making it impracticable to treat the Claim in accordance with the applicable provisions of Article VII of the Plan, the Reorganized Debtor shall be permitted to reduce the recovery by an amount that reflects the value of the treatment that would have been accorded to the Claim under the Plan, thereby effectively treating the Claim through the reduction.

Section 5.11 Effectuating Documents; Further Transactions

The Chief Executive Officer, the Chief Financial Officer, or any other appropriate officer of the Reorganized Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. In addition, and without limitation of the foregoing, the Secretary or

Assistant Secretary of the Reorganized Debtor shall be authorized to certify or attest to any of the foregoing actions.

Section 5.12 Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer from the Debtor to the Reorganized Debtor or any other Person or Entity pursuant to this Plan, the granting or recording of any Lien or mortgage on any property under the Exit Facility, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment. State or local governmental officials or agents are directed to forego the collection of any such tax or governmental assessment and to accept for Filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Section 5.13 Corporate Action

On the Effective Date, the adoption and Filing of the New Corporate Governance Documents, the appointment of managers and/or officers of the Reorganized Debtor, and all actions contemplated hereby shall be authorized and approved in all respects pursuant to the Plan. All matters provided for herein involving the corporate structure of the Debtor or Reorganized Debtor, and any corporate action required by the Debtor or Reorganized Debtor in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the directors, stockholders, members or managers of the Debtor or Reorganized Debtor. On the Effective Date, and pursuant to Section 303 of the Delaware General Corporation Law, the appropriate officers or managers of the Reorganized Debtor are authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan in the name of and on behalf of the Reorganized Debtor without the need for any required approvals, authorizations, or consents, except for any express consents required under the Plan.

Section 5.14 Reorganized Debtor's Obligations Under the Plan

From and after the Effective Date, the Reorganized Debtor shall exercise its reasonable discretion and business judgment to perform the corresponding obligations under the Plan of its predecessor or predecessor-in-interest. The Plan will be administered and actions will be taken in the name of the Debtor and the Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor shall conduct, among other things, the following tasks:

- (a) administer the Plan and take all steps and execute all instruments and documents necessary to effectuate the Plan;
- (b) pursue (including, as it determines through the exercise of its business judgment, prosecuting, enforcing, objecting to, litigating, reconciling, settling, abandoning, and

resolving) all of the rights, Claims, Causes of Action, defenses, and counterclaims retained by the Debtor or the Reorganized Debtor;

(c) reconcile Claims and resolve Disputed Claims, and administer the Claims allowance and disallowance processes as set forth in the Plan, including objecting to, prosecuting, litigating, reconciling, settling, and resolving Claims and Disputed Claims in accordance with the Plan;

(d) make decisions regarding the retention, engagement, payment, and replacement of professionals, employees and consultants;

(e) administer the Distributions under the Plan, including (i) making Distributions in accordance with the terms of the Plan, and (ii) Filing with the Bankruptcy Court on each six (6)-month anniversary of the Effective Date reports regarding the Distributions made and to be made to the Holders of Allowed Claims;

(f) exercise such other powers as necessary or prudent to carry out the provisions of the Plan;

(g) file appropriate tax returns; and

(h) take such other action as may be necessary or appropriate to effectuate the Plan.

Section 5.15 Transactions on Business Days

If the date on which a transaction may occur under this Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

ARTICLE VI:

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 6.01 Assumption of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, the Debtor shall be deemed to have assumed each pre-petition written Executory Contract and Unexpired Lease to which it is a party unless such Executory Contract or Unexpired Lease (a) was previously assumed or rejected upon motion by a Final Order, (b) previously expired or terminated pursuant to its own terms, (c) is listed on the Schedule of rejected contracts and leases to be provided with the Plan Supplement, or (d) is the subject of any pending motion, including to assume, to assume on modified terms, to reject or to make any other disposition Filed by the Debtor on or before the Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court under section 365(a) of the Bankruptcy

Code approving the assumption and/or assignment of pre-petition Executory Contracts and Unexpired Leases described above, as of the Effective Date. Notwithstanding anything to the contrary herein, the Debtor and the Reorganized Debtor reserve the right to assert that any license, franchise and partially performed contract is a property right and not an Executory Contract. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtor in the ordinary course of business.

Notwithstanding anything to the contrary in any contract, agreement or lease to which the Reorganized Debtor is a party, (a) the transactions contemplated by the Plan and (b) the consequences of the Plan's implementation shall not trigger any change in control or similar provisions and shall not be voided by any restraints against assignment in any contract, agreement or lease governed by the Plan. The Confirmation Order shall constitute an order of the Bankruptcy Court approving all such assumption and assignments and rejections pursuant to section 365 of the Bankruptcy Code.

Section 6.02 Assignment of Executory Contracts and Unexpired Leases

To the extent provided under the Bankruptcy Code or other applicable law, any Executory Contract or Unexpired Lease transferred and assigned pursuant to this Plan shall remain in full force and effect for the benefit of the transferee or assignee in accordance with its terms, notwithstanding any provision in such Executory Contract or Unexpired Lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts or conditions such transfer or assignment. To the extent provided under the Bankruptcy Code or other applicable law, any provision that prohibits, restricts or conditions the assignment or transfer of any such Executory Contract or Unexpired Lease or that terminates or modifies such Executory Contract or Unexpired Lease or allows the counterparty to such Executory Contract or Unexpired Lease to terminate, modify, recapture, impose any penalty, condition renewal or extension or modify any term or condition upon any such transfer and assignment constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

Section 6.03 Cure Rights for Executory Contracts and Unexpired Leases Assumed Under Plan

Any monetary amounts by which each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure. If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of any Reorganized Debtor or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order by the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided, however, that the Debtor or Reorganized Debtor, as applicable, shall be authorized to reject any Executory Contract or Unexpired Lease to the extent the Debtor or Reorganized Debtor, in the exercise of its sound business judgment, concludes that the amount of the Cure obligation as determined by such Final Order, renders assumption of such Executory Contract or Unexpired Lease unfavorable to the Debtor or Reorganized Debtor. Cure amounts are listed in the Plan

Supplement, which shall be Filed at least ten (10) days prior to the Confirmation Hearing as part of the Plan Supplement. If no Cure amount for an assumed Executory Contract or Unexpired Lease is listed in the Plan Supplement, the Cure amount shall be deemed to be \$0.

Section 6.04 Rejection Damages Bar Date for Rejections Pursuant to Plan

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the Debtor or Reorganized Debtor or any of its properties unless a Proof of Claim is Filed with the claims agent and served upon counsel to the Reorganized Debtor within thirty (30) days after entry of the Confirmation Order. The foregoing applies only to Claims arising from the rejection of an Executory Contract or Unexpired Lease; any other Claims held by a party to a rejected contract or lease shall have been evidenced by a Proof of Claim Filed by earlier applicable Bar Dates or shall be barred and unenforceable.

Section 6.05 Rejection of Executory Contracts and Unexpired Leases

The contracts and leases set forth in the Plan Supplement shall be deemed rejected as of the Effective Date. The Debtor reserves the right, at any time prior to the Effective Date, except as otherwise specifically provided in the Plan, to seek to reject any Executory Contract or Unexpired Lease to which the Debtor is a party and to File a motion requesting authorization for the rejection of any such Executory Contract or Unexpired Lease.

Section 6.06 Certain Indemnification Obligations Owed by Debtor

(a) Indemnification Obligations owed to directors, officers, and employees of the Debtor (or the Estate) who served or were employed by the Debtor as of and after the Petition Date, excluding (i) claims resulting from gross negligence, willful misconduct, breach of fiduciary duty, self-interested transactions or intentional tort and (ii) claims arising from actions, events or circumstances prior to the Petition Date, shall be deemed to be, and shall be treated as though they are, Executory Contracts that are assumed pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan. Notwithstanding the foregoing, the Reorganized Debtor shall not assume any claim for liability, reimbursement obligations, contributions or indemnity concerning the contractual obligations of directors or officers of the Debtor, including, without limitation, the contractual guaranties.

(b) All Indemnification Obligations owed to directors, officers, and employees of the Debtor who served or were employed by the Debtor on or prior to, but not after, the Petition Date shall be deemed to be, and shall be treated as though they are, Executory Contracts that are rejected pursuant to section 365 of the Bankruptcy Code under the Plan.

(c) Indemnification Obligations owed to any Professionals retained pursuant to sections 327 or 328 of the Bankruptcy Code and order of the Bankruptcy Court, to the extent that such Indemnification Obligations relate to the period after the Petition Date, excluding claims resulting from gross negligence, willful misconduct, breach of fiduciary duty, self-interested transactions or intentional tort, shall be deemed to be, and shall be treated as though they are,

Executory Contracts that are assumed pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan.

Section 6.07 Continuing Obligations Owed to Debtor

(a) Any confidentiality agreement entered into between the Debtor and any other Person requiring the parties to maintain the confidentiality of each other's proprietary information shall be deemed to be, and shall be treated as though it is, an Executory Contract that is assumed and assigned pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan.

(b) Any indemnity agreement entered into between the Debtor and any other Person requiring the supplier to provide insurance in favor of the Debtor, to warrant or guarantee such supplier's goods or services, or to indemnify the Debtor for claims arising from the goods or services shall be deemed to be, and shall be treated as though it is, an Executory Contract that is assumed and assigned pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan; provided, however, that if any party thereto asserts any Cure, at the election of the Debtor such agreement shall not be deemed assumed, and shall instead be rejected pursuant to section 365 of the Bankruptcy Code under the Plan.

(c) Continuing obligations of third parties to the Debtor under insurance policies, contracts, or leases that have otherwise ceased to be executory or have otherwise expired on or prior to the Effective Date, including, without limitation, continuing obligations to pay insured claims, to defend against and process claims, to refund premiums or overpayments, to provide indemnification, contribution or reimbursement, to grant rights of first refusal, to maintain confidentiality, or to honor releases, shall continue and shall be binding on such third parties notwithstanding any provision to the contrary in the Plan, unless otherwise specifically terminated by the Debtor or by order of Bankruptcy Court.

(d) To the extent any insurance policy under which the insurer has a continuing obligation to pay the Debtor or a third party on behalf of the Debtor is held by the Bankruptcy Court to be an Executory Contract, such insurance policy shall be treated as though it is an Executory Contract that is assumed pursuant to section 365 of the Bankruptcy Code and Section 6.01 of the Plan. Any and all Claims (including Cure) arising under or related to any insurance policies or related insurance agreements that are assumed by the Debtor prior to or as of the Effective Date: (i) shall not be discharged; (ii) shall be Allowed Administrative Claims; and (iii) shall be paid in full in the ordinary course of business of the Reorganized Debtor as set forth in Section 3.01(b) of the Plan.

Section 6.08 Limited Extension of Time to Assume or Reject

(a) In the event of a dispute as to whether a contract or lease is executory or unexpired, the right of the Debtor or the Reorganized Debtor to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after entry of a Final Order by the Bankruptcy Court determining that the contract or lease is executory or unexpired.

(b) In the event the Debtor or the Reorganized Debtor becomes aware after the Confirmation Date of the existence of an Executory Contract or Unexpired Lease that was not included in the Schedules, the right of the Reorganized Debtor to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the date on which the Reorganized Debtor receives written notice of the existence and terms of such contract or lease (an “Unknown Contract”). Such Unknown Contract may be assumed or rejected by the Reorganized Debtor. The limited extension of the time to assume or reject provided by this Section 6.08 shall not apply to Unexpired Leases of non-residential real property or any written amendments or modifications thereto that are included in the Schedules.

Section 6.09 Post-petition Contracts and Leases

The Debtor shall not be required to assume or reject any contract or lease entered into by the Debtor after the Petition Date. Any such contract or lease shall continue in effect in accordance with its terms after the Effective Date, unless the Reorganized Debtor has obtained a Final Order of the Bankruptcy Court approving rejection or other termination of such contract or lease. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtor in the ordinary course of its business.

Section 6.10 Treatment of Claims Arising from Assumption or Rejection

All Allowed Claims for Cure arising from the assumption of any Executory Contract or Unexpired Lease shall be treated as Administrative Claims pursuant to Section 2.02 of the Plan; all Allowed Claims arising from the rejection of an Executory Contract or Unexpired Lease shall be treated, to the extent applicable, as General Unsecured Claims, unless otherwise ordered by Final Order of the Bankruptcy Court; and all other Allowed Claims relating to an Executory Contract or Unexpired Lease shall have such status as they may be entitled to under the Bankruptcy Code as determined by Final Order of the Bankruptcy Court.

ARTICLE VII:

PROVISIONS GOVERNING DISTRIBUTIONS

Section 7.01 Distributions for Allowed Claims

(a) Except as otherwise provided herein or as ordered by the Bankruptcy Court, all Distributions to Holders of Allowed Claims as of the applicable Distribution Date shall be made on or as soon as practicable after the applicable Distribution Date. Distributions on account of Claims that first become Allowed Claims after the applicable Distribution Date shall be made pursuant to Section 8.02 of the Plan and on such day as selected by the Reorganized Debtor, in its sole discretion.

(b) The Reorganized Debtor shall have the right, in its sole and absolute discretion, to accelerate any Distribution Date occurring after the Effective Date if the facts and circumstances so warrant.

(c) Distributions made after the Effective Date shall be deemed to have been made on the Effective Date.

Section 7.02 Interest of Claims; Dividends

Unless otherwise specifically provided for in the Plan or the Confirmation Order, post-petition interest shall not accrue or be paid on Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Unless otherwise specifically provided for in the Plan or the Confirmation Order, interest shall not accrue or be paid upon any Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Claim becomes an Allowed Claim.

Section 7.03 Designation; Distributions by Disbursing Agent

(a) The Reorganized Debtor or the Disbursing Agent on its behalf shall make all Distributions required to be made to Holders of Class 3, 4, 5, 6 and 7 Claims and Interests, on the respective Distribution Dates under the Plan and such other Distributions to other Holders of Claims as are required to be made or delegated to the Disbursing Agent by the Reorganized Debtor.

(b) If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent shall receive, without further approval from the Bankruptcy Court, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out of pocket expenses incurred in connection with such services from the Reorganized Debtor. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

Section 7.04 Means of Cash Payment

(a) Cash payments under this Plan shall be in U.S. funds, and shall be made, at the option, and in the sole discretion, of the Reorganized Debtor, by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Reorganized Debtor. Cash payments to foreign creditors may be made, at the option, and in the sole discretion, of the Reorganized Debtor, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction. Cash payments made pursuant to this Plan in the form of checks issued by the Reorganized Debtor shall be null and void if not cashed within 120 days of the date of the issuance thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtor.

(b) For purposes of effectuating Distributions under the Plan, any Claim denominated in foreign currency shall be converted to U.S. Dollars pursuant to the applicable published exchange rate in effect on the Petition Date.

Section 7.05 Fractional Distributions

Notwithstanding any other provision of the Plan to the contrary, no fractional units of New Common LLC Interests or New Preferred LLC Interests will be issued or distributed, no New MIG Notes will be issued in an amount less than \$1,000, and no cash payments of fractions of cents will be made. Fractional cents shall be rounded to the nearest whole cent (with .5 cent or less to be rounded down). Fractional New Preferred LLC Interests or New Common LLC Interests shall be rounded to the nearest whole unit (with .5 unit or less to be rounded down). New MIG Notes in denominations of less than \$1,000 shall be rounded to the nearest \$1,000 increment (with New MIG Notes in denominations of \$50 or less to be rounded down). No cash will be paid in lieu of such fractional New Preferred LLC Interests or New Common LLC Interests or New MIG Notes in increments of less than \$1,000.

Section 7.06 De Minimis Distributions

Notwithstanding anything to the contrary contained in the Plan, the Disbursing Agent shall not be required to distribute, and shall not distribute, Cash or other property to the Holder of any Allowed Claim if the amount of Cash or other property to be distributed on account of such Claim is less than \$50. Any Holder of an Allowed Claim on account of which the amount of Cash or other property to be distributed is less than such amount shall have such Claim discharged and shall be forever barred from asserting such Claim against the Debtor, the Reorganized Debtor or their respective property. Any Cash or other property not distributed pursuant to this provision shall be the property of the Reorganized Debtor, free of any restrictions thereon.

Section 7.07 Delivery of Distributions

Distributions to Holders of Allowed Claims shall be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim Filed by such Holders, (b) at the addresses reflected in the Schedules if no Proof of Claim has been Filed, or (c) at the addresses set forth in any written notices of address changes delivered to the Debtor, the Reorganized Debtor or the Disbursing Agent after the date of any related Proof of Claim or after the date of the Schedules if no Proof of Claim was Filed. If any Holder's Distribution is returned as undeliverable, a reasonable effort shall be made to determine the current address of such Holder, but no further Distributions to such Holder shall be made unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed Distributions shall be made to such Holder without interest. Unless otherwise agreed between the Reorganized Debtor and the Disbursing Agent, amounts in respect of undeliverable Distributions made by the Disbursing Agent shall be returned to the Reorganized Debtor, and held in trust by the Reorganized Debtor, until such Distributions are claimed, at which time the applicable amounts shall be returned to the Disbursing Agent for distribution pursuant to the Plan. All claims for undeliverable Distributions must be made on or before the second (2nd) anniversary of the Initial Distribution Date, after which date all unclaimed property shall revert to the Reorganized Debtor free of any restrictions thereon and the claims of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary. Nothing contained in the Plan shall require the Debtor, the

Reorganized Debtor or any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

Section 7.08 Application of Distribution Record Date

At the close of business on the Distribution Record Date, the claims registers for all Claims shall be closed, and there shall be no further changes in the record holders of such Claims. Except as provided herein, the Reorganized Debtor, the Disbursing Agent, and each of their respective agents, successors, and assigns shall have no obligation to recognize any transfer of Claims occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the claims registers as of the close of business on the Distribution Record Date irrespective of the number of Distributions to be made under the Plan to such Persons or the date of such Distributions.

Section 7.09 Withholding, Payment and Reporting Requirements

In connection with the Plan and all Distributions under the Plan, the Disbursing Agent shall, to the extent applicable, comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all Distributions under the Plan shall be subject to any such withholding, payment, and reporting requirements. The Disbursing Agent shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment, and reporting requirements. Notwithstanding any other provision of the Plan, (a) each Holder of an Allowed Claim that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution, and including, in the case of any Holder of a Disputed General Unsecured Claim that has become an Allowed General Unsecured Claim, any tax obligation that would be imposed upon the Reorganized Debtor in connection with such Distribution, and (b) no Distribution shall be made to or on behalf of such Holder pursuant to the Plan unless and until such Holder has made arrangements satisfactory to the Disbursing Agent for the payment and satisfaction of such withholding tax obligations or such tax obligation that would be imposed upon the Reorganized Debtor in connection with such Distribution. Any property to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution pursuant to Section 7.06 of the Plan.

Section 7.10 Setoffs

The Reorganized Debtor may, but shall not be required to, set off against any Claim or any Allowed Claim, and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever that the Debtor or the Reorganized Debtor may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtor of any such claim that the Debtor or the Reorganized Debtor may have against such Holder.

Section 7.11 Pre-Payment

Except as otherwise provided in the Plan, any ancillary documents entered into in connection herewith, or the Confirmation Order, the Reorganized Debtor shall have the right to pre-pay, without penalty, all or any portion of an Allowed Claim entitled to payment in Cash at any time; provided, however, that any such pre-payment shall not be violative of, or otherwise prejudice, the relative priorities and parities among the Classes of Claims.

Section 7.12 No Distribution in Excess of Allowed Amounts

Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim shall receive in respect of such Claim any Distribution of a value as of the Effective Date in excess of the Allowed amount of such Claim (excluding payments on account of interest due and payable from and after the Effective Date pursuant to the Plan, if any).

Section 7.13 Allocation of Distributions

All Distributions received under the Plan by Holders of Claims shall be deemed to be allocated first to the principal amount of such Claim as determined for United States federal income tax purposes and then to accrued interest, if any, with respect to such Claim.

ARTICLE VIII:

PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS AND DISTRIBUTIONS WITH RESPECT THERETO

Section 8.01 Prosecution of Objections to Claims

(a) Objections to Claims; Estimation Proceedings

Except as set forth in the Plan or any applicable Bankruptcy Court order, all objections to Claims must be Filed and served on the Holders of such Claims by the applicable Claims Objection Bar Date, as the same may be extended by the Bankruptcy Court. If a timely objection has not been Filed to a Proof of Claim or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtor but (ii) was not Scheduled as contingent, unliquidated, and/or disputed, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been allowed earlier. No payments or Distributions shall be made on account of a Claim until such Claim becomes an Allowed Claim. Notice of any motion for an order extending any Claims Objection Bar Date shall be required to be given only to those Persons or Entities that have requested notice in the Chapter 11 Case, or to such Persons as the Bankruptcy Court shall order.

The Debtor (prior to the Effective Date) or Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtor or the Reorganized

Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event the Bankruptcy Court so estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court, as applicable. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned Claims objection, estimation, and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanisms.

The Reorganized Debtor will have no obligation to review and/or respond to any Claim that is not Filed by the applicable Bar Date unless: (i) the filer has obtained an order from the Bankruptcy Court authorizing it to File such Claim; or (ii) the Reorganized Debtor has consented to the Filing of such Claim in writing.

(b) Authority to Prosecute Objections

After the Effective Date, only the Reorganized Debtor shall have the authority to File objections to Claims and to settle, compromise, withdraw, or litigate to judgment objections to Claims, including, without limitation, Claims for reclamation under section 546(c) of the Bankruptcy Code. The Reorganized Debtor may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

Section 8.02 Treatment of Disputed Claims

(a) No Distribution Pending Allowance

Notwithstanding any other provisions of the Plan, no payments or Distributions will be made on account of a Disputed Claim or, if less than the entire Claim is a Disputed Claim, the portion of a Claim that is Disputed, until such Disputed Claim becomes an Allowed Claim.

(b) Distributions on Accounts of Disputed Claims Once They are Allowed

The Disbursing Agent shall, on the applicable Distribution Dates, make Distributions on account of any Disputed Claim that has become an Allowed Claim. Such Distributions shall be made pursuant to the provisions of the Plan governing the applicable Class. Such Distributions shall be based upon the Distributions that would have been made to the Holder of such Claim under the Plan if the Disputed Claim had been an Allowed Claim on the Effective Date in the amount ultimately Allowed.

Section 8.03 Provisions for Disputed Claims

On the Effective Date and on each subsequent Distribution Date, the Debtor or Reorganized Debtor shall withhold on a Pro Rata basis from property that would otherwise be distributed to Classes of Claims entitled to Distributions under the Plan on such date, in a separate Disputed Claims Reserve, such amounts or property as may be necessary to equal one hundred percent (100%) of Distributions to which Holders of such Disputed Claims would be entitled under this Plan if such Disputed Claims were allowed in their Disputed Claims Amount. The Debtor or Reorganized Debtor may request, if necessary, estimation for any Disputed Claim that is contingent or unliquidated, or for which the Debtor or Reorganized Debtor determine to reserve less than the Face Amount. The Debtor or Reorganized Debtor shall withhold the applicable portion of the Disputed Claims Reserve with respect to such Claims based upon the estimated amount of each such Claim as estimated by the Bankruptcy Court. If the Debtor or Reorganized Debtor elect not to request such an estimation from the Bankruptcy Court with respect to a Disputed Claim that is contingent or unliquidated, the Debtor or Reorganized Debtor shall withhold the applicable Disputed Claims Reserve based upon the good faith estimate of the amount of such Claim by the Debtor or Reorganized Debtor. If practicable, the Debtor or Reorganized Debtor will invest any Cash that is withheld as the applicable Disputed Claims Reserve in an appropriate manner to ensure the safety of the investment. Nothing in this Plan or the Disclosure Statement shall be deemed to entitle the Holder of a Disputed Claim to post-petition interest on such Claim, however.

Section 8.04 Accounts; Escrows; Reserves

The Debtor and Reorganized Debtor shall, subject to and in accordance with the provisions of this Plan (a) establish one or more general accounts into which shall be deposited all funds not required to be deposited into any other account, reserve or escrow, (b) create, fund and withdraw funds from, as appropriate, the Administrative Claims Reserve, and the Professional Fee Reserve and (c) if practicable, invest any Cash that is withheld as the applicable claims reserve in an appropriate manner to ensure the safety of the investment. Nothing in this Plan or the Disclosure Statement shall be deemed to entitle the Holder of a Disputed Claim to post-petition interest on such Claim, however.

(a) Administrative Claims Reserve

On the Effective Date (or as soon thereafter as is practicable), the Debtor or Reorganized Debtor shall create and fund the Administrative Claims Reserve in the amount budgeted to be used by the Reorganized Debtor to pay Distributions on account of Allowed Administrative Claims, including Claims under section 503(b)(9) and lease payments under section 365(d)(5) of the Bankruptcy Code. To the extent necessary to fund payments to Allowed Claims thereunder, the funds in the Administrative Claims Reserve shall be periodically replenished by the Reorganized Debtor in such amounts as may be determined by the Reorganized Debtor in its sole discretion. The Reorganized Debtor shall be obligated to pay all Allowed Claims designated to be paid from the proceeds of the Administrative Claims Reserve thereunder in excess of the amounts actually deposited in the Administrative Claims Reserve. In the event that any Cash remains in the Administrative Claims Reserve after payment of all

Allowed Claims to be paid thereunder, such Cash shall be distributed to the Reorganized Debtor as provided in Section 7.06 hereof.

(b) Professional Fee Reserve

The Debtor or Reorganized Debtor shall create and fund the Professional Fee Reserve on the Effective Date (or as soon thereafter as is practicable) in the amount of the budgeted but unpaid Professional fees projected through the Effective Date, which amount shall be used to pay Allowed Professional Fee Claims held by (i) any professionals working on behalf of the Debtor and (ii) counsel and any advisers to the Creditors Committee. The Reorganized Debtor shall be obligated to pay all Allowed Professional Fee Claims even if in excess of the amounts actually deposited in the Professional Fee Reserve. In the event that any Cash remains in the Professional Fee Reserve after payment of all Allowed Professional Fee Claims, such Cash will be distributed to the Reorganized Debtor as provided by Section 7.07 hereof.

ARTICLE IX:

**CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

Section 9.01 Conditions to Confirmation

The following conditions precedent to the occurrence of the Confirmation Date must be satisfied unless any such condition shall have been waived by the Debtor:

(a) The Confirmation Order shall have been entered in form and substance satisfactory to the Debtor, and shall, among other things:

(i) provide that the Debtor and the Reorganized Debtor are authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan;

(ii) authorize the issuance of the New Common LLC Interests, New Preferred LLC Interests and the New MIG Notes;

(b) The Bankruptcy Court finds that adequate information and sufficient notice of the Disclosure Statement, the Plan and the Confirmation Hearing, along with all deadlines for voting on or objecting to the Plan has been given to all relevant parties in accordance with the solicitation procedures governing such service and in substantial compliance with Bankruptcy Rules 2002(b), 3017 and 3020(b);

(c) All exhibits to the Plan are in form and substance satisfactory to the Debtor.

Section 9.02 Conditions to the Effective Date

The following conditions precedent to the occurrence of the Effective Date must be satisfied or waived by the Debtor on or prior to the Effective Date in accordance with Section 9.04 of the Plan:

(a) the Plan and all Plan Supplement documents, including any amendments, modifications or supplements thereto, shall be acceptable to the Debtor;

(b) the Confirmation Order approves and authorizes the Debtor and the Reorganized Debtor to take all actions necessary or appropriate to implement the Plan, including completion of the transactions contemplated by the Plan and the implementation of and consummation of contracts, instruments, releases and other agreements or documents created in connection with the Plan; and

(c) each of the exhibits to the Plan and any other necessary documents shall be fully executed and delivered to the Debtor, shall be in form and substance reasonably acceptable to the Debtor, and shall be fully enforceable in accordance with their terms.

Section 9.03 Notice of Occurrence of the Effective Date

The Debtor or Reorganized Debtor shall File a notice of the occurrence of the Effective Date within five (5) days thereafter.

Section 9.04 Waiver of Conditions

Each of the conditions set forth in Section 9.02 may be waived in whole or in part by the Debtor without any notice to parties-in-interest or the Bankruptcy Court and without a hearing.

Section 9.05 Consequences of Non-Occurrence of Effective Date

If the Confirmation Order is vacated, (a) the Plan shall be null and void in all respects; (b) any settlement of Claims or Interests provided for hereby shall be null and void without further order of the Bankruptcy Court; and (c) to the extent permitted under the Bankruptcy Code, the time within which the Debtor may assume and assign or reject all Executory Contracts and Unexpired Leases shall be extended for a period of one hundred twenty (120) days after the date the Confirmation Order is vacated.

Section 9.06 Substantial Consummation

Substantial Consummation of the Plan shall be deemed to occur on the Effective Date.

ARTICLE X:

RETENTION OF JURISDICTION

Section 10.01 Scope of Retention of Jurisdiction

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, and except as otherwise ordered by the Bankruptcy Court, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, this Chapter 11 Case and the Plan to the fullest extent permitted by law (provided, however, that notwithstanding the foregoing, with respect to all civil proceedings arising in or related to the Chapter 11 Case and the Plan, the Bankruptcy Court shall have original but not exclusive jurisdiction, in accordance with section 1334(b) of title 28 of the United States Code), including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, or unsecured status of any Claim not otherwise Allowed under the Plan (other than personal injury or wrongful death Claims, unless agreed by the Holder), including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the Professionals of the Reorganized Debtor shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) hear and determine all matters with respect to the assumption or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or allowance of any Claims arising therefrom;

(d) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(e) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Case, the Avoidance Actions, the Litigation Rights or the Plan;

(f) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

(h) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(k) hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, or the Confirmation Order;

(l) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case has been closed);

(m) except as otherwise limited herein, recover all assets of the Debtor and property of the Estates, wherever located;

(n) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(o) hear and determine all disputes involving the existence, nature, or scope of the Debtor's discharge;

(p) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code; and

(q) enter a final decree closing the Chapter 11 Case.

Section 10.02 Failure of the Bankruptcy Court to Exercise Jurisdiction

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Case, including the matters set forth in Section 10.01 of the Plan, the provisions of this Article X shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XI:

MISCELLANEOUS PROVISIONS

Section 11.01 Administrative Claims

All Administrative Expense Requests (other than as set forth in Sections 3.01(a), 11.02 or this Section 11.01 of the Plan) must be made by application Filed with the Bankruptcy Court and served on counsel for the Reorganized Debtor no later than forty-five (45) days after the Effective Date. In the event that the Reorganized Debtor objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. Notwithstanding the foregoing, (a) Holders of Administrative Claims first arising from and after the Petition Date through and including [*****], 2010, must File their Administrative Expense Requests on or before [****], 2010, at 5:00 p.m. (Eastern Time), or their Claims shall be forever barred; (b) no application seeking payment of an Administrative Claim need be Filed with respect to an undisputed post-petition obligation which was paid or is payable by a Debtor in the ordinary course of business; provided, however, that in no event shall a post-petition obligation that is contingent or disputed and subject to liquidation through pending or prospective litigation, including, but not limited to, alleged obligations arising from personal injury, property damage, products liability, consumer complaints, employment law (excluding claims arising under workers' compensation law), secondary payor liability, or any other disputed legal or equitable claim based on tort, statute, contract, equity, or common law, be considered to be an obligation which is payable in the ordinary course of business; and (c) no application seeking payment of an Administrative Claim need be Filed with respect to Cure owing under an Executory Contract or Unexpired Lease if the amount of Cure is fixed or proposed to be fixed by order of the Bankruptcy Court pursuant to a motion to assume and fix the amount of Cure Filed by the Debtor and a timely objection asserting an increased amount of Cure Filed by the non-Debtor party to the subject contract or lease; provided further, however, that post-petition statutory tax claims shall not be subject to the Administrative Claims Bar Date.

Section 11.02 Professional Fee Claims

(a) All final requests for payment of Professional Fee Claims pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code must be made by application Filed with the Bankruptcy Court and served on the Reorganized Debtor, their counsel, counsel to the Creditors Committee, and other necessary parties-in-interest no later than sixty (60) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to such applications must be Filed and served on the Reorganized Debtor, its counsel, counsel to the Creditors Committee and the requesting Professional or other Entity on or before the date that is thirty (30) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application was served.

(b) The Reorganized Debtor may, without application to or approval by the Bankruptcy Court, retain professionals and pay reasonable professional fees and expenses in connection with services rendered to it after the Effective Date.

Section 11.03 Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Effective Date. All such fees that arise after the Effective Date shall be paid by the Reorganized Debtor. The obligation of each of the Reorganized Debtor to pay quarterly fees to the Office of the United States Trustee pursuant to section 1930 of title 28 of the United States Code shall continue until such time as the Debtor's case is closed.

Section 11.04 Modifications and Amendments

(a) The Debtor may alter, amend, or modify the Plan or any exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. The Debtor shall provide parties-in-interest with notice of such amendments or modifications as may be required by the Bankruptcy Rules or order of the Bankruptcy Court. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or clarified, if the proposed alteration, amendment, modification, or clarification does not materially and adversely change the treatment of the Claim of such Holder. In the event of any dispute as to whether such proposed alteration, amendment, modification, or clarification materially and adversely changes the treatment of the Claim of any such Holder, the Debtor shall bear the burden of demonstrating that such proposed alteration, amendment, modification, or clarification does not materially adversely change the treatment of the Claim of such Holder.

(b) After the Confirmation Date and prior to substantial consummation (as defined in section 1101(2) of the Bankruptcy Code) of the Plan, the Debtor or Reorganized Debtor, as applicable, may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement approved with respect to the Plan, or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims under the Plan; provided, however, that, to the extent required, prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or an order of the Bankruptcy Court. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or clarified, if the proposed alteration, amendment, modification, or clarification does not materially and adversely change the treatment of the Claim of such Holder. In the event of any dispute as to whether such proposed alteration, amendment, modification, or clarification materially and adversely changes the treatment of the Claim of any such Holder, the Debtor or Reorganized Debtor, as the case may be, shall bear the burden of demonstrating that such proposed alteration, amendment, modification, or clarification does not materially adversely change the treatment of the Claim of such Holder.

Section 11.05 Continuing Exclusivity and Solicitation Period

Subject to further order of the Bankruptcy Court, until the Effective Date, the Debtor shall, pursuant to section 1121 of the Bankruptcy Code, retain the exclusive right to amend the Plan and to solicit acceptances thereof, and any modifications or amendments thereto.

Section 11.06 Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Section 11.07 Successors and Assigns and Binding Effect

The rights, benefits, and obligations of any Person or Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor, or assign of such Person or Entity, including, but not limited to, the Reorganized Debtor and all other parties-in-interest in the Chapter 11 Case.

Section 11.08 Compromises and Settlements

From and after the Effective Date, the Reorganized Debtor may compromise and settle various Claims against them, Litigation Rights, and/or Avoidance Actions that they may have against other Persons or Entities without any further approval by the Bankruptcy Court; provided, however, that to the extent any such Claims, Litigation Rights or Avoidance Actions are pending before the Bankruptcy Court pursuant to Filings made during the pendency of the Chapter 11 Case, the Debtor shall be required to obtain an appropriate order of the Bankruptcy Court concluding any such Filings.

Until the Effective Date, the Debtor expressly reserves the right to compromise and settle (subject to the approval of the Bankruptcy Court) Claims against the Debtor, Avoidance Actions, Litigation Rights or other claims that they may have against other Persons or Entities.

Section 11.09 Releases and Satisfaction of Subordination Rights

All Claims against the Debtor and all rights and claims between or among the Holders of Claims relating in any manner whatsoever to any claimed subordination rights shall be deemed satisfied by the Distributions under, described in, contemplated by, and/or implemented in Article III of the Plan. Distributions under, described in, contemplated by, and/or implemented by the Plan to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by any Holder of a Claim by reason of any claimed subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the Distributions in the manner set forth in the Plan.

Section 11.10 Releases and Related Matters

(a) Releases by Debtor

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtor, the Reorganized Debtor and any Person or Entity seeking to exercise the rights of the Debtor's estate, including, without limitation, any successor to the Debtor or any estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, shall be deemed to forever release, waive, and discharge each of the Exculpated Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action (including Avoidance Actions), and liabilities whatsoever in connection with or related to the Debtor, the conduct of the Debtor's business, the Chapter 11 Case, or the Plan (other than the rights of the Debtor and the Reorganized Debtor to enforce the obligations under the Confirmation Order and the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that are based in whole or part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the conduct of the Debtor's business, the Reorganized Debtor, the Chapter 11 Case, the Disclosure Statement or the Plan, and that may be asserted by or on behalf of the Debtor, the Estate, or the Reorganized Debtor against (i) any of the present or former shareholders, directors, officers, employees or advisors of any of the Debtor, excluding claims resulting from gross negligence, willful misconduct, breach of fiduciary duty, self-interested transactions or intentional tort, (ii) any Professionals of the Debtor, and (iii) the Creditors Committee, its members, and its advisors, respectively (but not its members in their individual capacities); provided, however, that nothing in this Section 11.10(a) shall be deemed to prohibit the Reorganized Debtor from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action or liabilities they may have against any employee (including directors and officers) for alleged breach of confidentiality, or any other contractual obligations owed to the Debtor or the Reorganized Debtor, including non-compete and related agreements or obligations. Nothing herein constitutes a waiver of any right of the Reorganized Debtor to (i) enforce all rights and claims concerning any and all intellectual property (including, without limitation, trademarks, copyrights, patents, customer lists, trade secrets and confidential or proprietary business information), all of which rights are expressly reserved and not released and (ii) assert any defense based on whether or not applicable standards have been met.

(b) Releases by Holders of Claims

As of the Effective Date and to the extent permitted under Delaware law, Holders of Claims and Interests (a) voting to accept the Plan or (b) abstaining from voting on the Plan and electing not to opt out of the release contained in this paragraph (which by definition, does not include Holders of Claims and Interests who are not entitled to vote in favor of or against the Plan), shall be deemed to have conclusively, absolutely,

unconditionally, irrevocably and forever released and discharged the Debtor, the Reorganized Debtor and the present or former shareholders, directors, officers, employees or advisors of the Debtor (the “Releasees”) from any and all Claims (including Intercompany Claims and the Alleged Fraudulent Transfer Claims), Interests, Causes of Action or Avoidance Actions that such Entity would have been legally entitled to assert (whether individually or collectively or directly, indirectly or derivatively, at law, in equity or otherwise), based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Debtor’s restructuring, the conduct of the Debtor’s business, the Chapter 11 Case, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Releasee and the Debtor, the restructuring of Claims and Interests prior to or in the Chapter 11 Case, the negotiation, formulation or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of the Debtor, the Reorganized Debtor, or a Releasee that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Debtor, the Reorganized Debtor, or the Releasee reasonably believed to be in the best interests of the Debtor (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence; provided, however, that nothing in the Plan shall be deemed to prohibit any party from asserting or enforcing any direct contractual obligation against any Releasee, with all rights and defenses to such claims being reserved by the Releasees.

Section 11.11 Discharge of the Debtor

(a) Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise provided herein or in the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release, effective as of the Effective Date, of all Claims, Interests and Causes of Action of any nature whatsoever, including any interest accrued on such Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to the Plan on account of such Claims and Interests, including demands, liabilities and Causes of Action that arose before the Effective Date, and all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (i) a Proof of Claim based upon such debt is Filed or deemed Filed under section 501 of the Bankruptcy Code, (ii) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (iii) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (iv) the Holder of a Claim based upon such debt accepted the Plan. The Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or votes to reject the Plan.

(b) As of the Effective Date, except as provided in the Plan or the Confirmation Order, Persons shall be precluded from asserting against the Debtor or the Reorganized Debtor or any of their assets or properties, any other or further claims, debts, rights, Causes of Action,

claims for relief, liabilities, or equity interests relating to the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination, as of the Effective Date, of discharge of all such Claims and other debts and liabilities against the Debtor and termination of all Preferred Equity Interests and Common Equity Interests, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim.

Section 11.12 Injunction

(a) Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim or other debt or liability that is discharged pursuant to Section 11.11 of the Plan, released pursuant to Section 11.10 of the Plan, or are subject to exculpation pursuant to Section 11.13 of the Plan are permanently enjoined from taking any of the following actions against the Debtor, the Reorganized Debtor, and their respective affiliates or their property on account of any such discharged Claims, debts, or liabilities or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding of any kind; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Debtor, the Reorganized Debtor or its property; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a right of setoff, recoupment or subrogation of any kind against any debt, liability, or obligation due to the Debtor or the Reorganized Debtor; or (v) commencing or continuing any action, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

(b) Without limiting the effect of the foregoing provisions of this Section 11.12 upon any Person, by accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim receiving a Distribution pursuant to the Plan shall be deemed to have specifically consented to the injunctions set forth in this Section 11.12.

(c) Nothing in this Section 11.12 shall impair (i) the rights of any Holder of a Disputed Claim to establish its Claim in response to an objection Filed by the Debtor or the Reorganized Debtor, (ii) the rights of any defendant in an Avoidance Action Filed by the Debtor to assert defenses in such action, or (iii) the rights of any party to an Executory Contract or Unexpired Lease that has been assumed by the Debtor pursuant to an order of the Bankruptcy Court or the provisions of the Plan to enforce such assumed contract or lease.

Section 11.13 Exculpation and Limitations of Liability

(a) On the Effective Date, the Exculpated Parties shall neither have, nor incur any liability to any Holder of a Claim or an Interest, the Debtor, the Reorganized Debtor, or any other party-in-interest, or any of their respective agents, employees, representatives, advisors, attorneys, or affiliates, or any of their successors or assigns, for

any pre-petition or post-petition act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the formulation, negotiation, or implementation of the Plan, the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions that are the result of fraud, gross negligence, or willful misconduct; provided further, however, that the foregoing is not intended to limit or otherwise impact any defense of qualified immunity that may be available under applicable law; provided further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan; provided still further, that the foregoing Exculpation shall not be deemed to, release, affect, or limit any of the rights and obligations of the Exculpated Parties from, or exculpate the Exculpated Parties with respect to, any of the Exculpated Parties' obligations or covenants arising pursuant to the Plan or the Confirmation Order.

(b) Notwithstanding any other provision of the Plan, no Holder of a Claim or an Interest, the Debtor, the Reorganized Debtor, no other party-in-interest, none of their respective agents, employees, representatives, advisors, attorneys, or affiliates, and none of their respective successors or assigns shall have any right of action against any of the Exculpated Parties for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the formulation, negotiation, or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which are the result of fraud, gross negligence, or willful misconduct.

Section 11.14 Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date.

Section 11.15 Revocation, Withdrawal or Non-Consummation

The Debtor reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, or if Confirmation or the Effective Date does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims against, or any Interests in, the Debtor, or any Avoidance Actions, Litigation Rights or other claims by or against the Debtor, the Creditors Committee or any Person or Entity, (ii)

prejudice in any manner the rights of the Debtor, the Creditors Committee, or any Person or Entity in any further proceedings involving a Debtor, or (iii) constitute an admission of any sort by the Debtor, the Creditors Committee, or any other Person or Entity.

Section 11.16 Plan Supplement

The Plan Supplement shall be Filed with the Bankruptcy Court at least ten (10) days prior to the Voting Deadline or by such later date as may be established by order of the Bankruptcy Court. Upon such Filing, all documents set forth in the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal business hours. Holders of Claims or Interests may obtain a copy of any document set forth in the Plan Supplement upon written request to the Debtor in accordance with Section 11.17 of the Plan.

Section 11.17 Dissolution of the Committee

On the Effective Date, the Creditors Committee shall be dissolved and its members shall be deemed released of any continuing duties, responsibilities and obligations in connection with the Debtor's Chapter 11 Case or the Plan and its implementation, and the retention and employment of the Creditors Committee's attorneys, accountants and other agents shall terminate.

Section 11.18 Continued Confidentiality Obligations

Pursuant to the terms thereof, members of and advisors to the Creditors Committee, any other holder of a Claim or Interest and their respective predecessors, successors and assigns shall continue to be obligated and bound by the terms of any confidentiality agreement executed by them in connection with this Chapter 11 Case or the Debtor, to the extent that such agreement, by its terms, may continue in effect after the Confirmation Date.

Section 11.19 Notices

Any notice, request, or demand required or permitted to be made or provided under the Plan shall be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, (iv) first class mail, or (v) facsimile transmission, and (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtor:

Greenberg Traurig LLP
Attn: Nancy A. Mitchell, Esq.
Maria J. DiConza, Esq.
200 Park Avenue
New York, New York 10166
Tel: (212) 801-9200
Fax: (212) 801-6400

If to the Reorganized Debtor:

MIG, Inc.
5960 Fairview Road
Suite 400
Charlotte, NC 28210
Tel: (704) 496-2750
Fax: (704) 496-2751

If to the Committee:

Baker & McKenzie LLP
Attn: Carmen Lonstein, Esq.
Lawrence Vonckx, Esq.
One Prudential Plaza, Suite 3500
130 East Randolph Drive
Chicago, Illinois 60601
Tel: (312) 861-8000
Fax: (312) 861-2899

Section 11.20 Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Rule 9006(a) of the Bankruptcy Rules shall apply.

Section 11.21 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of (a) the State of Delaware shall govern the construction and implementation of the Plan and (except as may be provided otherwise in any such agreements, documents, or instruments) any agreements, documents, and instruments executed in connection with the Plan and (b) the laws of the state of incorporation of the Debtor shall govern corporate governance matters with respect to the Debtor; in each case without giving effect to the principles of conflicts of law thereof.

Section 11.22 Exhibits

All exhibits are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such exhibits shall be Filed with the Bankruptcy Court on or before the Exhibit Filing Date. After the Exhibit Filing Date, copies of exhibits can be obtained upon written request to Greenberg Traurig LLP, The Nemours Building, 1007 North Orange Street, Suite 1200, Wilmington, Delaware 19801, Attn: Scott D. Cousins, Esq. and Sandra G. M. Selzer, Esq., and 200 Park Avenue, New York, New York 10166, Attn: Nancy A. Mitchell, Esq. and Maria J. DiConza, Esq., counsel to the Debtor or by downloading such exhibits from the Bankruptcy Court's website at <http://www.deb.uscourts.gov> (registration required) or the Claims Agent's website at <http://www.gardencitygroup.com/cases/fullcase/1517>. To the extent any exhibit is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit portion of the Plan shall control.

Dated: November 17, 2009

GREENBERG TRAURIG, LLP

/s/ Scott D. Cousins

Scott D. Cousins (DE Bar No. 3079)
Sandra G. M. Selzer (DE Bar No. 4283)
The Nemours Building
1007 North Orange Street, Suite 1200
Wilmington, Delaware 19801
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-and-

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200 Park Avenue
New York, New York 10166
Telephone: (212) 801-9200
Facsimile: (212) 801-6400
Email: mitchelln@gtlaw.com
diconzam@gtlaw.com

Counsel for the Debtor and Debtor-in-Possession

Exhibit B

to

Disclosure Statement with Respect to the Chapter 11 Plan of
Reorganization for MIG, Inc. dated November 17, 2009

Pro Forma Financial Projections [TBD]

Exhibit C

to

Disclosure Statement with Respect to the Chapter 11 Plan of
Reorganization for MIG, Inc. dated November 17, 2009

Liquidation Analysis [TBD]