

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	: Chapter 11
PAUL F. WALLACE <i>et al.</i> , ¹	: Case No. 10-22998 (RDD)
	: Jointly Administered
Debtors.	: Jointly Administered
	: Jointly Administered
-----X	

DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN
PROPOSED BY CHAPTER 11 TRUSTEE AND DEBTORS IN POSSESSION

This is not a solicitation of acceptance or rejection of the Plan. Acceptances or rejections may not be solicited until a disclosure statement has been approved by the Bankruptcy Court. This Disclosure Statement is being submitted for approval but has not been approved by the Court.

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Dated: July 29, 2016

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: Paul F. Wallace (4083); A&T Holding Corp. (5034); Ben Franklin Services Corp. (2756); Martindale Corporation (7023); MOA-Cody, L.L.C. (0956); and MOA Hospitality, Inc. (6914). MOA Hospitality, Inc. (“MOAH”) does not currently have any funds available and, accordingly, this Plan does not address the MOAH estate. For purposes of this Disclosure Statement, “Debtors” shall refer solely to Paul F. Wallace, A&T Holding Corp., Ben Franklin Services Corp., Martindale Corporation, and MOA-Cody, LLC.

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I. INTRODUCTION

Marianne T. O'Toole, the Chapter 11 Operating Trustee (the "Trustee") of the estate of Paul F. Wallace ("Wallace"), and A&T Holding Corp. ("A&T"), Ben Franklin Services Corp. ("BFSC"), Martindale Corporation ("Martindale"), and MOA-Cody, L.L.C. ("MOA Cody"), the debtors and debtors in possession (each, a "Debtor" and, collectively, the "Debtors"), hereby submit this disclosure statement (the "Disclosure Statement") in connection with the joint chapter 11 plan proposed by the Trustee and the Debtors dated as of July 29, 2016 (the "Plan"), a copy of which is attached as Exhibit "A", to all known holders of a Claim against or Interest in the Debtors to solicit acceptances or rejections to the Plan to be effected in compliance with chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"). The Plan is an aggregation of five separate plans: the Wallace Plan; the A&T Plan; the BFSC Plan; the Martindale Plan; and the MOA Cody Plan. The Wallace Plan, the A&T Plan, the BFSC Plan, the Martindale Plan, and the MOA Cody Plan are severable from each other and the Confirmation and Consummation of any is not conditioned on the Confirmation and Consummation of any of the other.

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE TRUSTEE'S AND THE DEBTORS' JOINT CHAPTER 11 PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED HEREIN IS FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW AND WHETHER TO VOTE ON THE PLAN. THE TRUSTEE AND THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS THAT ARE ATTACHED HERETO ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN THAT ACCOMPANIES THIS DISCLOSURE STATEMENT.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED HEREIN HAVE BEEN MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF. EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN AND THIS DISCLOSURE

STATEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. ANY PERSONS DESIRING ANY SUCH ADVICE OR OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

ALTHOUGH THE TRUSTEE AND THE DEBTORS HAVE ATTEMPTED TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT, EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED.

NO PARTY IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE TRUSTEE, THE DEBTORS, OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE TRUSTEE OR THE DEBTORS, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED HEREIN AND IN THE PLAN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING, THREATENED OR POTENTIAL LITIGATION OR ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AND MAY NOT BE CONSTRUED AS AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

THIS DISCLOSURE STATEMENT SETS FORTH CERTAIN INFORMATION REGARDING THE DEBTORS' PRE-PETITION HISTORY, BUSINESSES, PROPERTIES, AND OPERATIONS AND THE SIGNIFICANT EVENTS THAT HAVE OCCURRED DURING THE CHAPTER 11 CASES. THIS DISCLOSURE STATEMENT ALSO DESCRIBES THE TERMS AND PROVISIONS OF THE PLAN, INCLUDING CERTAIN CONSEQUENCES OF CONFIRMATION OF THE PLAN, THE PROJECTED DISTRIBUTIONS UNDER THE PLAN, AND RISK FACTORS ASSOCIATED WITH THOSE PROJECTED DISTRIBUTIONS. IN ADDITION, THIS DISCLOSURE STATEMENT DISCUSSES THE CONFIRMATION PROCESS AND THE VOTING PROCEDURES THAT HOLDERS OF CLAIMS ELIGIBLE TO VOTE MUST FOLLOW FOR THEIR VOTES TO BE COUNTED.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE

TRUSTEE AND THE DEBTORS BELIEVE THAT SUCH SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS AND THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE TRUSTEE AND THE DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION. NOR WILL IT BE UPDATED TO REFLECT ANY SUBSEQUENT EVENTS.

II. SUMMARY OF THE PLAN

The following summary is qualified in its entirety by the more detailed information contained in the Plan and elsewhere in this Disclosure Statement. **Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Plan; provided, however, that any capitalized term used herein that is not defined herein or 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.**

A. Overview of The Plan

The Plan contemplates the continued orderly liquidation of the Debtors' assets, the monetization of the Debtors' remaining assets, and the distribution of funds maintained in the Estate Accounts to holders of Allowed Claims against each of the Debtors' Estates in accordance with the terms of the Plan. Each of the Entity Debtors will be dissolved upon liquidation of their respective assets and payment of their respective Creditors in accordance with the Plan. Wallace died on December 31, 2013, and thereafter the Trustee was appointed to continue the administration of the Wallace Chapter 11 Case. Upon payment in full of Creditors of the Wallace Chapter 11 Estate in accordance with the Plan, any remaining assets of the Wallace Chapter 11 Estate shall be distributed to the Wallace Probate Estate.²

The Plan provides for distribution to Creditors of funds currently held in Estate Accounts. Currently, the Trustee is holding for the benefit of the respective Debtors the following funds on deposit: (i) A&T (approximately \$1.9 million) ("A&T Available Cash"); (ii) Martindale (approximately \$1.18 million) ("Martindale Available Cash"); (iii) MOA Cody (approximately \$950,000) ("MOA Cody Available Cash"); and (iv) Wallace (approximately \$2.2 million) (the "Wallace Available Cash").

² The Wallace Probate Estate is presently pending before the Surrogates Court, New York County, State of New York under File No. 2014-177.

B. Resolution of Claims of the PBGC

The Plan provides for the approval of the settlement and compromise (the “PBGC Settlement”) of the claims asserted by the Pension Benefit Guaranty Corporation (the “PBGC”) against the Debtors relating to the underfunding of The Broadstone Group, Inc. Retirement Plan (the “Broadstone Retirement Plan”). The PBGC has asserted that each of the Debtors are members of the “controlled group” of The Broadstone Group, Inc. (the “Broadstone”), and are thus subject to joint and several liability with respect the Broadstone Retirement Plan (the “PBGC Claims”).

Under the PBGC Settlement, the Trustee and the Debtors are required to remit the sum of \$500,000.00 to the PBGC in full and final satisfaction of any and all claims the PBGC may have against the Debtors (the “PBGC Payment”). The PBGC Settlement does not acknowledge the Debtors’ liability with respect to the Broadstone Retirement Plan, but does seek to minimize the risk of burdensome litigation over that potential liability. The PBGC Settlement is contingent upon approval of the Plan which shall encompass the terms of the PBGC Settlement and seek approval thereof. *See infra* Section VII.

C. Treatment of Claims and Interests Under the Plan

1. Administrative and Priority Tax Claims

An Administrative Claim is a Claim for payment of an administrative expense of a kind specified in section 503(b) of the Bankruptcy Code and entitled to priority pursuant to section 507(a)(2) of the Bankruptcy Code. Administrative Claims include, but are not limited to Professional Fees and Trustee’s commissions and expenses. Under the Plan, the Trustee and the Debtors will pay Administrative Claims in full in funds from the Estate Accounts.

A Priority Tax Claim is an unsecured Claim of a governmental unit entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code or specified under section 502(i) of the Bankruptcy Code. Priority Tax Claims will be paid in full in funds from the Estate Accounts, *provided* that such claims may, at the sole option of the Debtors, be paid on a deferred basis, with interest accrued from the Effective Date.

2. Other Claims and Interests

The Plan divides all other Claims against, and all Interests in, the Debtors into various Classes. The following table is a summary of the classification, treatment, impairment status, voting rights, and potential distributions under the Plan. The amounts set forth below are estimates only. Reference should be made to the entire Disclosure Statement and the Plan for a complete description of the classification and treatment of Claims and Interests. The recoveries set forth below are projected recoveries and are therefore subject to change.

WALLACE PLAN				
Class	Description	Estimated Allowed Amount	Projected Recovery; Voting Status	Treatment Under the Plan
Class 1	Wallace Other Priority Claims	\$0	100%; Unimpaired and deemed to accept	Holders of Allowed Wallace Other Priority Claims shall receive funds from Wallace Available Cash equal to 100% of their Allowed Wallace Other Priority Claims on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any Wallace Other Priority Claim becomes an Allowed Wallace Other Priority Claim.
Class 2	Wallace Secured Claims	\$0	N/A; Unimpaired and deemed to accept	The Trustee does not believe there will be any Allowed Wallace Secured Claims. To the extent there are any Allowed Wallace Secured Claims, each holder of an Allowed Wallace Secured Claim shall receive, in Wallace's sole discretion, either (A) (i) payment in funds from the Wallace Available Cash of an amount equal to the value of the collateral securing the Claim as determined by agreement between Wallace and the holder of such Claim or by Final Order of the Bankruptcy Court, on the date that such Claim becomes an Allowed Wallace Secured Claim by a Final Order, or as soon thereafter as may be practical, and (ii) an Allowed Class 3 Wallace Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the Allowed amount of such holder's Claim; or (B) the Trustee shall abandon the property securing the Allowed Class 2 Wallace Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 Wallace Secured Claim by a Final Order; or (C) such other treatment as the holder of such Allowed Wallace Secured Claim and the Trustee shall agree upon in writing.
Class 3	PBGC Claims	\$500,000	100%; Unimpaired and not entitled to vote	Holders of PBGC Claims shall receive the PBGC Payment in full and final satisfaction of the PBGC Claims in accordance with the PBGC Settlement.
Class 4	Wallace Unsecured Claims	Approx. \$4.8 million	70% to 75%; Impaired and entitled to vote	Subject to the prior satisfaction of all Allowed Wallace Secured Claims, Wallace Administrative Expense Claims, Wallace Priority Tax Claims, Wallace Other Priority Claims, and the PBGC Claims, holders of Allowed Wallace Unsecured Claims shall receive their pro rata share of Available Cash with distributions to begin on the Effective Date. The Trustee estimates that holders of Allowed Wallace Unsecured Claims will receive an initial distribution, on the Effective Date, of at least 50% of their Allowed Wallace Unsecured Claims. After the Effective Date, holders of Allowed Wallace Unsecured Claims shall, from time to time, receive periodic ratable distributions in an aggregate amount of up to 100% of their Allowed Wallace Unsecured Claims, without interest, from Available Cash.
Class 5	Wallace Intercompany Claims	\$0	N/A; Impaired and deemed to reject	Intercompany Claims against Wallace will receive no distribution.

Class 6	Wallace Interests	100%	Unimpaired, deemed to accept	The holders of Interests in the Wallace Chapter 11 Estate shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. In particular, the Holders of Interests in Wallace shall receive the Available Cash after holders of Allowed Wallace Administrative Expense Claims, Allowed Wallace Priority Claims, and Allowed Wallace Class 1, Class 2, Class 3, and Class 4 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).
A&T PLAN				
Class	Description	Estimated Allowed Amount	Projected Recovery; Voting Status	Treatment Under the Plan
Class 1	A&T Other Priority Claims	\$0	100%; Unimpaired and deemed to accept	Holders of Allowed A&T Other Priority Claims shall receive funds from A&T Available Cash equal to 100% of their Allowed A&T Other Priority Claims on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any A&T Other Priority Claim becomes an Allowed A&T Other Priority Claim.
Class 2	A&T Secured Claims	\$0	N/A; Unimpaired and deemed to accept	A&T does not believe there will be any Allowed A&T Secured Claims. To the extent there are any Allowed A&T Secured Claims, each holder of an Allowed A&T Secured Claim shall receive, in A&T's sole discretion, either (A)(i) payment in funds from A&T Available Cash of an amount equal to the value of the collateral securing the Claim as determined by agreement between A&T and the holder of such Claim or by Final Order of the Bankruptcy Court, on the date that such Claim becomes an Allowed A&T Secured Claim by a Final Order, or as soon thereafter as may be practical, and (ii) an Allowed Class 3 A&T Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the Allowed amount of such holder's Claim; or (B) A&T shall abandon the property securing the Allowed Class 2 A&T Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 A&T Secured Claim by a Final Order; or (C) such other treatment as the holder of such Allowed A&T Secured Claim and A&T shall agree upon in writing.
Class 3	A&T Unsecured Claims	\$1000	100%; Impaired and entitled to vote	Subject to the prior satisfaction of all Allowed A&T Secured Claims, A&T Administrative Expense Claims, A&T Priority Tax Claims and A&T Other Priority Claims, holders of Allowed A&T Unsecured Claims shall receive a distribution from A&T Available Cash equal to 100% of their Allowed A&T Unsecured Claims, without interest, on the Effective Date.
Class 4	A&T Intercompany Claims	\$0	N/A; Impaired and deemed to reject	Intercompany Claims against A&T will receive no distribution under the Plan.

Class 5	A&T Interests	100%	Unimpaired and deemed to accept	The holders of Interests in A&T shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. In particular, the Holders of Interests in A&T shall receive the A&T Available Cash after holders of Allowed A&T Administrative Expense Claims, Allowed A&T Priority Claims and Allowed A&T Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).
BFSC PLAN				
Class	Description	Estimated Allowed Amount	Projected Recovery; Voting Status	Treatment Under the Plan
Class 1	BFSC Other Priority Claims	\$0	100%; Unimpaired and deemed to accept	Holders of Allowed BFSC Other Priority Claims shall receive funds from BFSC Available Cash equal to 100% of their Allowed BFSC Other Priority Claims on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any BFSC Other Priority Claim becomes an Allowed BFSC Other Priority Claim.
Class 2	BFSC Secured Claims	\$0	N/A; Unimpaired and deemed to accept	BFSC does not believe there will be any Allowed BFSC Secured Claims. To the extent there are any Allowed BFSC Secured Claims, each holder of an Allowed BFSC Secured Claim shall receive, in BFSC's sole discretion, either (A)(i) payment in funds of an amount equal to the value of the collateral securing the Claim as determined by agreement between BFSC and the holder of such Claim or by Final Order of the Bankruptcy Court, on the date that such Claim becomes an Allowed BFSC Secured Claim by a Final Order, or as soon thereafter as may be practical; and (ii) an Allowed Class 3 BFSC Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the Allowed amount of such holder's Claim; or (B) BFSC shall abandon the property securing the Allowed Class 2 BFSC Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 BFSC Secured Claim by a Final Order; or (C) such other treatment as the holder of such Allowed BFSC Secured Claim and BFSC shall agree upon in writing.
Class 3	BFSC Unsecured Claims	\$10,500	100%; Impaired and entitled to vote	Subject to the prior satisfaction of all Allowed BFSC Secured Claims, BFSC Administrative Expense Claims, BFSC Priority Tax Claims and BFSC Other Priority Claims, holders of Allowed BFSC Unsecured Claims shall receive a distribution from BFSC Available Cash equal to 100% of their Allowed BFSC Unsecured Claims, without interest, on the Effective Date.
Class 4	BFSC Intercompany Claims	\$80,000	N/A; Impaired and deemed to reject	Intercompany Claims against BFSC will receive no distribution.
Class 5	BFSC Interests	100%	Unimpaired and deemed to accept	Holders of Interests in BFSC shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. In particular, Holders of Interests in BFSC shall receive the BFSC Available Cash after holders of Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Claims and Allowed BFSC Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

MARTINDALE PLAN				
Class	Description	Estimated Allowed Amount	Projected Recovery; Voting Status	Treatment Under the Plan
Class 1	Martindale Other Priority Claims	\$359.73	100%; Unimpaired and deemed to accept	Holders of Allowed Martindale Other Priority Claims shall receive funds from Martindale Available Cash equal to 100% of their Allowed Martindale Other Priority Claims on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any Martindale Other Priority Claim becomes an Allowed Martindale Other Priority Claim.
Class 2	Martindale Secured Claims	\$0	N/A; Unimpaired and deemed to accept	Martindale does not believe there will be any Allowed Martindale Secured Claims. To the extent there are any Allowed Martindale Secured Claims, each holder of an Allowed Martindale Secured Claim shall receive, in Martindale's sole discretion, either (A)(i) payment in funds of an amount equal to the value of the collateral securing the Claim as determined by agreement between Martindale and the holder of such Claim or by Final Order of the Bankruptcy Court, on the date that such Claim becomes an Allowed Martindale Secured Claim by a Final Order, or as soon thereafter as may be practical; and (ii) an Allowed Class 3 Martindale Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the Allowed amount of such holder's Claim; or (B) Martindale shall abandon the property securing the Allowed Class 2 Martindale Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 Martindale Secured Claim by a Final Order; or (C) such other treatment as the holder of such Allowed Martindale Secured Claim and Martindale shall agree upon in writing.
Class 3	Martindale Unsecured Claims	\$380,000	100%; Impaired and entitled to vote	Subject to the prior satisfaction of all Allowed Martindale Secured Claims, Martindale Administrative Expense Claims, Martindale Priority Tax Claims and Martindale Other Priority Claims, holders of Allowed Martindale Unsecured Claims shall receive a distribution from Martindale Available Cash equal to 100% of their Allowed Martindale Unsecured Claims, without interest, on the Effective Date.
Class 4	Martindale Intercompany Claims	\$15 million	N/A; Impaired and deemed to reject	Intercompany Claims against Martindale will receive no distribution.
Class 5	Martindale Interests	100%	Unimpaired and deemed to accept	Holders of Interests in Martindale shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. In particular, Holders of Interests in Martindale shall receive the Martindale Available Cash after holders of Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Claims, and Allowed Martindale Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

MOA CODY PLAN				
Class	Description/	Estimated Allowed Amount	Projected Recovery; Voting Status	Treatment Under the Plan
Class 1	MOA Cody Other Priority Claims	\$0	100%; Unimpaired and deemed to accept	Holders of Allowed MOA Cody Other Priority Claims shall receive funds from MOA Cody Available Cash equal to 100% of their Allowed MOA Cody Other Priority Claims on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any MOA Cody Other Priority Claim becomes an Allowed MOA Cody Other Priority Claim.
Class 2	MOA Cody Secured Claims	\$0	N/A; Unimpaired and deemed to accept	MOA Cody does not believe there will be any Allowed MOA Cody Secured Claims. The only Secured Claims asserted against MOA Cody are the Cuiffo/Stewart Secured Claims. To the extent there are any Allowed MOA Cody Secured Claims, each holder of an Allowed MOA Cody Secured Claim shall receive, in MOA Cody's sole discretion, either (A)(i) payment in funds of an amount equal to the value of the collateral securing the Claim as determined by agreement between MOA Cody and the holder of such Claim or by Final Order of the Bankruptcy Court, on the date that such Claim becomes an Allowed MOA Cody Secured Claim by a Final Order, or as soon thereafter as may be practical; and (ii) an Allowed Class 3 MOA Cody Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the Allowed amount of such holder's Claim; or (B) MOA Cody shall abandon the property securing the Allowed Class 2 MOA Cody Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 MOA Cody Secured Claim by a Final Order; or (C) such other treatment as the holder of such Allowed MOA Cody Secured Claim and MOA Cody shall agree upon in writing.
Class 3	MOA Cody Unsecured Claims	\$12,500	100%; Impaired and entitled to vote	Subject to the prior satisfaction of all Allowed MOA Cody Secured Claims, MOA Cody Administrative Expense Claims, MOA Cody Priority Tax Claims and MOA Cody Other Priority Claims, holders of Allowed MOA Cody General Unsecured Claims shall receive a distribution from MOA Cody Available Cash equal to 100% of their Allowed MOA Cody Unsecured Claims, without interest, on the Effective Date.
Class 4	MOA Cody Intercompany Claims	\$0	N/A; Impaired and deemed to reject	Intercompany Claims against MOA Cody will receive no distribution.
Class 5	Interests	100%	Unimpaired and deemed to accept	Holders of Interests in MOA Cody shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. In particular, the Holders of Interests in MOA Cody shall receive the MOA Cody Available Cash after holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

D. Recommendation

THE TRUSTEE AND THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR THE HOLDERS OF CLAIMS AGAINST EACH OF THE DEBTORS AND THUS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN. The Plan provides for each class of Creditors to receive more or generally the same treatment it would receive if the Debtors' assets were liquidated pursuant to chapter 7 of the Bankruptcy Code. The Plan also provides for the settlement of the substantial claims of the PBGC without costly litigation of such claims.

III. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims

This Disclosure Statement is being transmitted to certain Creditors for the purpose of soliciting votes on the Plan and to others for informational purposes. The purpose of this Disclosure Statement is to provide adequate information to enable holders of Claims that are entitled to vote on the Plan to make a reasonably informed decision with respect to the Plan prior to exercising their right to vote to accept or reject the Plan.

By the Approval Order entered on August __, 2016, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable holders of Claims that are entitled to vote on the Plan to make an informed judgment with respect to acceptance or rejection of 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.

ALL HOLDERS OF CLAIMS ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT, ITS EXHIBITS, AND THE PLAN FILED PRIOR TO THE VOTING DEADLINE CAREFULLY AND IN THEIR ENTIRETY BEFORE DECIDING TO VOTE TO EITHER ACCEPT OR REJECT THE PLAN. This Disclosure Statement contains important information about the Plan, considerations pertinent to acceptance or rejection of the Plan and developments concerning the Chapter 11 Cases.

THIS DISCLOSURE STATEMENT AND THE OTHER MATERIALS INCLUDED IN THE SOLICITATION PACKAGE ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ON THE PLAN. No solicitation of votes may be made except after distribution of this Disclosure Statement.

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. Other events may occur subsequent to the date hereof that may have a material impact on the information contained in this Disclosure Statement. The Trustee and the Debtors do not intend to update the Disclosure Statement. Thus, this Disclosure Statement will not reflect the impact of any subsequent events. Further, the Trustee and the Debtors do not anticipate that any updates, amendments, or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement does not imply that the information herein is correct or complete as of any time subsequent to the date hereof.

EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

B. Who is Entitled to Vote on the Plan?

In general, a holder of a Claim or Interest may vote to accept or reject a plan of reorganization if (i) no party in interest has objected to such Claim or Interest (or the Claim or Interest has been Allowed subsequent to any objection or estimated for voting purposes), (ii) the Claim or Interest is Impaired by the plan, and (iii) the holder of such Claim or Interest will receive or retain property under the plan on account of such Claim or Interest.

The holders of Claims in the following Classes are entitled to vote on the Plan:

- Wallace Plan
 - Class 4 – Wallace Unsecured Claims
- A&T Plan
 - Class 3 – A&T Unsecured Claims
- BFSC Plan
 - Class 3 – BFSC Unsecured Claims
- Martindale Plan
 - Class 3 – Martindale Unsecured Claims
- MOA Cody Plan
 - Class 3 – MOA Cody Unsecured Claims

In general, if a Claim or Interest is Unimpaired under a plan, section 1126(f) of the Bankruptcy Code deems the holder of such Claim or Interest to have accepted the plan and thus the holders of Claims in such Unimpaired Classes are not entitled to vote on the plan.

Because the following Classes are Unimpaired under the Plan, the holders of Claims in these Classes are not entitled to vote:

- Wallace Plan
 - Class 1 – Wallace Other Priority Claims
 - Class 2 – Wallace Secured Claims
 - Class 3 – PBGC Claims
 - Class 6 – Wallace Interests
- A&T Plan
 - Class 1 – A&T Other Priority Claims
 - Class 2 – A&T Secured Claims
 - Class 5 – A&T Interests
- BFSC Plan
 - Class 1 – BFSC Other Priority Claims
 - Class 2 – BFSC Secured Claims
 - Class 5 – BFSC Interests
- Martindale Plan
 - Class 1 – Martindale Other Priority Claims
 - Class 2 – Martindale Secured Claims
 - Class 5 – Martindale Interests
- MOA Cody Plan
 - Class 1 – MOA Cody Other Priority Claims
 - Class 2 – MOA Cody Secured Claims
 - Class 5 – MOA Cody Interests

In general, if the holder of an Impaired Claim or Impaired Interest will not receive any distribution or retain any property under a plan in respect of such Claim or Interest, section 1126(g) of the Bankruptcy Code deems the holder of such Claim or Interest to have rejected the plan, and thus the holders of Claims in such Classes are not entitled to vote on the plan. The holders of Claims and Interests in the following Classes are conclusively presumed to have rejected the Plan and are therefore not entitled to vote:

- Wallace Plan
 - Class 4 – Wallace Intercompany Claims
- A&T Plan
 - Class 4 – A&T Intercompany Claims
- BFSC Plan
 - Class 4 – BFSC Intercompany Claims
- Martindale Plan
 - Class 4 – Martindale Intercompany Claims
- MOA Cody Plan
 - Class 4 – MOA Cody Intercompany Claims

C. General Voting Procedures and the Voting Deadline

On August __, 2016, the Bankruptcy Court entered the Approval Order, which, among other things, approved this Disclosure Statement, set voting procedures and scheduled the hearing on Confirmation of the Plan. A copy of the Confirmation Hearing Notice is enclosed with this Disclosure Statement. The Confirmation Hearing Notice sets forth in detail, among other things, the voting deadlines and objection deadlines with respect to the Plan. The Confirmation Hearing Notice and the instructions attached to the Ballot(s) should be read in connection with this section of this Disclosure Statement.

If you are entitled to vote, after carefully reviewing the Plan, this Disclosure Statement and the detailed instructions accompanying your Ballot(s), please indicate your acceptance or rejection of the Plan by checking the appropriate box on the enclosed Ballot(s). Please complete and sign your Ballot and return it/them in to counsel for the Debtors at the address below. You must provide all of the information requested by the appropriate Ballot(s). Failure to do so may result in the disqualification of your vote on such Ballot(s).

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 ACTUALLY RECEIVED NO LATER THAN SEPTEMBER __, 2016 AT 5:00 P.M. (PREVAILING EASTERN TIME) (THE “**VOTING DEADLINE**”). Except to the extent the Trustee or the Debtors so determine, Ballots that are received after the Voting Deadline will not be accepted or used by the Trustee or the Debtors in connection with the Trustee’s and the Debtors’ request for Confirmation of the Plan (or any permitted modification thereof). BALLOTS MAY BE CAST BY HAND DELIVERY, OVERNIGHT MAIL, FIRST CLASS MAIL, EMAIL, OR FAX TRANSMISSION AS FOLLOWS:

FOR CREDITORS OF WALLACE, TO THE TRUSTEE’S ATTORNEYS:

LaMONICA HERBST & MANISCALCO, LLP
3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
Attn: Salvatore LaMonica
Fax: (516) 826-0222
Email: sl@lhmlawfirm.com

FOR CREDITORS OF A&T, BFSC, MARTINDALE, AND MOA CODY, TO
THE DEBTORS' ATTORNEYS:

DICONZA TRAURIG KADISH LLP
630 Third Avenue, 7th Floor
New York, New York 10017
Attn: Gerard DiConza or Lance A. Schildkraut
Fax: (212) 682-4942
Email: gdiconza@dtklawgroup.com or las@dtklawgroup.com

**BALLOTS SHOULD NOT BE DELIVERED DIRECTLY TO THE TRUSTEE,
DEBTORS, OR THE BANKRUPTCY COURT.**

D. 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 hearing to consider approval and confirmation of the Plan (the "Confirmation Hearing") for October 4, 2016, at 10:00 a.m. (prevailing Eastern time) before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

The Bankruptcy Court has directed that objections to Confirmation and proposed modifications to the Plan, if any, must (i) be in writing, (ii) conform to the Bankruptcy Rules, (iii) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party, (iv) state with particularity the basis and nature of any objection to the Plan, and (v) be filed, together with proof of service, with the Court in accordance with the Local Rules of the Court and served so as to be actually RECEIVED on or before 5:00 p.m. (prevailing Eastern time) on September 26, 2016 by: (i) The United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, White Plains, NY 10601, Attn: The Honorable Robert D. Drain; (ii) Attorneys for the Trustee, LaMonica Herbst & Maniscalco, LLP, 3305 Jerusalem Avenue, Suite 201, Wantagh, New York 11793, Attn: Salvatore LaMonica; (iii) Attorneys for the Debtors, DiConza Traurig Kadish LLP, 630 Third Avenue, New York, NY 10017, Attn: Gerard DiConza; and (iv) The Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attn: Nazar Khodorovsky, Esq. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

IV. HISTORY OF THE DEBTORS

A. Background

Prior to the Petition Date, Wallace was an executive and investor in several real estate related projects, including motels and hotels. Wallace was the sole shareholder of co-Debtors, BFSC and Martindale. BFSC is the sole member of Debtor, MOA Cody. Martindale is the sole shareholder of Debtor, A&T, and owns over 80% of the stock in The Broadstone Group, Inc. ("Broadstone"), a non-Debtor entity. Wallace was the President of Broadstone, which indirectly owns approximately 90% of Debtor, MOAH.³ Wallace was the Chairman and Chief Executive Officer of MOAH. Attached hereto as Exhibit "B-1" is an organizational chart showing the various Debtor entities and their respective ownership interests as of October 1, 2009.

B. Interest in The Ambrose Hotel

As of the Petition Date, Debtor A&T held a 20% membership Interest in non-debtor Arizona & 20th LLC ("Arizona LLC"). Arizona LLC owns The Ambrose Hotel located in Santa Monica, California ("The Ambrose"). The Ambrose is a 77-room boutique hotel located near the world-renowned St. John's Health Center, and adjacent to a hip business district of film production companies and computer graphics firms. At the time of the Petition Date, the Debtors believed The Ambrose was worth in excess of \$25 million.

On or about December 11, 2006, Arizona LLC, as borrower, and IXIS Real Estate Capital Inc., as lender, entered into a loan and mortgage agreement in the original principal amount of \$19,500,000 (the "Ambrose Mortgage"). The Ambrose Mortgage was guaranteed by Wallace and SPD Associates L.P. ("SPD"). As of the Petition Date, SPD held 75% of the membership interests in Arizona LLC. SPD is a partnership comprised of Wallace's children, Stephanie Wallace, Paul Wallace Jr. and Deirdre Carney (collectively, the "Wallace Children").

During the Chapter 11 Cases, Tripp Properties, LLC ("Tripp") asserted that it owned 5% of the remaining membership interests in Arizona LLC. Tripp is owned by Tripp Stewart, the son of Ronald Stewart ("Stewart").

C. Interest in The Cody Hotel and Cody Wrap Note and Mortgage

For several years prior to the Petition Date, Wallace participated in several business ventures with his former business partner Stewart. One of the entities created by Stewart to invest in Wallace entities was called RS Hospitality, LLC ("RS Hospitality"). RS

³ Broadstone also owns 100% of the stock of New Image Realty, Inc. ("New Image"), a non-Debtor. New Image is a non-operating entity that owns approximately 90% of the shares of MOAH.

Hospitality is owned 99% by Stewart and 1% by Martindale and co-managed by Stewart and Broadstone. Until December 2009, Stewart was a member of the Board of Directors of MOAH and Broadstone.

On September 18, 2008, MOA Cody acquired the Jackson Super 8 from RS Hospitality in a tax deferred 1031 exchange (the “2008 Exchange”). As part of the 2008 Exchange, RS Hospitality received nominal title to The Cody Hotel located at 232 West Yellowstone Avenue, Cody, Wyoming 82414 (the “The Cody Hotel”). The Cody Hotel is a luxury hotel that was managed by MOA Cody through June 12, 2013. The property where The Cody Hotel is located consists of two adjoining parcels of land and personal property and fixtures. The Cody Hotel is located on one of the parcels (the “Hotel Parcel”); the other parcel consists of vacant land (the “Vacant Parcel”). As of the Petition Date, MOA Cody held title to the Vacant Parcel and RS Hospitality held nominal title to the Hotel Parcel.

In connection with the 2008 Exchange, RS Hospitality executed a non-recourse Purchase Money Wrap-Around Note in favor of MOA Cody (the “Cody Wrap Note”) and Purchase Money Wrap-Around Mortgage (the “Cody Wrap Mortgage”, and together with the Cody Wrap Note, the “Cody Wrap”) in the original principal amount of \$8.5 million.

The Cody Wrap was junior to that certain superior mortgage (“Kennedy Superior Mortgage”) originally held by Kennedy Funding, Inc. (“Kennedy”) in the original principal sum of \$4,550,000. The Kennedy Superior Mortgage was secured by a mortgage on the Hotel Parcel and Vacant Parcel and a security interest on all personal property, including revenues from The Cody Hotel. The Kennedy Superior Mortgage expressly prohibited the transfer of The Cody Hotel. At the time of the 2008 Exchange, the Debtors were represented by McDermott Will & Emory LLP (“MWE”).⁴

D. Interests in Hotel Properties and Other Assets
Transferred to the Cuiffo and Stewart and Related Parties

As of October 2009, the Debtors held beneficial ownership interests in four additional hotel properties, including, (1) the Super 8 Motel located at 750 South Highway 89, Jackson, Wyoming 83001 (the “Jackson Super 8”); (2) the Super 8 Motel located at 730 Yellowstone Road, Cody, Wyoming 82414 (the “Cody Super 8”); (2) the Super 8 Motel located at 505 W. Appleway, Coeur d’Alene, Idaho 83815 (“CDA Super 8”); and (3) the Super 8 located at 4800 Preston Highway, Louisville, Kentucky 40218 (“Louisville Super 8”, and together with the Jackson Super 8, the Cody Super 8, the CDA Super 8, the “Transferred Properties”). As set forth on the organization chart attached hereto as Exhibit B-1, MOA Cody owned the Jackson Super 8 and MOAH, through its wholly-owned subsidiaries, owned the Cody Super 8, CDA

⁴ MWE has asserted several Proofs of Claim against several of the Debtors. The Debtors reserve the right to contest the Proofs of Claim filed by MWE.

Super 8 and Louisville Super 8. MOA Investor Corp. ("Investor") and MOA Star Corp. ("Star"), which through their wholly-owned subsidiary, Motels of America LLC ("MOA LLC"), owned the Cody Super 8 and CDA Super 8. MOAH owned 100% of the shares of Investor and Star. MOA Properties LLC ("MOA Properties"), a wholly-owned subsidiary of MOAH, owned the Louisville Super 8.

In addition to the Transferred Properties, MOA/NR Corp. ("MOA-NR"), a wholly-owned subsidiary of MOAH, was the payee under that certain non-recourse Promissory Note Wrap-Around Mortgage Note dated as of October 1, 2005 in the principal amount of \$8.5 million issued by RS Hospitality in favor of MOA/NR, as amended by an amendment dated as of September 15, 2008 (the "Jackson Wrap Note"). The Jackson Wrap Note was secured by a junior wrap mortgage (the "Jackson Wrap Mortgage") on the Jackson Super 8. The Jackson Wrap Note is junior to a mortgage encumbering the Jackson Super 8, the Cody Super 8 and the CDA Super 8 in favor of Countrywide Commercial Real Estate Finance, Inc. (the "Countrywide Mortgage"). As of October 2009, the Countrywide Mortgage loan balance was approximately \$11,120,370. MOA LLC and RS Hospitality are the primary obligors and Wallace guaranteed the obligations under the Countrywide Mortgage.⁵ The Debtors believe that the Transferred Properties were worth between \$17 and \$20 million as of October 2009.

E. MOAH Noteholders

Pursuant to a certain indenture, dated April 14, 1994 (as supplemented, the "Indenture"), between MOAH and U.S. Bank National Associate, as trustee (the "MOAH Noteholder Trustee"), MOAH issued 12% Series B Senior Subordinated Notes due 2004 (the "Series B Notes"). In January 2005, MOAH entered into a supplemental indenture with the Noteholders Trustee, pursuant to which holders of \$9,758,000 of Series B Notes exchanged their notes for \$9,758,000 of 8% Series C Subordinated Notes due 2007 (the "Series C Notes") and, together with the Series B Notes, the "MOAH Notes").

On December 28, 2007, Supreme Court, New York County, granted summary judgment against MOAH in favor of the MOAH Noteholder Trustee in an action commenced by the MOAH Noteholder Trustee on behalf of the holders of the Notes (excluding the Debtors or any of their affiliates, the "MOAH Noteholders"), Index No. 601686/2007, as a result of MOAH's default on the MOAH Notes.

On February 13, 2009, the MOAH Noteholder Trustee and MOAH (and certain of MOAH's non-Debtor affiliates) entered into a Settlement and Forbearance Agreement under which the MOAH Noteholder Trustee agreed to, among other things, forbear from exercising rights on behalf of the MOAH Noteholders in exchange for, among other things, the pledge of

⁵ Countrywide has not filed a Proof of Claim against Wallace or any of the Debtors and there is no Allowed Claim against any of the Debtors on account of the Countrywide Mortgage.

certain assets of MOAH and its affiliates to the MOAH Noteholder Trustee pursuant to a Pledge and Security Agreement dated February 13, 2009 (the “Noteholder Pledge Agreement”).

Pursuant to the Noteholder Pledge Agreement, MOAH and certain of its Affiliates granted the MOAH Noteholder Trustee a security interest in, among other things, certain promissory notes, interests in subsidiaries that owned and controlled motels and contract rights (collectively, the “MOAH Collateral Package”).

F. Pledges of Shares Granted to Cuiffo and Stewart

After the Noteholder Action was commenced, Cuiffo and Stewart demanded and were provided with pledges of stock in certain of the Debtors and non-Debtor Affiliates to secure certain pre-existing obligations due and owing to Cuiffo and Stewart.

1. The April 2008 Stock Pledge

In April 2008, Stewart was granted a pledge (the “April 2008 Pledge”) by MOAH of its shares in its wholly-owned subsidiary MOA-CS Corp. (“MOA CS”). At that time, it was intended that MOA CS would own 100% of the interests in MOA Cody, the entity holding title to The Cody Hotel and the adjacent Vacant Parcel. The April 2008 Pledge secured that certain \$2 million Promissory Note dated as of March 1, 2007 made by MOAH in favor of Stewart (the “March 2007 MOAH Note”).

In September 2008, Cuiffo, then acting as counsel for the Debtors proposed that MOA CS convey its 100% membership interests in MOA Cody to BFSC for no consideration other than cancellation of debt due BFSC by MOAH. In September 2008, MOA CS transferred its membership interests in MOA Cody to BFSC.

2. The September 2008 Pledge

In September 2008, Stewart was granted a pledge (the “September 2008 Pledge”) by MOAH of its shares in MOA Properties pursuant to that certain Pledge and Security Agreement between MOAH and Stewart dated as of September 1, 2008 (the “September 2008 Pledge Agreement”). Pursuant to the September 2008 Pledge Agreement, Stewart acknowledged that the amount due under the March 2007 MOAH Note as of September 1, 2008 was \$1 million. MOA Properties owned the Louisville Super 8 at the time of the September 2008 Pledge.

3. The February 2009 Stock Pledges

In February 2009 (at or about the same time the Noteholder Settlement Agreement was entered into), Wallace agreed to pledge his shares in BFSC and Martindale (the “Wallace Subsidiary Shares”) to Cuiffo, Stewart and BSC Properties, Inc., an entity wholly-

owned and controlled by Cuiffo ("BSC"), to secure and collateralize pre-existing debts due and owing by Wallace.

Pursuant to the Pledge and Security Agreement dated as of February 18, 2009 by and between Wallace and BSC (the "BSC 2009 Pledge"), Wallace pledged the Wallace Subsidiary Shares to BSC to secure his obligations under that certain note dated as of January 27, 2009 (the "BSC Note") in favor of BSC. The principal amount due on the BSC Note was \$530,000. The BSC Note was secured by a mortgage on Wallace's primary residence at the time (the "BSC Mortgage").

Wallace executed another Pledge and Security Agreement dated as of February 18, 2009 (the "Cuiffo 2009 Pledge") granting Cuiffo, in his individual capacity, a pledge of the Wallace Subsidiary Shares as security for \$500,000 in loans made to Wallace by Cuiffo in 2008. The \$500,000 in loans were evidenced by promissory notes executed by Wallace and dated July 2, 2008, July 8, 2008 and December 23, 2008 (the "Cuiffo 2008 Notes").

Wallace executed an additional Pledge and Security Agreement dated as of February 18, 2009 (the "Stewart 2009 Pledge") granting Stewart a pledge of the Wallace Subsidiary Shares as security for \$2 million in loans made to Wallace by Stewart in 2008 pursuant to promissory notes executed by Wallace and dated July 17, 2008 and September 15, 2008, each in the amount of \$1 million (the "Stewart 2008 Notes").

4. October 2009 Stewart Note and Pledge

On October 21 and 27, 2009, Wallace borrowed \$100,000 and \$200,000, respectively, from Stewart. As a result of such loan, A&T, SPD and Wallace became joint and several obligors under that certain Promissory Note (the "October 2009 Stewart Note") dated as of October 27, 2009 in favor of Stewart in the original principal sum of \$300,000. In connection with the October 2009 Stewart Note, A&T and SPD granted Stewart a pledge of 100% of the membership interests in Arizona LLC pursuant to the Pledge and Security Agreement dated as of October 27, 2009 by and among A&T, SPD and Stewart (the "October 2009 Pledge").

G. The Doylem Development Exchange

On or about November 5, 2009, MOA Cody entered into an I.R.C. § 1031 tax deferral exchange agreement (the "DM Exchange Agreement") with Doylem Development, LLC ("DM"). Pursuant to the DM Exchange Agreement, DM exchanged an interest in certain property located in West Memphis, Arkansas for the Vacant Parcel owned by MOA Cody. At the time of the DM Exchange Agreement, the Vacant Parcel was encumbered by the Kennedy Superior Mortgage.

In connection with the DM Exchange Agreement, MOA Cody transferred the Vacant Parcel to DM and entered into a commercial lease dated as of November 5, 2009 (the

“DM Lease”) by and between DM as the landlord and MOA Cody as the tenant under the Vacant Parcel. Record ownership, however, to the Vacant Parcel was never transferred to DM and continued in MOA Cody. In connection with the DM Exchange Agreement, Wallace and SPD guaranteed the obligations of MOA Cody under the DM Lease (the “DM Guaranty”).

V. CIRCUMSTANCES LEADING TO THE CHAPTER 11 CASES

The primary purpose for the Debtors filing these Chapter 11 Cases was to prevent Cuiffo and Stewart and their affiliates from taking further action to seize control of the Debtors’ assets, to enforce the Debtors’ rights against Cuiffo and Stewart (and their affiliates), and to avoid certain transfers made to Cuiffo and Stewart and their affiliates.

In October 2009, the Jackson Super 8, which was owned by MOA Cody at the time, the Cody Super 8 and the CDA Super 8 were conveyed to Clear Sky Associates LLC (“Clear Sky”), whose sole members are Stewart and Cuiffo, in a single transaction (the “October 2009 Transaction”) for consideration of, among other things, the assumption of the underlying Countrywide Mortgage on all three properties in the amount of \$11,120,370, plus a cash payment of \$5 million to be allocated as follows: (a) MOA LLC was to receive approximately \$825,000 for the two motels (the Cody Super 8 and CDA Super 8) it conveyed and (b) MOA Cody was to receive the balance of the cash portion of the purchase price of \$4,175,000 for the Jackson Super 8. In addition, as part of the October 2009 Transaction, Preston Associates L.L.C. (“Preston”), an entity wholly-owned and controlled by Stewart, purchased from MOA Properties, the Louisville Super 8 subject to a first mortgage in the amount of \$675,000 (plus accrued interest thereon) due and payable to Kennedy.

The cash consideration due to MOA LLC and MOA Cody was never paid; instead, Cuiffo and Stewart asserted that no new consideration was due and that the Transferred Properties were transferred in satisfaction of Wallace debt obligations due to Cuiffo and Stewart, as well as the Tripp Interest in Arizona LLC.

In or about March 2010, Stewart, through his wholly-owned and controlled entity, CCJ Holding Corp. (“CCJ”), acquired from the MOAH Noteholder Trustee certain of the collateral transferred to the MOAH Noteholder Trustee in February 2009 (the “March 2010 Transaction”). Among other things, CCJ acquired the membership Interests in (a) MOA LLC and MOA Properties (the owners of the Cody Super 8 and CDA Super 8) and (b) the Jackson Wrap Note. As part of the March 2010 Transaction, Stewart surrendered to the MOAH Noteholder Trustee for extinguishment all MOAH Notes held by Stewart. In addition, Stewart surrendered certain MOAH Notes that were owned by Martindale.⁶

⁶ Martindale asserted a claim for relief against Stewart in the Cuiffo/Stewart Litigation for his improper transfer and surrender of the Martindale MOAH Notes.

Attached hereto as Exhibit “B-2” is an organizational chart showing the various Debtor entities and their respective ownership as of the Petition Date.

VI. STATUS OF BANKRUPTCY COURT PROCEEDINGS

A. Litigation Against Cuiffo and Stewart and Related Entities

On May 20, 2010 (the “Petition Date”), the Debtors filed their voluntary petitions for relief under Chapter 11. Approximately one month after the Petition Date, on June 23, 2010, the Debtors filed a complaint commencing Adversary Proceeding No. 10-08381 (RDD) against Cuiffo, Stewart, BSC, RS Hospitality and other related entities (collectively, the “Cuiffo/Stewart Defendants”) seeking to, *inter alia*, (a) recover damages for the fraudulent, deliberate, improper, and tortious conduct of the Cuiffo/Stewart Defendants against the Debtors and their Creditors and/or for breach of contract by the Cuiffo/Stewart Defendants for contracts entered into with the Debtors while the individual defendants were fiduciaries and insiders of the Debtors, (b) turn over and/or avoid the October 2009 Transaction as fraudulent or preferential transfers made to the Cuiffo/Stewart Defendants, (c) enjoin the Cuiffo/Stewart Defendants from enforcing any liens they may have against the Debtors’ properties or properties in which the Debtors have an interest, and (d) subordinate and disallow the Cuiffo/Stewart Defendants’ Claims and alleged Liens (the “Cuiffo/Stewart Litigation”).

After commencing the Cuiffo/Stewart Litigation, the Debtors retained the commercial litigation law firm of Phillipson & Uretsky, LLP (“P&U”) as the Debtors’ special litigation counsel, *nunc pro tunc* to August 16, 2010, to represent the Debtors in the Cuiffo/Stewart Litigation.

After several motions to dismiss, extensive discovery, competing motions for summary judgment, and protracted negotiations, the Trustee, the Debtors, and the Cuiffo/Stewart Defendants resolved the claims in the Cuiffo/Stewart Litigation pursuant to a certain stipulation of settlement (the “Cuiffo/Stewart Settlement”). By Order dated September 22, 2015, the Court approved the Cuiffo/Stewart Settlement and the Cuiffo/Stewart Litigation was thereafter discontinued.

Under the Cuiffo/Stewart Settlement, all proofs of claim filed by the Cuiffo/Stewart Defendants and their affiliates were waived, released, and discharged, to the extent such claims were not previously expunged. *See infra* Section VI.J (discussing disallowance of certain other Cuiffo/Stewart proofs of claim). The proofs of claims waived, released, and discharged pursuant to the Cuiffo/Stewart Settlement total, inclusive of interest, no less than approximately \$29,237,739.80 (of that total, approximately \$17,269,400.00 is represented by arguably duplicate claims, leaving approximately \$11,968,339.80 in claims that are not duplicative). In light of the Cuiffo/Stewart Settlement, all claims of the Cuiffo/Stewart Defendants and their affiliates are not entitled to distributions or treatment of any kind under the Plan.

B. Residence Sale Motion

On the Petition Date, Mr. Wallace's primary residence was located at 525 Harris Road, Bedford Hills, New York (the "Residence"). Mr. Wallace built the Residence about 20 years earlier at a cost of approximately \$11 million. The Residence consisted of a 7,000 square foot estate located on over 20 acres and included a pool, pool house, two guest houses, an artist's studio, stables, dressage ring, pastures, koi pond, and elaborate gardens.

As of the Petition Date, Bank of America, N.A. ("BofA") was owed approximately \$10.3 million, secured by a senior mortgage on the Residence. Wallace's mortgage with BofA required him to make monthly interest payments of approximately \$41,000. In addition to BofA's first priority mortgage lien on the Residence, BSC asserted the junior BSC Mortgage on the Residence, and the Town of Bedford had real estate tax liens on the Residence.

As of the Petition Date, Wallace could no longer afford the maintenance expenses, debt service payments to BofA, and the continuing real estate taxes. Although he had attempted to sell the Residence for several years prior to the Petition Date, listing it at prices ranging from \$17 million to \$10.9 million, the highest offer Wallace received just prior to the Petition Date was \$6.2 million. This was insufficient to satisfy BofA's first mortgage.

After the Debtors filed their Chapter 11 Cases, BofA agreed to allow Wallace to sell the Residence through a Bankruptcy Code section 363 auction process, free and clear of Liens, Claims and encumbrances, with BofA agreeing to act as a stalking horse bidder. Under the proposed transaction, BofA agreed to credit bid a minimum purchase price of \$7.8 million. BofA also agreed to pay up to \$20,000 of the fees and expenses of Debtors' counsel incurred in connection with the sale of the Residence, property maintenance expenses up to \$5,000 per month, and upon closing it would satisfy all open taxes and tax Liens. BofA also agreed to reduce its unsecured deficiency claim, if any, by \$750,000.

Despite the marketing efforts of the Court-retained real estate broker, Coldwell Banker Bedford, and the broad notice given by the Debtors, there were no higher and better offers received for the Residence. Accordingly, the Court approved the credit-bid sale to BofA, free and clear of any and all Liens, including the BSC Mortgage, by Order dated November 23, 2010.

The BofA credit bid sale closed on January 25, 2011. In accordance with the BofA sale transaction, BofA reduced its Claim by \$7.8 million and waived an additional \$750,000 of its unsecured deficiency Claim. As a result, BofA's Unsecured Claim against the Wallace Chapter 11 Estate was reduced to an Allowed amount of \$1,750,767 (\$10,300,767 less \$7,800,000 for the credit bid amount less \$750,000 as an agreed-upon waiver).

In addition to a substantial reduction in the claim of BofA, the sale of the Residence also resulted in BofA paying \$300,004 to the Town of Bedford for its Priority Tax Claim, which was asserted against the Wallace Chapter 11 Estate. The Proofs of Claim filed by the Town of Bedford were subsequently withdrawn.

C. Sale of Wallace's Art and Antiquities

As of the Petition Date, Wallace owned a collection of approximately 115 works of art, antiquities and antiques (the "Collection"). Wallace determined to maximize value for the Wallace Chapter 11 Estate by seeking authority to dispose of the Collection through auctions conducted by Court approved auctioneers. On August 25, 2010, the Court entered an Order authorizing the sale of the Collection.

Auctioneers, Howard S. Rose Gallery, Inc. d/b/a Arte Primitivo ("Arte") and Elizabeth Jackson, LLC ("Jackson", and together with Arte, the "Auctioneers") were approved to conduct the auctions for the Collection. The Auctioneers prepared catalogues and other marketing materials and established estimated prices for each of the items, including a minimum reserve price, below which the items would not be sold. Jackson conducted an auction between October 22 and October 26, 2010 at the Wallace Residence, resulting in gross sale proceeds of \$96,800. Arte conducted its auction on December 7, 2010 and January 24, 2011, resulting in gross sale proceeds of \$472,650. After payment of the Auctioneers' commissions and expenses, the Wallace Chapter 11 Estate realized net proceeds of \$521,709 from the sale of the Collection, which funds were deposited into the Wallace Estate Account (the "Art Collection Proceeds").

D. Settlement of American Express Non-Dischargeability Complaint

Pre-petition, Wallace established an American Express Credit Card account (the "Amex Account") with American Express Centurion Bank of Utah ("Amex"). As of the Petition Date, Wallace owed \$59,380.48 on the Amex Account.

On or about October 29, 2010, Amex commenced an adversary proceeding against Wallace by filing a complaint (Adversary Proceeding No. 10-08430 (RDD)) alleging that the balance due on the Amex Account was not dischargeable, pursuant to section 523(a)(2)(A) of the Bankruptcy Code (the "Amex Non-Dischargeability Action").

After good-faith negotiations, the parties agreed to a resolution of the Amex Non-Dischargeability Action. A Stipulated Judgment and Order resolving the Amex Non-Dischargeability Action was approved and entered by the Court on May 18, 2011 (the "Amex Settlement"). Pursuant to the Amex Settlement: (a) Amex was granted a non-dischargeable judgment in the amount of \$44,535.34 (the "Amex Judgment") and (b) Wallace agreed to use his best efforts to confirm a chapter 11 plan that pays the Amex Judgment in full over a period not to exceed 60 months from the effective date of any such plan. Under the Amex Settlement, if the Amex Judgment is not paid in full within 60 months of the effective date a plan, Amex may seek

payment of the unpaid portion of the Amex Judgment from Wallace outside the plan under the Wallace Probate Estate.

Under the Plan, the Amex Judgment shall be treated as an Allowed Wallace Unsecured Claim. As with the other holders of Allowed Wallace Unsecured Claims, despite the best efforts of the Trustee and the Debtors, the Trustee and the Debtors do not believe that AmEx will receive a distribution sufficient to satisfy the Amex Judgment in full. In the event the Allowed Amex Judgment Claim is not satisfied in full within 60 months of the Effective Date, Amex may pursue payment of the Amex Judgment (less any distribution received under the Plan) against assets of the Wallace Probate Estate, if any.

E. Resolution of Debtors' Interests in Arizona LLC – The Ambrose Hotel

1. Debtors' Claims against the Wallace Children and SPD

Prior to 2006, A&T owned 75% of Arizona LLC and SPD owned the other 25%. In or about April 2006 (the "2006 Transfer"), the Debtors caused A&T to transfer 25% of its membership interests in Arizona LLC to SPD in return for which SPD gave an assignment of various notes to Martindale (the "2006 Transfer Notes"). In or about September 2009, the Debtors caused A&T to transfer an additional 30% interest in Arizona LLC to SPD (the "2009 Transfer") in return for a note in the amount of \$1.5 million.

On May 23, 2011, the Debtors sent demand letters to the Wallace Children for payment of the 2006 Transfer Notes and certain various other notes issued by SPD or the Wallace Children in favor of certain of the Debtors. On June 28, 2011, the Debtors commenced adversary proceedings against each of the Wallace Children for payment on the 2006 Transfer Notes, Adversary Proceeding Nos. 11-08307 (RDD), 11-08308 (RDD) and 11-08309 (RDD) (collectively, the "Notes Adversary Proceedings"). On or about September 23, 2011, each of the Wallace Children filed an answer in the Note Adversary Proceedings denying liability on the various notes.

2. SPD Lift Stay Motion

By motion dated August 26, 2011 (the "SPD Lift Stay Motion"), SPD sought entry of an order (i) permitting SPD to replace A&T as managing member of Arizona LLC; (ii) authorizing SPD, as the new managing member of Arizona LLC, to immediately terminate any consulting agreements with Wallace; and (iii) permitting SPD to immediately cease making any payments to Wallace pursuant to any such consulting agreements. The Debtors opposed the SPD Lift Stay Motion and the hearing to consider the motion was adjourned from time to time while the parties discussed resolution.

3. The Debtors' Motion to Dissolve Arizona LLC

Unable to convince the Wallace Children to proceed with a consensual sale of The Ambrose, the Debtors filed a motion dated October 25, 2011 (the "Dissolution Motion") for an order, pursuant to, *inter alia*, Delaware Limited Liability Company Act section 18-802 and sections 105(a) and 363(b)(1) of the Bankruptcy Code, authorizing and approving (a) the dissolution and winding down of Arizona LLC and (b) A&T's winding down of the affairs of Arizona LLC, including the sale of The Ambrose. SPD and certain other parties opposed the Dissolution Motion and the hearing to consider the motion was adjourned from time to time while the Debtors and SPD discussed resolution.

4. The SPD Settlement

The Debtors engaged in extensive good-faith negotiations with SPD and Wallace Children in an effort to reach a global resolution and settlement of all claims (and potential claims) that exist among the parties. Those negotiations resulted in the parties agreeing to the settlement agreement dated as of April 16, 2012 (the "SPD Settlement") between the Debtors and SPD, SPD Investments, Inc., Treetops, Inc., and the Wallace Children.

Among other things, the SPD Settlement resolved most of the claims and litigation by and among the Debtors, SPD, and the Wallace Children and provided a distribution to the Debtors. The SPD Settlement provided, among other things, for (a) SPD's purchase of all the Debtors' interests in Arizona LLC (including Martindale's interests), (b) the payment by SPD (or its designee) of \$3.875 million to the Debtors, and (c) release of all claims by the parties to the SPD Settlement (other than claims relating to the Insurance Trust). Also, as part of the SPD Settlement, the Debtors were required to obtain a release in favor of SPD in connection with any liability it had to DM under the DM Lease.

On May 7, 2012, the Debtors commenced an adversary proceeding against DM, Adversary Proceeding No. 12-08240 (RDD) (the "DM Adversary Proceeding"), by filing a complaint seeking declaratory and injunctive relief (a) declaring that the DM Lease was a "disguised" financing arrangement and not a true "lease"; (b) fixing the amount of liability due and owing to DM in an amount not greater than \$500,000 and authorizing the Debtors to pay such Claim in full upon consummation of the SPD Settlement; (c) releasing the Claims of DM as against SPD and the Debtors; and (d) enjoining DM and its successors and assigns from pursuing, asserting and enforcing any Claim or liability it may have in connection with the underlying transaction against SPD (the "DM Complaint"). On June 7, 2012, DM filed its answer to the DM Complaint (the "DM Answer") generally denying the allegations made in the DM Complaint.

On May 10, 2012, the Debtors filed a motion (the "SPD Settlement Motion") for an Order (a) approving the SPD Settlement and (b) releasing SPD from any and all claims and liability arising under or in connection with the DM Lease. Objections to the SPD Settlement

Motion were filed by, among others, DM and Stewart. At the hearing to consider the SPD Settlement Motion, DM consented to the transaction and release of SPD upon receipt of \$550,000 from the settlement proceeds. The Court overruled the other objections and on June 28, 2012, entered an Order (the “SPD Approval Order”) granting the Motion. The SPD Approval Order, among other things, approved (a) the SPD Settlement; (b) the payment of \$550,000 to DM, in full and final satisfaction of DM’s claims against SPD; and (c) released SPD from any and all claims and liability arising under or in connection with the DM Lease.

The following conditions were required for the SPD Settlement to become effective: (a) a release from Stewart releasing the Debtors and their estates from any and all Claims, liabilities, obligations and Liens arising in connection with the October 2009 Stewart Note; (b) a release of Wallace from his guaranty of the Ambrose Mortgage; (c) a release in favor of the Debtors of any obligations under and in connection with the Ambrose Mortgage; and (d) payment by SPD and the Wallace Children or their designee to the Debtors in the amount of \$3,875,000.

As discussed above, during the Chapter 11 Cases, Tripp continued to assert its 5% membership interests in Arizona LLC notwithstanding that as part of the October 2009 Transaction, Cuiffo and Stewart alleged that Tripp’s 5% interest in Arizona LLC was transferred to SPD as part of the consideration for the Transferred Properties.⁷ Notwithstanding such alleged transfer to SPD, Tripp continued to assert its membership Interest in Arizona LLC during the Chapter 11 Cases and, as part of the SPD Settlement, SPD was required to purchase Tripp’s alleged 5% membership interest in Arizona LLC by paying Tripp \$450,000.

On November 28, 2012, the Debtors were provided with evidence of releases of their obligations under the Ambrose Mortgage and the payment in full of the October 2009 Stewart Note. Also, on November 28, 2012, SPD caused the final payment (as defined in the SPD Settlement) to be delivered to Debtors. The funds were deposited as follows: (a) \$2,150,000.00 in the A&T Estate; (b) \$1,500,000.00 in the Martindale Estate; and (c) \$225,000.00 in the Wallace Estate.

5. Payment and Satisfaction in Full of the DM Claims

The Debtors entered into the SPD Settlement on the condition that claims of DM as against the Debtors and SPD would be resolved and satisfied upon DM’s receipt of \$500,000. DM initially objected to the \$500,000 payment and ultimately consented to payment of \$550,000, but did not consent to releasing its Claims as against the Debtors. Accordingly, the SPD Approval Order provides that “the rights of the Debtors and DM over whether the payment

⁷ Documents provided to the Debtors by Cuiffo reveal that Cuiffo and Stewart took a credit of \$1 million for the value of the Tripp membership interest transferred to SPD as part of the October 2009 Transaction. In addition, the October 2009 Pledge, which was executed by Stewart, confirms that 100% of the membership interests in Arizona LLC were held by A&T and SPD.

of the DM Settlement Payment also satisfies the claims of DM against Wallace and MOA Cody as asserted in proofs of claim nos. 9, 10 and 11 filed in these chapter 11 cases in connection with the breach of the DM Lease are fully reserved as are all other rights related to such claims” The SPD Approval Order further provides that “DM’s other rights and claims against the Debtors, to the extent timely filed, are also fully reserved, and nothing herein or the Settlement Agreement shall preclude DM from asserting any such rights and claims as against the Debtors or the Debtors from asserting any defenses thereto”

On June 29, 2012, one day after the SPD Approval Order was entered, DM filed a Motion (the “DM Motion”) seeking leave to amend the DM Answer to add two counterclaims against Wallace and MOA Cody, one for alleged fraud in the inducement, and the second, for a declaratory judgment of the nondischargeability of DM’s claims against Wallace and MOA Cody on grounds of fraud pursuant to section 523(a)(2).

By Objection dated August 22, 2012, the Debtors opposed the DM Motion on the basis that the new fraud claims were not timely filed and were otherwise without merit. As required by the SPD Approval Order, on November 29, 2012, the Debtors transferred \$550,000 to DM (the “DM Settlement Payment”). The DM Settlement Payment was allocated equally between A&T and Martindale, with each estate being responsible for \$275,007 (\$550,000 total plus \$14,000 wire fee). On December 4, 2012, DM filed its Reply to the Debtors’ Objection, arguing that (a) the Court may extend the deadline to file a non-dischargeability complaint for equitable reasons; (b) its original proofs of claim adequately assert a claim for fraud; and (c) even if the proofs of claim do not adequately assert a fraud claim, DM is allowed to amend its proofs of claim to include a fraud claim in the Answer. By Supplemental Objection dated January 25, 2013, the Debtors objected to the new arguments made by DM.

At a hearing held on January 29, 2013, the Court issued a bench ruling denying the DM Motion. Following the hearing on the DM Motion, the Debtors and DM continued their discussions regarding a resolution of the DM Adversary Proceeding and agreed to a global resolution of all rights, claims and interests of DM against the Debtors pursuant to the terms set forth in the Stipulation Resolving Adversary Proceeding and Claims, Liens, Interests and Other Rights of DM Development LLC as against the Debtors (the “DM Settlement Stipulation”). Pursuant to the DM Settlement Stipulation, DM agreed and acknowledged that any and all Claims, Liens and Interests it has against the Debtors were satisfied in full by the DM Settlement Payment. The DM Settlement Stipulation was approved by the Court on March 21, 2013.

F. The Sale of the Cody Hotel and Related Real Estate

As of the Petition Date, both the Kennedy Superior Mortgage and the Cody Wrap held by MOA Cody were in default. In December 2010, the Kennedy Superior Mortgage and related loan documents were assigned to BNP Paribas VPG Brookline CRE, LLC (“BNP”). Pursuant to the respective loan and security documents, the holders of the Kennedy Superior Mortgage and Cody Wrap were authorized to take possession and sell The Cody Hotel and

related property, including the Hotel Parcel, the Vacant Parcel and all personal property relating to The Cody Hotel (collectively, the “Cody Hotel Property”).

The Debtors were contacted by representatives of BNP in early February 2011 about protecting BNP’s rights under the Kennedy Superior Mortgage. Although the Debtors were willing to proceed with a sale of the Cody Hotel Property, the Debtors also sought to protect the value of MOA Cody’s junior lien and other rights. BNP advised the Debtors that absent an agreement, it would have proceeded with a foreclosure sale of the Cody Hotel Property, potentially wiping out any value for MOA Cody’s junior lien interest. After many months of extensive and good-faith negotiations, the Debtors and BNP reached an agreement on the allowance of BNP’s claims and the disposition of the Cody Hotel Property.

On January 11, 2013, the Debtors filed a motion for approval of the stipulation dated as of January 7, 2013 (the “BNP Stipulation”) by and among Wallace, MOA Cody and MOAH (collectively, the “Stipulating Debtors”) and BNP that, among other things, (a) fixed and allowed BNP’s secured claim in the amount of \$6,700,000 (the “BNP Allowed Claim”), (b) authorized the Debtors to conduct an auction sale of the Cody Hotel Property, (c) provided for mutual releases, including the potential release of any deficiency claim held by BNP against the Stipulating Debtors, and (d) modified the automatic stay to allow BNP to proceed with a foreclosure sale of the Cody Hotel Property if it was not sold within 120 days after approval of the BNP Stipulation (the 120 deadline was later extended by BNP to 150 days).

Under the BNP Stipulation, upon a sale of the Cody Hotel Property, if the proceeds of such sale and the funds held by MOA Cody that was subject to BNP’s Liens were in excess of the BNP Allowed Claim, such excess proceeds were to be distributed to MOA Cody on account of its junior mortgage on the Hotel Parcel. A hearing to consider approval of the BNP Stipulation was held on January 29, 2013, at which time the Court overruled a limited objection filed by RS Hospitality and approved the BNP Stipulation. An Order approving the BNP Stipulation was entered on January 31, 2013.

On February 20, 2013, the Debtors filed a motion (the “Cody Sale Motion”) for orders: (a) determining the Cody Hotel Property to be property of the Debtors’ estates, (b) authorizing the Debtors to proceed with a sale of the Cody Hotel Property, (c) establishing bidding procedures in connection with the proposed sale of the Cody Hotel Property, (d) scheduling an auction and sale hearing date to confirm the sale, (e) approving form and manner of notice thereof, (f) authorizing and approving the sale of the Cody Hotel Property free and clear of all Liens, Claims, interests and encumbrances, and (g) granting related relief.

On March 29, 2013, the Court entered an order approving the sale and bidding procedures (the “Bid Procedures Order”). The Bid Procedures Order authorized, among other things, MOA Cody to sell the Cody Hotel Property and established auction and bidding procedures. The Bid Procedures Order scheduled an auction to sell the Cody Hotel Property for

June 5, 2013 and the hearing to approve the sale to the entity that submits the highest and best offer for June 6, 2013.

To support the auction process, the Debtors, with the consent of BNP, sought to retain the services of CBRE Inc. (“CBRE”) as real estate broker. On April 2, 2013, an order authorizing and approving the retention of CBRE was entered (the “CBRE Retention Order”). Upon CBRE’s retention, it initiated an extensive marketing initiative for the Cody Hotel Property. Over 2800 potential investors were contacted by CBRE, eighty-four of which executed confidentiality agreements with the Debtors.

Nine separate bids (not including BNP’s credit bid) for the Cody Hotel Property were received by the Debtors, with bids ranging between \$1 million and \$5.9 million. After spirited and vigorous bidding on June 5, 2013, an all cash bid of \$7,050,000 submitted by Kelly Inns LTD. (“Kelly Inns”) was accepted. On June 6, 2013, a hearing was held to approve the sale of the Cody Hotel Property to Kelly Inns, at which time the Court approved the sale. An order approving the sale was entered on June 7, 2013 and the sale to Kelly Inns closed on June 12, 2013. The purchase price proceeds allowed the Debtors to pay and satisfy in full the BNP Allowed Claim (which Claims were asserted against MOA Cody, MOAH and Wallace). As a result of the sale of the Cody Hotel Property, the BNP Allowed Claim was satisfied in full (and BNP withdrew all Proofs of Claim filed against MOA Cody, MOAH and Wallace) and in excess of \$1 million was distributed to the MOA Cody Estate in partial satisfaction of the Cody Wrap.

Attached hereto as Exhibit “B-3” is an organizational chart showing the various Debtor entities and their respective ownership interests after consummation of the sale of the Cody Hotel Property to Kelly Inns. The organizational structure has not changed since that time.

G. Appointment of Chapter 11 Trustee

Wallace died on December 31, 2013. Thereafter, the Court determined that it would be in the best interests of the Wallace Chapter 11 Estate to appoint a Chapter 11 Trustee. By Order dated February 10, 2014, the Court directed, among other things, the continuation of the Wallace Chapter 11 Case, the continuation of all pending adversary proceedings, the appointment of a Chapter 11 Trustee, and the automatic substitution of the Chapter 11 Trustee for Wallace in any pending action, proceeding, or matter. By Order dated February 14, 2014, Marianne T. O’Toole was appointed the Chapter 11 Trustee of the Wallace Chapter 11 Estate.

H. Insurance Trust Litigation

By agreement dated as of July 23, 1991 (the “Trust Agreement”), the Wallace Family 1991 Trust (the “Insurance Trust”) was created. Pursuant to the Trust Agreement, the principal of the Trust included policies of insurance on the life of Wallace. Until March 3, 2011, CuiFFo was the trustee of the Trust; thereafter, Stephanie Wallace and Jared Carney (the husband

of one of the Wallace Children) became the trustees of the Insurance Trust (the “Insurance Trustees”).

During the years after the Insurance Trust was created, Wallace provided it with loans so that it could, among other things, pay premiums on the life insurance policies. By letter dated March 23, 2010 (the “March 2010 Letter”) from Cuiffo, then acting as trustee of the Insurance Trust, to the Wallace Children, Cuiffo updated the Wallace Children of the status of the Trust. In the SPD Settlement, the Wallace Children agreed that the then outstanding loan amount payable to Wallace was \$2,720,342.39, which outstanding amount continued to accrue interest at an annual rate of 2.06% per annum (the “Trust Loan”). The Trust Loan matured on April 30, 2013. As of April 30, 2013, the amount due and owing Wallace on account of the Trust Loan is approximately \$2,907,139.22.

In the SPD Settlement, the Wallace Children agreed and acknowledged that the Insurance Trust owns and is the beneficiary of a \$3 million prepaid life insurance policy issued by New York Life Insurance Company (“NY Life”), Policy No. 38 205 524 (the “NY Life Policy”) insuring the life of Wallace. The Wallace Children further acknowledged that the NY Life Policy was in effect and, upon Wallace’s death, the death benefit was payable to the Insurance Trust.

By letter dated May 6, 2013, the Debtors made written demand on the Insurance Trustees for payment due under the Trust Loan. After no response, Wallace commenced an Adversary Proceeding on June 21, 2013 against the Insurance Trust and the Insurance Trustees (Adversary Proceeding No. 13-08313 (RDD)) demanding, among other things, payment on the matured Trust Loan (the “Insurance Trust Litigation”).

On August 14, 2013, the Insurance Trust and the Insurance Trustees filed a motion to dismiss the complaint commencing the Insurance Trust Litigation (the “Motion to Dismiss”). The Debtors opposed the Motion to Dismiss and a hearing to consider the Motion to Dismiss was scheduled for November 15, 2013, at which time the Bankruptcy Court denied the Motion to Dismiss with respect to two claims for relief (the breach and account stated claims), adjourned it with respect to one claim for relief (the turnover claim) and granted the Motion to Dismiss with respect to the accounting claim for relief. The defendants in the Insurance Trust Litigation filed an answer on December 16, 2013.

Upon the death of Wallace, the Debtors contacted representatives of New York Life advising of the pending Insurance Trust Litigation and that the NY Policy proceeds should not be distributed before such litigation is resolved. Representatives of New York Life confirmed to the Debtors’ counsel that the NY Policy proceeds would not be distributed until the Insurance Trust Litigation was resolved or adjudicated.

Subsequent to her appointment, the Trustee commenced negotiations with the Insurance Trust and the Insurance Trustees in order to resolve the Insurance Trust Litigation.

During those negotiations, the parties entered into two stipulations providing for the collection and segregation of the proceeds of certain life insurance policies (the “Policy Stipulations”). In particular, by stipulation So Ordered on April 4, 2014, the parties agreed to jointly submit a claim for the NY Policy proceeds, and to have the Trustee hold such proceeds in a segregated account pending resolution of the Insurance Trust Litigation. And, by stipulation So Ordered on May 27, 2014, the parties agreed to jointly submit a claim with respect to an insurance policy issued by American Bankers Life Assurance Company of Florida (“American Bankers”), and to have the Trustee hold such proceeds in a segregated account pending resolution of the Insurance Trust Litigation.

Pursuant to the Policy Stipulations, on May 12, 2014, the Trustee received and deposited into a segregated account, the sum of \$2,743,332.56 on account of the NY Policy, and on September 22, 2014, the Trustee received and deposited into a segregated account, the sum of \$21,871.63 on account of the American Bankers policy.

Thereafter, the parties continued negotiations and ultimately agreed to resolve the Insurance Trust Litigation by stipulation of settlement (the “Insurance Litigation Stipulation”). Under the Insurance Litigation Stipulation, the Insurance Trust was entitled to receive \$300,000.00 of the life insurance proceeds distributed to the Trustee pursuant to the Policy Stipulations and, thereafter, the balance of the funds were to be transferred to the Trustee on behalf of the Wallace Estate. By Order dated August 1, 2014, the Court approved the Insurance Litigation Stipulation. On September 2, 2014, the Trustee distributed \$300,000.00 to the Insurance Trust in accordance with the Insurance Litigation Stipulation. The balance of the funds is held in the Wallace Estate Account and will partially fund distributions under the Plan. The Insurance Trust Litigation was thereafter closed.

I. Martindale’s Whitney Note Receivable

In April 2004, Wallace and Whitney acquired shares in Apartment No. 3D located at 10 East 70th Street, New York, New York (the “NYC Apartment”). The NYC Apartment was to be held by Wallace and Whitney as joint tenants with right of survivorship. The \$1,650,000 million purchase price was paid from the proceeds of an advance in that amount made by Martindale (the “Martindale Advance”). The Martindale Advance was originally secured by a security interest in the NYC Apartment shares. At the time of the purchase, it was agreed between Wallace and Whitney that Wallace’s interest in the NYC Apartment was nominal and that beneficial ownership of the NYC Apartment belonged to Whitney. In November 2006, Whitney executed a note in favor of Martindale in the amount of \$1.650 million, bearing interest at 4.52% and maturing on November 1, 2015 (the “Whitney Note”). The Whitney Note is non-recourse and secured by a pledge of certain preferred shares in PGI, an entity controlled by Whitney. The Trustee and the Debtors do not believe the PGI preferred shares currently have any value. Upon issuance of the Whitney Note and pledge of the shares, Martindale released its security interest in the NYC Apartment shares.

J. Resolution of the Claims of the MOAH Noteholder Trustee

On or about March 29, 2011, the MOAH Noteholder Trustee filed proof of claim no. 7 against MOAH on behalf of itself and the MOAH Noteholders asserting a secured claim in the amount of \$13,906,096.13, plus post-petition interest and all fees, costs, and charges to the extent allowable, less a reserve amount held by the MOAH Noteholder Trustee (the “Noteholder MOAH Claim”). The Noteholder MOAH Claim is secured by the remaining assets in the Collateral Package (the “Remaining Collateral”).

Although the MOAH Noteholder Trustee did not file any proof of claim against the Debtors’ estates, the MOAH Noteholder Trustee asserted that the MOAH estate and the Debtors’ estate should be substantively consolidated (the Substantive Consolidation Claims). Although the Trustee and the Debtors do not believe that there are sufficient grounds to substantively consolidate the Debtors’ estates with the MOAH estate, in order to avoid the costs and risks of litigation, the Trustee and the Debtors entered into a settlement and compromise under which the Trustee and the Debtors are required to remit the sum of \$45,000.00 (the “MOAH Noteholder Settlement Sum”) to the MOAH Noteholder Trustee in full and final satisfaction of the Substantive Consolidation Claims, and any and all claims that the MOAH Noteholder Trustee and the MOAH Noteholders may have against the Debtors (the “MOAH Noteholder Settlement”). Under the MOAH Noteholder Settlement, each MOAH Noteholder shall receive its share of the settlement, the MOAH Noteholder Trustee shall retain its lien on the Remaining Collateral, and the claims of the MOAH Noteholders and the MOAH Noteholder Trustee against MOAH shall not be released, waived, or discharged.

The Trustee and the Debtors will, by separate motion to the Court, seek approval of the MOAH Noteholder Settlement pursuant to Bankruptcy Rule 9019. To the extent this Court approves the MOAH Noteholder Settlement, the MOAH Noteholder Settlement Sum will be paid by the Wallace Chapter 11 Estate.

K. Schedules/Claims Bar Date

On June 3, 2010, the Debtors filed their respective Schedules of Assets and Liabilities (“Schedules”) and Statement of Financial Affairs (“SOFA”) with the Bankruptcy Court. The last date by which creditors could file a proof of Claim (the “Bar Date”) against the Debtors was September 20, 2010. Entities that failed to file a Proof of Claim on or before the Bar Date or who are not otherwise scheduled by the Debtors as being the holder of a Claim that was not disputed, contingent or unliquidated, are forever barred from asserting any Claim against the Debtors that arose prior to the Petition Date. Those creditors whose Claims were listed on the Schedules and that were not designated as disputed, contingent or unliquidated will be Allowed to the extent not objected to or modified as provided under the provisions of the Plan.

On December 31, 2013, the Debtors filed objections to certain proofs of claim filed by the Cuiffo/Stewart Defendants (the “Cuiffo/Stewart Claims Objections”) [Doc. Nos. 324-27]. In particular, the Debtors sought to disallow the following proofs of claim filed against the Debtors:

Wallace Estate:

- Claim No. 18 filed by Stewart - \$300,000
- Claim No. 19 filed by Stewart - \$420,000
- Claim No. 24 filed by Clear Sky - \$3,500,000
- Claim No. 27 filed by Stewart - \$1,000,000

A&T Estate:

- Claim No. 1 filed by Stewart - \$300,000
- Claim No. 2 filed by Stewart - \$420,000
- Claim No. 3 filed by Stewart - \$269,616.68
- Claim No. 4 filed by Cuiffo - \$331,117
- Claim No. 5 filed by Clear Sky - \$3,500,000
- Claim No. 8 filed by Stewart - \$1,000,000

BFSC Estate:

- Claim No. 2 filed by Stewart - \$300,000
- Claim No. 3 filed by Stewart - \$420,000
- Claim No. 5 filed by Stewart - \$269,616.68
- Claim No. 6 filed by Cuiffo - \$331,117
- Claim No. 7 filed by Clear Sky - \$3,500,000
- Claim No. 10 filed by Stewart - \$1,000,000

Martindale Estate:

- Claim No. 5 filed by Stewart - \$300,000
- Claim No. 8 filed by Stewart - \$269,616.68
- Claim No. 9 filed by Cuiffo - \$331,117
- Claim No. 10 filed by Clear Sky - \$3,500,000
- Claim No. 13 filed by Stewart - \$1,000,000

MOA Cody Estate:

- Claim No. 3 filed by Stewart - \$420,000
- Claim No. 6 filed by Stewart - \$269,616.68
- Claim No. 7 filed by Cuiffo - \$331,117
- Claim No. 12 filed by Stewart - \$1,000,000

By Orders dated March 20, 2014, the Court granted the Cuiffo/Stewart Claims Objections and the foregoing claims were expunged (the “Expunged Cuiffo/Stewart Claims”). The Expunged Cuiffo/Stewart Claims total no less than approximately \$24,282,934.72. Pursuant to the Cuiffo/Stewart Settlement, the remaining proofs of claim filed by the Cuiffo/Stewart Defendants and their affiliates, totaling no less than approximately \$29,237,739.80, were waived, released, and discharged. *See supra* Section VI.A.

The Trustee and the Debtors are in the process of reviewing all the remaining filed Proofs of Claim and will soon determine whether to object to any of the filed Claims. The chart below provides a summary of the number of claims filed against each Debtor and the estimated amount of allowed claims against each Debtor (including Claims that were scheduled as undisputed, liquidated and not contingent).

Debtor	Number of Proofs of Claim Filed	Expunged and/or Waived Proofs of Claim filed by Cuiffo/Stewart Defendants	Estimated Amount of Allowed Secured Claims	Estimated Amount of Allowed Admin & Priority Claims	Estimated Amount of Allowed Unsecured Claims
WALLACE	28	11	\$0	\$0	\$4,800,000
A&T	9	8	\$0	\$5,000	\$1,000
BFSC	13	9	\$0	\$1,100	\$10,500
MARTINDALE	14	9	\$0	\$700	\$380,000
MOA CODY	12	8	\$0	\$0	\$12,500

The Trustee and the Debtors reserve their right to contest any and all Proofs of Claim for any reason.

VII. RESOLUTION OF CLAIMS OF THE PBGC

As outlined in Exhibit B-3, Wallace is the 100% owner of Martindale and BFSC. Martindale is the 100% owner of A&T, and BFSC is the 100% owner of MOA Cody. Martindale owns a significant portion of non-Debtor Broadstone, and USIF Real Estate, a Bahamian Trust, owns the remaining portion of Broadstone. Broadstone directly and indirectly has ownership in USIF Real Estate. Broadstone is the 100% owner of New Image Realty Inc., and New Image Realty Inc. is the 90% owner of MOAH.

As a result of these ownership relationships, the PBGC has asserted that each of the Debtors are members of Broadstone's "controlled group", as defined in Section 4001 of the Employee Retirement Income Security Act of 1974 ("ERISA"), and thus subject to joint and several liability with respect to the underfunding of Broadstone Retirement Plan, and the liability arising from an involuntary termination of the Broadstone Retirement Plan pursuant to, e.g., Sections 302, 303, 4062 and 4068 of ERISA and Sections 412 and 430 of the Internal Revenue Code. The asserted liability arising from an involuntary termination of the Broadstone Retirement Plan is estimated to be no less than \$2.3 million. The Trustee and the Debtors dispute that the Debtors are members of Broadstone's controlled group for purposes of liability with respect to the Broadstone Retirement Plan and dispute that any party engaged in a prohibited transaction with respect to the Broadstone Retirement Plan, but acknowledge that the Broadstone Retirement Plan is underfunded and presently subject to an involuntary termination by the PBGC.

The Trustee, the Debtors, and the PBGC engaged in protracted arms'-length negotiations and determined, without the Trustees and/or the Debtors admitting liability of any kind, to resolve their dispute on the terms and conditions set forth in the PBGC Settlement, annexed to the Plan as Exhibit "A".

Under the PBGC Settlement, the Trustee and the Debtors shall remit the PBGC Payment (the sum of \$500,000.00) to the PBGC on account of, and in full satisfaction of, any and all claims that the PBGC has or may have, either directly or on behalf of others, against the Debtors, regardless of the date as of which such claims arose or may arise and regardless of whether the claims relate to the Debtors' alleged status as related employers of Broadstone. The PBGC Payment shall be made from the Wallace Chapter 11 Estate, as set forth in the Plan.

The PBGC has not filed any proofs of claim against any of the Estates and, accordingly, is not entitled to vote on the Plan. However, under the PBGC Settlement, the PBGC shall receive notice of the Plan, any objections to the Plan, and the Order confirming the Plan.

In the event this Court declines to confirm the Plan: (a) the PBGC Settlement shall become null, void, and of no further force or effect; (b) nothing contained herein shall be deemed an admission by the Parties; and (c) the Trustee and the Debtors shall not be required to remit the Settlement Sum to the PBGC.

The PBGC Settlement provides for a broad release of the Trustee and the Debtors from any and all claims of the PBGC relating to the Broadstone Retirement Plan.

The PBGC Settlement requires that this Plan encompass the terms of the PBGC Settlement and seek approval of such terms.

This portion of the Plan is deemed to be a motion Bankruptcy Rule 9019 for approval of the PBGC Settlement. The confirmation of the Plan shall constitute approval of such

motion by the Bankruptcy Court, and the Confirmation Order shall contain findings supporting and conclusions approving the compromise and settlement as fair and equitable and within the bounds of reasonableness. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules, the Plan incorporates the PBGC Settlement to settle the PBGC Claims.

To approve a compromise or settlement, a court must find that the proposed compromise is fair and equitable and in the best interests of the bankruptcy estate. *See Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424, (1968); *Fisher v. Pereira (In re 47-49 Charles St., Inc.)*, 209 B.R. 618, 620 (S.D.N.Y. 1997). In the context of evaluating a settlement, the court may approve a settlement so long as the settlement does not “fall below the lowest point in the range of reasonableness.” *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983) (citing *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972)). In considering a settlement, a court need not conduct a “mini-trial” of the merits of the claims being settled, *W.T. Grant Co.*, 699 F.2d at 608, or conduct an extended full independent investigation. *In re Drexel Burnham*, 134 B.R. at 496. Courts in this Circuit consider the following factors when determining whether to approve a settlement under Rule 9019: (a) the balance between the litigation’s possibility of success and the settlement’s future benefits; (b) the likelihood of complex and protracted litigation, “with its attendant expense, inconvenience, and delay;” (c) “the paramount interests of the creditors;” (d) whether other parties in interest support the settlement; (e) the “competency and experience of counsel” supporting, and “[t]he experience and knowledge of the bankruptcy court judge” reviewing, the settlement; (f) “the nature and breadth of releases to be obtained by officers and directors”; and (g) “the extent to which the settlement is the product of arm’s length bargaining.” *See In re Iridium Operating LLC*, 478 F.3d 452, 462 (2d Cir. 2007) (quoting *In re WorldCom, Inc.*, 347 B.R. 123, 137 (Bankr. S.D.N.Y. 2006)).

The decision to approve a settlement lies within the sound discretion of the bankruptcy court. *Nellis v. Shugrue*, 165 B.R. 115, 122-23 (S.D.N.Y. 1994). The court may give weight to the informed judgment of the debtor that a compromise is fair and equitable. *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993). Additionally, a court may exercise its discretion “in light of the general public policy favoring settlements.” *In re Hibbard Brown & Co., Inc.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998).

The Trustee and the Debtors believe that the proposed settlement with the PBGC is in the best interests of the Debtors’ Estates because of the risks and costs associated with litigating the PBGC Claims, and the available proceeds for distribution to unsecured creditors. The Trustee and the Debtors recognize that litigation over the PBGC Claims would likely require a detailed, fact-intensive inquiry that would require substantial time, energy and expense to discover and adjudicate. Such lengthy litigation would significantly delay confirmation of the Plan and the ultimate distribution to creditors. Therefore, after taking into account the aforementioned facts, the Trustee and the Debtors the PBGC Settlement is equitable and in the best interests of the Debtors’ Estates.

VIII. TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN

A. Treatment of Secured Claims

For purposes of the Plan, a Secured Claim includes any claim secured by properly perfected Liens against any of the Debtors' assets. Unless agreed otherwise, the Bankruptcy Code generally allows for the holder of a secured claim to receive payments under a plan at least equal to the liquidation value of its collateral securing such claim.

All Secured Claims have been satisfied or otherwise resolved during the Chapter 11 Cases, including the Secured Claims of BofA and BNP. After sale of the Residence, BofA's Secured Claim was satisfied, leaving BofA with an Allowed Wallace Unsecured Claim against the Wallace Chapter 11 Estate in the amount of \$1,750,767. The BNP Allowed Claim, which was secured by Liens on the Cody Hotel Property, was fully satisfied with the sale of the Cody Hotel Property. Finally, all Cuiffo/Stewart Secured Claims have been expunged or waived, released, and discharged.

B. Treatment of Administrative Expense Claims

For purposes of the Plan, an Administrative Expense Claim includes any unsecured Claim that is incurred by the Trustee or the Debtors after the Petition Date and that is both necessary and beneficial to the Debtors' Estates in accordance with section 503(b) of the Bankruptcy Code. Administrative Expense Claims are entitled to a first priority in payment under section 507(a)(2) of the Bankruptcy Code. Unless otherwise agreed, the Bankruptcy Code generally allows for the holder of an Administrative Expense Claim to receive full payment under a plan.

1. Administrative Expense Claims. Under the Plan, Administrative Expense Claims are not separately classified in accordance with section 1123(a)(1) of the Bankruptcy Code.

During the Chapter 11 Cases, the Trustee and the Debtors have incurred and have paid the Administrative Expense Claims of their employees, vendors and other trade creditors in the ordinary course of operations. Therefore, the Debtors estimate that the aggregate Administrative Expense Claims, other than the Claims of Professionals and the Trustee, to be paid upon the Effective Date are expected to be minimal. The Trustee and the Debtors estimate that Administrative Claims total approximately \$900 based upon filed proofs of claim against the Estates. The Plan provides that holders of Allowed Administrative Expense Claims will receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Administrative Expense Claim, funds in an amount equal to the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) the Effective Date, (b) the date on which the

Administrative Expense Claim becomes an Allowed Claim, or (c) the date on which the Administrative Expense Claim becomes payable under any agreement relating thereto.

Allowed Administrative Expenses representing obligations incurred by the Trustee and the Debtors in the ordinary course of business consistent with past practice shall be paid in full or performed by the Trustee and the Debtors in the ordinary course of business; provided, however, that expenses of operation and fees of professionals incurred by the Trustee and the Debtors after the Confirmation Date, including, without limitation, claims for Professionals' Fees, shall not be subject to application and may be paid by the Trustee and the Debtors, as the case may be, in the ordinary course of business and without further Court approval.

2. Professional Compensation and Reimbursement Claims. All Entities or persons seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses pursuant to sections 326, 327, 328, 330, 331 and 503(b) of the Bankruptcy Code (a) shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses (the "Final Applications") by the date that is within twenty (20) days after the Confirmation Date or such other date as may be fixed by the Bankruptcy Court, and (b) if granted such an award by the Bankruptcy Court, shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (i) on the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable or (ii) upon such other terms as may be mutually agreed upon between such holder of an Allowed Administrative Expense Claim and the Trustee and/or the Debtors. The Final Applications shall be served on the Court, the United States Trustee, and any other party requesting a copy of such Final Applications. Notice of the Final Applications shall be provided to the United States Trustee and any party having filed a notice or appearance or request for documents in the Chapter 11 Cases.

The Debtors' Estate have incurred Administrative Expense Claims on account of the Trustee and Professionals retained and employed by the Trustee, Debtors, and their Estates since the Petition Date, including:

- a. *Bankruptcy Counsel for the Debtors – DiConza Traurig Kadish LLP* ("DTK Law"). On June 23, 2010, the Court approved the retention of DiConza Law, P.C. as counsel to the Debtors *nunc pro tunc* to the Petition Date. On March 3, 2011, the Court approved the substitution of DiConza Traurig Magaliff LLP, the successor to DiConza Law, P.C., as counsel for the Debtors. As of February 1, 2013, the name of the firm was changed from DiConza Traurig Magaliff LLP to DiConza Traurig LLP. As of January 1, 2014, the name of the firm was changed to DiConza Traurig Kadish LLP. During the Chapter 11 Cases, three separate Orders were entered awarding interim compensation to DTK Law: (i) Interim Fee Order dated June 14, 2011 (the "First Interim Fee Order"); (ii) Interim Fee

Order dated August 14, 2012 (the “Second Interim Fee Order”); and (iii) Interim Fee Order dated April 30, 2013 (the “Third Interim Fee Order”). During the Chapter 11 Cases, DTK Law, and its predecessors have been paid approximately \$510,000 on account of services performed on behalf of the Debtors.⁸ As of the date of this Disclosure Statement, the Debtors estimate that an additional \$450,000 will be required to make payment in full for fees and expenses incurred through the Confirmation Date, including approximately \$125,000 in fees previously approved but not paid pursuant to holdbacks.

- b. *Litigation Counsel for the Debtors – P&U.* The Court entered an Order authorizing the retention of P&U on September 14, 2010. During the Chapter 11 Cases, four separate Orders were entered awarding interim and final compensation to P&U: (i) First Interim Fee Order dated August 14, 2012 by which P&U was awarded compensation of \$100,000.00, subject to a \$20,000.00 holdback; (ii) Interim Expense Order dated April 20, 2013 by which P&U was awarded expenses of \$13,411.91; (iii) Second Interim Expense Order dated January 1, 2015 by which P&U was awarded expenses of \$20,961.54; and (iv) Final Fee Order dated June 17, 2016 by which P&U was awarded \$300,000.00 in compensation and permitted to be paid its \$20,000.00 holdback. In total, P&U was paid \$400,000.00 in compensation and \$34,339.35 in expenses. P&U has been paid in full for its services and no additional payment is due P&U.
- c. *Art Collection Auctioneer – Arte.* On May 9, 2011, the Court entered an Order (the “Auctioneer Fee Order”) approving, on a final basis, the commissions and expenses payable to Arte in the amount of \$37,365. Arte has been paid in full for its services and no additional payment is due Arte.
- d. *Art Collection Auctioneer – Jackson.* Pursuant to the Auctioneer Fee Order, the Court approved, on a final basis, the commissions and expenses payable to Jackson in the amount of \$10,376. Jackson has been paid in full for its services and no additional payment is due Jackson.
- e. *Real Estate Broker – CBRE, Inc.* By Order dated July 18, 2013 (the “CBRE Fee Order”), the Court approved on a final basis the commissions and expenses of CBRE incurred in connection with the sale of The Cody Hotel in the amount of \$324,750. CBRE was paid its commission from the proceeds of The Cody Hotel sale and its expenses were paid from the BNP

⁸ Of the approximately \$510,000 paid to DTK Law, \$9,900 was paid from a pre-Petition Date retainer received by DTK Law and \$20,000 was paid by BofA in connection with the sale of the Residence.

Cash Collateral. CBRE has been paid in full for its services and no additional payments are due CBRE.

- f. *Real Estate Broker for sale of Residence – Coldwell Banker.* In connection with the sale of the Wallace Residence, Coldwell Banker was retained as real estate broker to market and attempt to sell the Residence to the highest and best bidder. Pursuant to the retention terms, Coldwell Banker was not entitled to receive any commission from the Debtors in the event BofA's credit bid was the prevailing bidder. As discussed above, BofA was the prevailing bidder and, accordingly, Coldwell Banker is not entitled to any payment.
- g. *Trustee – Marianne T. O'Toole, Chapter 11 Trustee of the estate of Paul F. Wallace ("Trustee").* On February 14, 2014, the Court entered an Order appointing Marianne T. O'Toole as Chapter 11 Trustee of the Wallace Chapter 11 Estate. As of the date of this Disclosure Statement, the Trustee has not applied for, or been awarded, commissions, fees, or expenses. As of the date of this Disclosure Statement, the Trustee's estimated commissions of \$230,000 will be required to make payment to the Trustee in full for her statutory commissions pursuant to Bankruptcy Code § 326.
- h. *General Counsel to the Trustee – LaMonica Herbst & Maniscalco, LLP ("LH&M").* On March 24, 2014, the Court entered an Order approving the Trustee's retention of LH&M as her general counsel effective as of February 17, 2014. As of the date of this Disclosure Statement, LH&M has not applied for, or been awarded, fees and expenses. As of the date of this Disclosure Statement, the Trustee estimates that \$355,000 will be required to make payment to LH&M in full for fees and expenses incurred through the Confirmation Date.
- i. *Accountants to the Trustee – CBIZ Accounting, Tax & Advisory of New York, LLC and CBIZ Valuation Grup, LLC (collectively, "CBIZ").* On April 4, 2014, the Court entered an Order approving the Trustee's retention of CBIZ effective as of March 18, 2014. As of the date of this Disclosure Statement, CBIZ has not applied for, or been awarded, fees and expenses. As of the date of this Disclosure Statement, the Trustee estimates that \$135,000 will be required to make payment to CBIZ in full for fees and expenses incurred through the Confirmation Date.
- j. *Special ERISA Counsel to the Trustee and the Debtors – Smith & Downey, P.A. ("S&D").* On June 18, 2014, the Court entered an Order approving the Trustee's and the Debtor's retention of S&D as special ERISA counsel

effective as of May 27, 2014. During the Chapter 11 Cases, two separate Orders were entered awarding interim compensation to S&D: (i) First Interim Order dated April 10, 2015 by which S&D was awarded \$14,164.70 as interim compensation; and (ii) Second Interim Order dated March 25, 2016 by which S&D was awarded \$10,510.50 as interim compensation. In total, S&D has been paid \$24,675.20 in interim compensation. As of the date of this Disclosure Statement, the Trustees and the Debtors estimate that \$8,500 will be required to make payment to S&D in full for fees and expenses incurred through the Confirmation Date.

3. Allocation of Professionals' Payments to Debtors' Estates

Given the current nature of the cases, allocation of Professional Fees among the Debtors' Estates would appear to be an unnecessary exercise as the creditors of A&T, BFSC, Martindale, and MOA Cody are being paid in full with the surplus flowing up to the Wallace Chapter 11 Estate.

4. United States Trustee Quarterly Fees. Pursuant to 28 U.S.C. § 1930(a)(6), the Debtors or their Estates are required to pay quarterly fees to the United States Trustee until entry of a final decree, dismissal of the case or conversion of the cases to cases under chapter 7. The Debtors shall pay all United States Trustee quarterly fee due and payable on all disbursements, until the entry of a Final Decree, dismissal of the cases, or conversion of the cases to cases under chapter 7.

C. Treatment of Priority Tax Claims

For purposes of the Plan, a Priority Tax Claim includes any unsecured claim by a governmental unit that is entitled to a priority in payment under section 507(a)(8) of the Bankruptcy Code. Priority Tax Claims under the Plan are not separately classified in accordance with section 1123(a)(1) of the Bankruptcy Code.

The Trustee and the Debtors estimate that Priority Tax Claims total approximately \$6,200 based upon filed proofs of claim against the Estates. To the extent that these claims are allowed, and to the extent any other Priority Tax Claim exists, each holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim (i) funds from the liable Debtor in the amount equal to the unpaid portion of such Allowed Priority Tax Claim, (ii) treatment in any other manner such that its Allowed Priority Tax Claims will not be Impaired, or (iii) such other treatment as to which the Debtors and the holder of such Allowed Priority Tax Claim have agreed upon in writing, on the later of (a) the Effective Date or (b) the date on which its Priority Tax Claim becomes an Allowed Priority Tax Claim. The foregoing treatment of Allowed Priority Tax Claims is consistent with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code.

D. Treatment of Other Priority Claims

Holders of Other Priority Claims are those Creditors holding Claims against the Debtors, other than Administrative Expense Claims and Priority Tax Claims that are entitled to priority under section 507(a) of the Bankruptcy Code. These Claims may include employee wages, salaries and commissions (subject in all such cases to certain limitations prescribed by the Bankruptcy Code). Priority Claims are generally entitled to be paid first after satisfaction of Secured Claims and Administrative Expense Claims, depending upon the particular type of priority in payment as provided under section 507 of the Bankruptcy Code. Therefore, unless agreed otherwise, the Bankruptcy Code generally allows for the holder of a Priority Claim to receive full payment under a plan if any junior class of Claims is to receive a distribution under the plan.

The Trustee and the Debtors do not believe there are any holders of Allowed Other Priority Claims against any of the Debtors. To the extent any Other Priority Claims exist, each holder of an Allowed Other Priority Claim shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Other Priority Claim, funds in an amount equal to the amount of such Allowed Other Priority Claim on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any Other Priority Claim becomes an Allowed Other Priority Claim. Other Priority Claims are not Impaired by the Plan.

E. Treatment of PBGC Claim

Under the Wallace Plan, the PBGC Claims are separately classified as Class 3 Claims. Pursuant to the PBGC Settlement, the holders of the PBGC Claims shall receive, in full and final satisfaction, settlement, release, and discharge of, the PBGC Claims, the PBGC Payment on the Effective Date. The PBGC Payment shall be paid after payment of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Other Priority Claims.

F. Treatment of Unsecured Claims

For purposes of the Plan, an Unsecured Claim includes any Claim that is not a Secured Claim, an Administrative Expense Claim, an Intercompany Claim, a Priority Tax Claim, or an Other Priority Claim. Unsecured Claims are Impaired under the Plan and shall receive the following treatment:

(i) Wallace Plan

Under the Wallace Plan, Wallace Unsecured Claims are separately classified as Class 4 Claims. Subject to the prior satisfaction of all Allowed Wallace Secured Claims, Wallace Administrative Expense Claims, Wallace Priority Tax Claims, Wallace Other Priority Claims, and the PBGC Claims, on the Effective Date, or as soon as practicable after such Claim becomes

an Allowed Claim if the date of allowance is later than the Effective Date, each holder of an Allowed Wallace Unsecured Claim shall receive, in full settlement, release and discharge of its Allowed Wallace Unsecured Claim, periodic ratable distributions in funds from Available Cash in an aggregate amount of up to 100% of such holder's Allowed Wallace Unsecured Claim, without interest. As of the date of this Disclosure Statement, the estimated total amount of Allowed Wallace Unsecured Claims is approximately \$4.8 million. The Trustee and the Debtors estimate that holders of Allowed Wallace Unsecured Claims will receive an initial distribution, on the Effective Date, of at least 50% of their Allowed Wallace Unsecured Claims. After the Effective Date, holders of Allowed Wallace Unsecured Claims shall, from time to time, receive periodic ratable distributions in an aggregate amount of up to 100% of their Allowed Wallace Unsecured Claims, without interest.

(ii) A&T Plan

Under the A&T Plan, A&T Unsecured Claims are separately classified as Class 3 Claims. Subject to the prior satisfaction of all Allowed A&T Secured Claims, A&T Administrative Expense Claims, A&T Priority Tax Claims, and A&T Other Priority Claims, on the Effective Date, or as soon as practicable after such Claim becomes an Allowed Claim if the date of allowance is later than the Effective Date, each holder of an Allowed A&T Unsecured Claim shall receive, in full settlement, release and discharge of its Allowed Class 3 A&T Unsecured Claim, funds from the A&T Estate Account equal to 100% of such holder's Allowed A&T Unsecured Claim, without interest. As of the date of this Disclosure Statement, the estimated total amount of Allowed A&T Unsecured Claims is approximately \$6,000.

(iii) BFSC Plan

Under the BFSC Plan, BFSC Unsecured Claims are separately classified as Class 3 Claims. Subject to the prior satisfaction of all Allowed BFSC Secured Claims, BFSC Administrative Expense Claims, BFSC Priority Tax Claims, and BFSC Other Priority Claims, on the Effective Date, or as soon as practicable after such Claim becomes an Allowed Claim if the date of allowance is later than the Effective Date, each holder of an Allowed BFSC Unsecured Claim shall receive, in full settlement, release and discharge of its Allowed Class 3 BFSC Unsecured Claim, funds from the BFSC Estate Account equal to 100% of such holder's Allowed BFSC Unsecured Claim, without interest. As of the date of this Disclosure Statement, the estimated total amount of Allowed BFSC Unsecured Claims is approximately \$10,500.

(iv) Martindale Plan

Under the Martindale Plan, Martindale Unsecured Claims are separately classified as Class 3 Claims. Subject to the prior satisfaction of all Allowed Martindale Secured Claims, Martindale Administrative Expense Claims, Martindale Priority Tax Claims, and Martindale Other Priority Claims, on the Effective Date, or as soon as practicable after such Claim becomes an Allowed Claim if the date of allowance is later than the Effective Date, each holder of an

Allowed Martindale Unsecured Claim shall receive, in full settlement, release and discharge of its Allowed Class 3 Martindale Unsecured Claim, funds from the Martindale Estate Account equal to 100% of such holder's Allowed Martindale Unsecured Claim, without interest. As of the date of this Disclosure Statement, the estimated total amount of Allowed Martindale Unsecured Claims is approximately \$380,000.

(v) MOA Cody Plan

Under the MOA Cody Plan, MOA Cody Unsecured Claims are separately classified as Class 3 Claims. Subject to the prior satisfaction of all Allowed MOA Cody Secured Claims, MOA Cody Administrative Expense Claims, MOA Cody Priority Tax Claims, and MOA Cody Other Priority Claims, on the Effective Date, or as soon as practicable after such Claim becomes an Allowed Claim if the date of allowance is later than the Effective Date, each holder of an Allowed MOA Cody Unsecured Claim shall receive, in full settlement, release and discharge of its Allowed Class 3 MOA Cody Unsecured Claim, funds from the MOA Cody Estate Account equal to 100% of such holder's Allowed MOA Cody Unsecured Claim, without interest. As of the date of this Disclosure Statement, the estimated total amount of Allowed MOA Cody Unsecured Claims is approximately \$12,500.

G. Intercompany Claims

Under the Plan, Intercompany Claims shall receive no distribution.

H. Treatment of Interests

For purposes of the Plan, Interests include any equity security or membership Interest in any of the Entity Debtors.

(i) Wallace Plan

Under the Wallace Plan, Interests are separately classified as Class 6 and any holder of an interest in Wallace shall retain such Interest and such Interest will not be altered. The Wallace Probate Estate is the sole Holder of an Interest in Wallace. After holders of Allowed Wallace Administrative Expense Claims, Allowed Wallace Priority Claims, and Allowed Wallace Class 1, Class 2, Class 3, and Class 4 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full), any remaining Available Cash will be distributed to the Wallace Probate Estate on account of its Interest in Wallace.

(ii) A&T Plan

Under the A&T Plan, Interests are separately classified as Class 5 and any holder of an Interest in A&T shall retain such Interest and such Interest will not be altered. Martindale is sole Holder of an Interest in A&T. After holders of Allowed A&T Administrative Expense

Claims, Allowed A&T Priority Claims and Allowed A&T Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full), any remaining A&T Available Cash will be distributed to Martindale on account of its Interest in A&T.

(iii) BFSC Plan

Under the BFSC Plan, Interests are separately classified as Class 5 and any Holder of an Interest in BFSC shall retain such Interest and such Interest will not be altered. Wallace is the sole Holder of an Interest in BFSC. After holders of Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Claims and Allowed BFSC Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full), any remaining BFSC Available Cash will be distributed to the Wallace Chapter 11 Estate on account of its Interest in BFSC.

(iv) Martindale Plan

Under the Martindale Plan, Interests are separately classified as Class 5 and any holder of an Interest in Martindale shall retain such Interest and such Interest will not be altered. Wallace is the sole Holder of an Interest in Martindale. After holders of Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Claims, and Allowed Martindale Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full), any remaining Martindale Available Cash will be distributed to the Wallace Chapter 11 Estate on account of its Interest in Martindale.

(v) MOA Cody Plan

Under the MOA Cody Plan, Interests are separately classified as Class 5 and any holder of an Interest in MOA Cody shall retain such Interest and such Interest will not be altered. BFSC is the sole Holder of an Interest in MOA Cody. After holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full), any remaining MOA Cody Available Cash will be distributed to BFSC on account of its Interest in MOA Cody.

F. Effect on Unexpired Leases and Executory Contracts

The Plan constitutes a motion by the Trustee and the Debtors, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, to reject as of the Confirmation Date, all of their executory contracts and unexpired leases to which the Debtors are a party and which have not been previously assumed or rejected by an order of the Bankruptcy Court or that are not the subject of a motion to assume pending on the Confirmation Date. Any entity who has a Claim against the Debtors resulting from the rejection of an executory contract or lease pursuant to this

Plan (a “Rejection Claim”), shall file a Proof of Claim with the Clerk of the Court as against the appropriate Debtor, and serve a copy thereof upon the Trustee’s counsel and the Debtors’ counsel, within thirty (30) days following service of the Notice of Entry of the Confirmation Order. Failure to file such Proof of Claim within such time period shall result in such Rejection Claim being forever barred against the Debtors, their Estates and property.

Any Rejection Claim filed will be treated as a Disputed Claim until the period of time has elapsed within which the Trustee and the Debtors may file an objection to such Claim. If no such objection is filed within the prescribed period under the Plan, the Claim shall be deemed as of the expiration of said period to be an Allowed Unsecured Claim as against the applicable Debtor, and the holder thereof have the rights of a holder of an Allowed Unsecured Claim against the applicable Debtor.

G. Treatment of Disputed Claims Under the Plan

1. Prosecution of Objections to Disputed Claims. As of the Effective Date, the Trustee or the Plan Administrator, as defined below will have the exclusive right to file and prosecute objections to Claims or request estimation hearings. As of the Effective Date, the Trustee and the Debtors will have the authority to compromise, settle, otherwise resolve or withdraw any objections to Claims and compromise, settle or otherwise resolve Disputed Claims. Unless otherwise ordered by the Bankruptcy Court, on and after the Effective Date, the Trustee and the Debtors will file all objections to Claims that are the subject of Proofs of Claim or requests for payment filed with the Bankruptcy Court (other than applications for allowances of compensation by Professionals) and serve such objections upon the holder of the Claim as to which the objection is made as soon as is practicable, but in no event later than (i) 120 days after the Effective Date or (ii) such later date as may be approved by the Bankruptcy Court for cause shown, after notice and a hearing.

2. No Distributions Pending Allowance of a Disputed Claim. Notwithstanding any other provision of the Plan to the contrary, if any portion of a Claim is a Disputed Claim, no payment or distribution provided under the Plan shall be made on account of such Claim unless and until it becomes an Allowed Claim.

3. Disputed Claims Reserve. On the Effective Date (or as soon thereafter as reasonably practicable), and prior to making the distributions to holders of Allowed Claims required to be made on the Effective Date, the Trustee and the Debtors shall establish a reserve for Disputed Claims (the “Disputed Claims Reserve”). The Disputed Claims Reserve will consist of funds that would have been distributed on account of all Disputed Claims if such Claims were Allowed Claims on the Effective Date, with the amount of such Allowed Claims to be determined, solely for the purposes of establishing reserves and for maximum distribution purposes, to be (a) the lesser of (i) the asserted amount of each Disputed Claim filed with the Bankruptcy Court as set forth in the non-duplicative Proof of Claim, or (if no Proof of Claim was filed) scheduled by the Debtors, and (ii) the amount, if any, estimated by the Bankruptcy Court

pursuant to section 502(c) of the Bankruptcy Code or ordered by other order of the Bankruptcy Court, or (b) the amount otherwise agreed to by the Trustee and the Debtors and the holder of such Disputed Claim for reserve purposes.

4. Distributions After Allowance of a Disputed Claim. Distributions to each holder of a Disputed Claim, to the extent that such Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the Class of Claims in which such Allowed Claim is classified. On the later of (a) the Effective Date or (b) as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Trustee and the Debtors shall cause a distribution of funds to the holder of such Claim any payment that would have been distributed to such holder if the Claim had been Allowed on the Effective Date, plus any payments that would have been made on account of such Allowed Claim after the Effective Date, without any interest thereon. When all Disputed Claims are resolved and either become Allowed or are disallowed by Final Order, to the extent funds remains in the Disputed Claims Reserve after all holders of Disputed Claims that have become Allowed and have been paid the full amount they are entitled to pursuant to the treatment set forth for the appropriate Class under the Plan, then those excess funds shall constitute Available Cash to be distributed in accordance with the Plan.

**IX. CONDITIONS PRECEDENT TO THE CONFIRMATION
DATE AND THE EFFECTIVE DATE OF THE PLAN**

A. Conditions Precedent to Confirmation of the Plan

The Plan may not be confirmed unless each of the following conditions has been satisfied:

- (i) the Order approving this Disclosure Statement shall have been entered on the legal docket for the Chapter 11 Cases and shall have become a Final Order and
- (ii) the Confirmation Order shall be in a form reasonably acceptable to the Trustee.

B. Conditions Precedent to the Effective Date

The occurrence of the Effective Date is subject to the following conditions being satisfied:

- (i) the Confirmation Order being entered on the legal docket for the Chapter 11 Cases and becoming a Final Order;

- (ii) there shall exist sufficient funds to satisfy in full or as otherwise agreed by the holder thereof all Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims or to deposit funds in the Disputed Claims Reserve in respect of any Administrative Expense Claims, Priority Tax Claims and Other Priority Claims that are Disputed Claims.

X. MEANS OF IMPLEMENTATION OF THE PLAN

A. Implementation

The Plan is to be implemented in a manner consistent with section 1123 of the Bankruptcy Code and the terms and conditions set forth in the Plan.

B. Funding for the Plan

The Plan shall be funded with (i) funds currently held in Estate Account accounts for the benefit of the Debtors; and (ii) funds available after the Effective Date from, among other things, the recovery and liquidation of the Debtors' other assets, if any. After holders of Allowed A&T Administrative Expense Claims, Allowed A&T Priority Claims and Allowed A&T Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining A&T Available Cash will be distributed to Martindale. After holders of Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Claims, and Allowed Martindale Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining Martindale Available Cash will be distributed to the Wallace Chapter 11 Estate. After holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining MOA Cody Available Cash will be distributed to BFSC. After holders of Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Claims and Allowed BFSC Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining BFSC Available Cash will be distributed to the Wallace Chapter 11 Estate. All funds distributed to the Wallace Chapter 11 Estate shall be deemed Available Cash and shall be used to satisfy holders of Allowed Wallace Administrative Expense Claims, Allowed Wallace Priority Claims, and Allowed Wallace Class 1, Class 2, Class 3, Class 4, and Class 5 Claims.

C. Requirements of Sections 1123(a)(8) and 1129(a)(15) of the Bankruptcy Code

Section 1123(a)(8) of the Bankruptcy Code provides that a plan proposed by an individual chapter 11 debtor shall "provide for the payment to creditors under the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan." 11 U.S.C. § 1123(a)(8). Section 1129(a)(15) provides that, in a case in which the

debtor is an individual and a holder of an allowed unsecured claim objects to the confirmation of the plan, the plan shall only be confirmed if one of the following is satisfied:

(A) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or (B) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor...to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

11 U.S.C. § 1129(a)(15).

The Wallace Plan does not contemplate there will be distributions from future income of Wallace. During the Chapter 11 Case, Wallace made every effort to dispose his assets and repay his Creditors. Due to those efforts, under the Plan, holders of Allowed Wallace Unsecured Claims shall be entitled to their pro rata share of Wallace Available Cash. It is estimated that the Wallace Plan will distribute approximately \$4.0 million to holders of Allowed Wallace Unsecured Claims.

At the time of his passing, Wallace was 77 years old, no longer employed, and in poor health. His only source of income was his monthly social security check (less than \$2,500 per month) and \$6,250 received in connection with the approval of the SPD Settlement, for total monthly disposable income as of December 31, 2013 of approximately \$8,700. Most of the funds received by Wallace during the pendency of the Wallace Chapter 11 Cases were used to pay for necessary living expenses (food, clothing, medical, etc.). Even if alive, the Trustee and the Debtors do not believe there would have been any post-Petition Date earnings or disposable future income to distribute to Creditors of the Wallace Chapter 11 Estate.

Even if a holder of an Allowed Wallace Unsecured Claim objects to confirmation of the Plan, thereby making section 1129(a)(15) of the Bankruptcy Code applicable, the Debtors submit that the requirements under section 1129(a)(15) are satisfied. The value to be distributed under the Wallace Plan is not less than the projected disposable income of Wallace. As such, in the Wallace Chapter 11 Case, the projected value of the property to be distributed under the Plan is more than the projected disposable income of Wallace to be received during the five year period beginning on the Effective Date of the Plan, and thus the requirement of section 1129(a)(15) of the Bankruptcy Code is satisfied.

D. Distributions

Upon the Effective Date, The Trustee shall be authorized to, and shall, make all distributions required under the Plan. The Trustee shall not be required to give any additional bond or surety or other security for the performance of its duties. The Trustee shall hold the Available Cash in segregated accounts. The Trustee shall be empowered to (a) effect all actions

and execute all agreements, instruments, and other documents necessary to perform its duties hereunder, (b) make all distributions contemplated hereby and (c) exercise such other powers as may be vested in the Trustee by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Trustee to be necessary and proper to implement the provisions of the Plan. At the option of the Trustee, any payment to be made hereunder may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

In connection with making distributions on behalf of the Debtors, the Trustee and any professionals retained by the Trustee shall not be deemed to be the agent for any of the Creditors in connection with the funds held or distributed pursuant to the Plan. The Trustee and any professionals retained by the Trustee shall not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind except for willful misconduct, self-dealing, fraud, or *ultra vires* acts and, in all respects, the Trustee and any professionals retained by the Trustee may conclusively rely, and shall be fully protected personally in acting upon any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document that they believe to be genuine and to have been signed or presented by the proper party or parties.

E. Date of Distributions

Except as otherwise provided in the Plan, the Trustee shall make initial distributions to holders of Allowed Claims on the Effective Date and thereafter, the Trustee shall from time to time determine the subsequent distribution dates. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

F. Delivery of Distributions

Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made by the Trustee. In the event that any distribution to any holder is returned as undeliverable, no further distributions shall be made to such holder unless and until the Trustee is notified in writing of such holder's then-current address, at which time all currently-due, missed distributions shall be made to such holder as soon as reasonably practicable thereafter. Undeliverable distributions or unclaimed distributions shall remain in the possession of the Debtors' Estates until such time as a distribution becomes deliverable or holder accepts distribution, or such distribution reverts back to the Debtors, as applicable, and shall not be supplemented with any interest, dividends or other accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 180 days from the date of distribution to the respective Creditor. After such date, all unclaimed

property or interest in property shall revert to the respective Debtor's Estate, and the Claim of any holder to such property or interest in property shall be discharged and forever barred. Distributions that are deemed unclaimed property pursuant to the preceding sentence shall be redistributed in accordance with the Plan.

G. Distribution Record Date

As of the close of business on the Effective Date, the transfer register for each of the Classes of Claims or Interests as maintained by the Clerk of Court, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Interests. The Trustee and the Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Effective Date.

H. Debtor Representative

On the day immediately following the Effective Date and automatically and without further action, the Trustee shall be appointed the Plan Administrator for each of the Debtors and shall be deemed the sole responsible officer of each of the Debtors for purposes of implementing and consummating the Plan. The Plan Administrator shall be deemed the Debtors' representative in accordance with section 1123 of the Bankruptcy Code. The Trustee is currently the Chapter 11 Trustee of the Wallace Chapter 11 Estate and has intimate knowledge of each of the Debtor and their respective assets and liabilities. The Plan will be administered by the Plan Administrator and all actions taken thereunder in the name of the Debtors shall be taken through the Plan Administrator. The Plan Administrator shall, among other things, marshal and liquidate, where possible, all remaining assets of the Debtors. The Plan Administrator will be compensated at an hourly rate of \$500.00 on a monthly basis.

I. Duties of Plan Administrator

The duties and powers of the Plan Administrator will include the following:

- (i) review and analyze Claims;
- (ii) cause the Debtors to object to any Claims (disputed or otherwise), and to compromise or settle any Claims prior to the objection;
- (iii) liquidate any remaining assets of the Debtors;
- (iv) prepare operating reports and all other reporting requirements required by the United States Trustee;
- (v) exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced

and take all actions that may be or could have been taken by any officer, director, shareholder or member of the Debtors with like effect as if authorized, exercised and taken by unanimous action of such officers, directors, shareholders and members;

- (vi) assist in making distributions and take other actions consistent with the Plan and the implementation hereof, including the establishment, revaluation, adjustment and maintenance of appropriate reserves;
- (vii) retain Professionals as needed to assist the Plan Administrator in the administration, implementation, and consummation of the Plan;
- (viii) administer the winding-up of the affairs of the Debtors, including, but not limited to, filing tax returns, including final tax returns, and closing their respective Chapter 11 Cases;
- (ix) pay plan administration costs and costs of holding and liquidating any non-cash property, including but not limited to taxes, insurance and Professionals' fees;
- (x) take all other actions consistent with the provisions of the Plan, which the Plan Administrator deems reasonably necessary or desirable with respect to administering the Plan;
- (xi) enter into any agreement or execute any document required by or consistent with the Plan and perform all of the Debtors' obligations thereunder;
- (xii) implement and/or enforce all provisions of the Plan;
- (xiii) prepare and file all appropriate federal, state and local tax returns; and
- (xiv) collect all assets and assist the Debtors in enforcing their rights under any claims, contracts and other assets of the Debtors.

J. No Agency Relationship

Neither the Plan Administrator nor any professionals retained by the Plan Administrator shall be deemed to be the agent for any of the Creditors in connection with the funds held or distributed pursuant to this Plan. The Plan Administrator and any professionals retained by the Plan Administrator shall not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind except for willful misconduct, self-dealing, fraud, or *ultra vires* acts and, in all respects, the Plan Administrator and any professionals retained by the Plan Administrator may conclusively rely, and shall be fully protected personally in acting upon

any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document that they believe to be genuine and to have been signed or presented by the proper party or parties.

K. Continuing Existence

From and after the Confirmation Date, each of the Entity Debtors shall continue in existence for the sole and limited purpose of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to cash or other methods, of any remaining assets of the Estates, as expeditiously as reasonably possible, (iii) enforcing and prosecuting of claims, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims, and (v) administering this Plan.

L. Establishment of Wind Down Reserve Account

On or as soon as practical after the Confirmation Date, the Trustee shall establish a reserve (the "Wind Down Reserve"), which shall be funded with Wallace Available Cash in an initial amount of \$300,000. The Plan Administrator shall use the funds in the Wind Down Reserve to pay any valid and Allowed post-Confirmation Date taxes, expenses, and fees and costs of the Estates, including any professional fees incurred on behalf of the Estates, the fees of the Plan Administrator, and United States Trustee quarterly fees. To the extent the Plan Administrator is able to recover assets post-Confirmation Date, the Plan Administrator may make reasonable deposits to the Wind Down Reserve to ensure sufficient funds remain to pay post-Confirmation Date expenses. Upon liquidation, collection, and monetization of all the Debtors' assets, resolution of all Disputed Claims, and payment of all post-Confirmation Date expenses, any funds remaining in the Wind Down Reserve shall be released to the Wallace Chapter 11 Estate for final distribution to holders of Allowed Claims against Wallace in accordance with the terms of the Plan and upon payment in full of such Allowed Claims, to the Wallace Probate Estate.

M. Disposition of Additional Assets and Future Deposits and Distributions

All net proceeds recovered any sources after the Effective Date, shall be deposited into segregated accounts established by the Trustee for the respective Debtors' Estates and shall be distributed in accordance with the terms of the Plan.

XI. EFFECTS OF CONFIRMATION OF THE PLAN

A. Discharge

1. No Discharge of Entity Debtors

Since the Entity Debtors are liquidating, the Plan and Confirmation Order will not discharge the Entity Debtors from any debt and liability that arose before Petition Date, as provided in section 1141(d)(3)(A) of the Bankruptcy Code.

2. Discharge of Wallace

Consistent with section 1141(d)(5), upon completion of all distributions as specified in the Plan, the Wallace Chapter 11 Estate shall be discharged of all debts incurred before confirmation of the Plan and to the extent specified in section 1141(d) of the Bankruptcy Code.

Certain debts may be excepted from discharge under section 523 of the Bankruptcy Code. For debts to be excepted from discharge under section 523, a creditor must have filed a complaint against an individual debtor within the time established by Rule 4007(c) of the Federal Rules of Bankruptcy Procedure. The “deadline” to file such complaints in the Wallace Case was August 30, 2010. The only Entity to file a non-dischargeability action under section 523 was Amex. As discussed above, the Amex Non-Dischargeability Action was settled and Wallace agreed to pay the Amex Judgment Amount in full within 60 months of the Effective Date of the Plan. The Amex Judgment shall be treated as an Allowed Wallace Unsecured Claim. In the event the Allowed Amex Judgment Claim is not satisfied in full within 60 months of the Effective Date, Amex may pursue payment of the Amex Judgment (less any distribution received under the Plan) against assets of the Wallace Probate Estate, if any, outside the Plan.

B. Injunction

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS, INTERESTS, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN OR ORDER ENTERED DURING THE CHAPTER 11 CASES; (2) ARE SUBJECT TO EXCULPATION PURSUANT TO THE PLAN; OR (3) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM:

- (i) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, OR LIABILITIES THAT HAVE BEEN**

COMPROMISED OR SETTLED AGAINST THE DEBTORS, THE TRUSTEE, OR ANY ENTITY EXCULPATED ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES;

- (ii) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTORS, THE TRUSTEE, OR ANY ENTITY EXCULPATED ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES;**
- (iii) CREATING, PERFECTING OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTORS, THE TRUSTEE, OR ANY ENTITY SO EXCULPATED (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY ENTITY SO EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, OR LIABILITIES;**
- (iv) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTORS OR ANY EXCULPATED ENTITY (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY EXCULPATED ENTITY) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A TIMELY PROOF OF CLAIM PRESERVING SUCH RIGHT OF SETOFF PURSUANT TO SECTION 553 OF THE BANKRUPTCY CODE OR OTHERWISE; AND**
- (v) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTORS, THE TRUSTEE, OR EXCULPATED ENTITY (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY EXCULPATED ENTITY) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES SETTLED OR COMPROMISED PURSUANT TO THE PLAN;**

PROVIDED THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED

TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN OR OTHER ORDER OF THE BANKRUPTCY COURT; PROVIDED, FURTHER, THAT NOTHING CONTAINED HEREIN SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY LAW.

C. Binding Effect of Plan Confirmation

On the Effective Date, the provisions of the Plan shall bind any holder of a Claim against, or Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan. All Entities are further enjoined from taking any actions against the Debtors and their property, assets, or interests in property that may interfere with the implementation or consummation of the Plan.

D. Exculpation

The Debtors, the Trustee, and any of their officers, directors, employees, attorneys, advisors, representatives, accountants, or agents during the Chapter 11 Cases (collectively, the "Exculpated Parties") shall not be deemed to have incurred any liability for any act or omission in connection with, or arising out of, the (a) pursuit of confirmation of the Plan, (b) consummation of the Plan, (c) administration of the Plan or (d) disposition of assets or property during the Debtors' Chapter 11 Cases, except for such Person's willful misconduct, self-dealing, fraud, breach of fiduciary duty or *ultra vires* acts and, in all respects, the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

E. Vesting of Assets

Except as otherwise provided in the Plan or Confirmation Order, on the Effective Date, pursuant to the provisions of section 1141(b) and (c) of the Bankruptcy Code, (i) all property, assets and effects of the Entity Debtors shall vest in the respective post-confirmation Entity Debtors, free and clear of all Claims and interests, except as otherwise expressly provided in the Plan, the Confirmation Order or the Bankruptcy Code; (ii) all property, assets and effects of Wallace shall vest in the post-confirmation Wallace Chapter 11 Estate, free and clear of all Claims and interests, except as otherwise expressly provided in the Plan, the Confirmation Order or the Bankruptcy Code; and (iii) all Liens against any property of the Debtors shall be deemed extinguished and discharged, and the Debtors will be revested with the assets of the Debtors not distributed or otherwise transferred under the Plan or by previous Order of the Court, free and clear of all Liens. Any and all security interests filed against the Debtors' assets shall be deemed satisfied and withdrawn as of the Effective Date.

F. Causes of Action

The Plan provides that as of the Effective Date, the Debtors and the Plan Administrator shall retain the right to prosecute, on behalf of themselves and their Estates, Causes of Action, including any avoidance or recovery action under sections 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code or any other rights to payment of claims, that belong to or could have been raised by or on behalf of the Debtors or the Estates. The Plan provides that the Debtors and the Plan Administrator, on behalf of their respective Debtors, shall retain the right to assert any such Claims as defenses to, and setoffs against, Disputed Claims. Under the terms described in the Plan, the Debtors will continue to prosecute any claims and will use the net proceeds from the recovery of such claims to make additional Distributions to Creditors or holders of Interests as described in the Plan.

G. Closing of the Chapter 11 Cases

After an Estate has been fully administered, the Plan Administrator shall promptly seek authority from the Bankruptcy Court to close each applicable Chapter 11 Case in accordance with the Bankruptcy Code and Bankruptcy Rules.

H. Winding Up Affairs

Following the Effective Date, the Entity Debtors shall not engage in any business activities or take any actions, except those necessary to consummate the Plan and wind up the affairs of the Debtors. The Plan Administrator shall be the sole officer of the Entity Debtors. Upon the resolution of all Disputed Claims and distribution of all assets of the Entity Debtor Estates pursuant to the Plan and the filing by or on behalf of the Entity Debtors of a certification to that effect with the Court (which may be included in the application for entry of the Final Decree), such Entity Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Entity Debtor or payments to be made in connection therewith. From and after the Effective Date, the Entity Debtors shall not be required to file any document, or take any action, to withdraw their respective business operations from any states where the Entity Debtors previously conducted business operations.

XII. RETENTION OF JURISDICTION

The Plan provides that the Court shall retain jurisdiction over the Chapter 11 Cases under the provisions of the Bankruptcy Code, including, without limitation, section 1142(b) thereof and the Bankruptcy Rules, to insure that the intent and purpose of this Plan are implemented. Without limiting the foregoing, the Court shall retain jurisdiction for the following purposes:

- a. to consider any modification of the Plan in accordance with section 1127 of the Bankruptcy Code and/or modification of the Plan after substantial

consummation as defined in section 1101(2) of the Bankruptcy Code;

- b. to determine all applications for allowance and to resolve any objections made respecting requests for compensation and/or reimbursement of expenses;
- c. to determine any and all applications pending as of or made following the Confirmation Date for the rejection of any executory contracts or unexpired leases to which the Debtors are a party or with respect to which the Debtors may be liable, and the allowance of any Claims resulting therefrom;
- d. to adjudicate all Claims or controversies arising out of any purchases, sales or contracts made or undertaken by the Trustee or the Debtors during the pendency of the Chapter 11 Cases;
- e. to determine any and all controversies, suits and disputes arising under or in connection with the Plan, its interpretation or enforcement, and such other matters as may be provided for in the Confirmation Order confirming the Plan or in accordance with the Bankruptcy Code or the Bankruptcy Rules;
- f. to determine any and all motions, applications, adversary proceedings, contested and litigated matters or such other matters over which the Court has jurisdiction prior to the Confirmation Date, including the enforcement, prosecution, litigation, settlement and/or other disposition of Claims and counterclaims of the Debtors;
- g. to recover all additional assets of the Debtors wherever located;
- h. to liquidate or estimate damages or determine the manner and time of such liquidation or estimation in connection with any disputed, contingent or unliquidated Claim;
- i. to continue to enforce the automatic stay through entry of the Final Decree;
- j. to determine such other matters and for such other purposes as may be provided for in the Plan and the Confirmation Order;
- k. to effectuate all payments and transfers under the Plan; and
- l. to enter a Final Decree closing the Chapter 11 Cases.

XIII. SOLICITATION, ACCEPTANCE AND CONFIRMATION

To confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including: (i) that the Plan has classified the Claims and Interests in a permissible manner; (ii) that the contents of the Plan comply with the technical requirements of the Bankruptcy Code (see discussion below); (iii) that the Trustee and the Debtors have proposed the Plan in good faith; and (iv) that the Trustee and the Debtors have made disclosures concerning the Plan that are adequate and include information concerning all payments made or promised in connection with the Plan and the Chapter 11 Cases. The Trustee and the Debtors believe that all of these conditions have been or will be met.

A. Solicitation

Your vote is being solicited to obtain acceptance of the Plan from holders of Claims. If sufficient acceptances are obtained through this solicitation to obtain confirmation of the Plan after accounting for all Claims filed by the Bar Date, the Trustee and the Debtors will seek confirmation of the Plan based on the results of this solicitation.

B. Acceptance

Acceptance of the Plan requires that each Impaired class of Claims or Interests vote in favor of the Plan, with certain exceptions hereinafter discussed. A class is impaired if the legal, equitable or contractual rights attaching to the Claims or interests of that class are modified other than by curing defaults and reinstating maturities or by cash payment in full with interest.

Classes of Claims and Interests that are not impaired under a plan are deemed to have accepted the plan. The Bankruptcy Code provides that a class of Claims or Interests is deemed to reject the plan if the holders of Claims or Interests in such class do not receive or retain any property under the Plan on account of such Claims or Interests.

Bankruptcy Code section 1126 defines acceptance of a plan by a class of Claims as acceptance by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of Impaired Claims of that class who actually vote to accept or reject the Plan. The acceptance of a plan by a class of Impaired interests requires acceptance by the holders of two-thirds (2/3) in number of shares or other equity securities who actually vote to accept or reject the Plan. Holders of Impaired Claims and interests whose votes are solicited but who fail to vote on the Plan are not counted in the determination of whether the Plan has been accepted or rejected.

By signing and returning the Ballot, each holder of a Claim will also be confirming that (i) such holder and/or legal and financial advisors acting on its behalf has had the opportunity to ask questions of, and receive answers from, the Trustee and the Debtors concerning the terms of the Plan, the business of the Debtors and other related matters; (ii) the

Trustee and the Debtors have made available to such holder or its agents all documents and information relating to the Plan and related matters reasonably requested by or on behalf of such holder; and (iii) except for information provided by the Trustee and the Debtors in this Disclosure Statement or otherwise in writing, and by their agents, such holder has not relied on any statements made or other information received from any person with respect to the Plan.

C. Requirements for Confirmation of the Plan

Plan confirmation under the Bankruptcy Code requires that the Bankruptcy Court determine, among other things, that (i) the Plan was accepted by the requisite votes of holders of Claims and Interests, except to the extent that Confirmation over the objection of a rejecting Class is available under section 1129(b) of the Bankruptcy Code; (ii) the Plan is feasible (that is, there is a reasonable probability that the Trustee and the Debtors will be able to perform their obligations under the Plan); and (iii) the Plan is in the “best interests” of all holders of Claims and Interests (that is, that creditors and interest holders will receive at least as much pursuant to the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code).

To confirm the Plan, the Bankruptcy Court must find that the above conditions, and others, are met, unless the applicable provisions of section 1129(b) of the Bankruptcy Code are employed. Thus, even if the Creditors of the Debtors accept the Plan by the requisite votes, the Bankruptcy Court must make independent findings regarding the Plan’s conformity to the requirements of the Bankruptcy Code, the Plan’s feasibility, and whether the Plan is in the best interests of the holders of Claims and Interests in the Debtors before it may confirm the Plan.

At the hearing on confirmation, the Bankruptcy Court will determine whether the provisions of section 1129 of the Bankruptcy Code have been satisfied. If all of the provisions of section 1129 are met, the Bankruptcy Court may enter an Order confirming the Plan. The Trustee and the Debtors believe that all the requirements of section 1129 will be satisfied.

D. Non-Acceptance and “Cramdown”

Each Impaired Class of Creditors with Claims against the Debtors and Interests in the Debtors shall be entitled to vote separately to accept or reject the Plan. Notwithstanding the provisions of section 1129(a) of the Bankruptcy Code requiring the affirmative vote of all Impaired Claims or Interests, the Trustee and the Debtors shall request the Court to confirm this Plan notwithstanding the fact that each Impaired Class has not accepted the Plan, all in accordance with the provisions of section 1129(b) of the Bankruptcy Code. The Bankruptcy Court may confirm a plan, even if it is not accepted by all Impaired classes, if such plan has been accepted by at least one Impaired class of claims and such plan meets the “cramdown” provisions set forth in section 1129(b) of the Bankruptcy Code. The “cramdown” provisions require that the Bankruptcy Court find that a plan “does not discriminate unfairly” and is “fair and equitable” with respect to each non-accepting Impaired class.

Certain classes of Claims under the Plan are deemed to reject the Plan and, accordingly, the Trustee and Debtors will request the Court confirm the Plan under section 1129(b) notwithstanding the deemed rejection by those classes. In the event one or more Classes of other Impaired Claims rejects the Plan, the Trustee and the Debtors shall request the Bankruptcy Court to confirm the Plan under section 1129(b) of the Bankruptcy Code and the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting Impaired Class of Claims or Interest.

E. Feasibility of the Plan

Under section 1129(a)(11) of the Bankruptcy Code, the Trustee and the Debtors must show that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors (unless such liquidation or reorganization is proposed in the Plan).

With respect to the Entity Debtors, the Plan provides for a liquidation of their remaining assets and a distribution of their respective funds in the Estate Accounts in accordance with the terms of the Plan. The Entity Debtors will not be conducting any business operations after the Effective Date. As to Wallace, the Wallace Plan contemplates the liquidation and monetization of substantially all of Wallace's remaining assets for distribution to holders of Allowed Claims against Wallace; the Wallace Plan does not contemplate any distributions based on the future earnings of Wallace.

Therefore, the ability to make distributions described in the Plan does not depend on future earnings or operations of the Debtors, but only on the orderly liquidation of the Debtors' remaining assets. Accordingly, the Bankruptcy Court will find that the Plan is feasible if it determines that the Debtors will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet their post-Effective Date obligations to pay for the costs of administering and fully consummating the Plan and closing their respective Chapter 11 Cases. The Trustee and the Debtors believe that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Court. The Trustee and the Debtors have sufficient funds in the Estate Accounts to make distributions on the Effective Date in accordance with the Plan.

The Plan provides for the payment in full on or about the Effective Date, to all holders of: (a) Allowed Administrative Expense and Priority Claims against all the Debtors, (b) Allowed Unsecured Claims against A&T, BFSC, Martindale, and MOA Cody, and (c) the PBGC Claims. The Debtors have sufficient funds in the Estate Accounts to make these distributions. In addition, the Plan provides for initial distributions on the Effective Date, to all holders of Allowed Unsecured Claims against the Wallace Chapter 11 Estate. The respective Debtors have sufficient funds in the Estate Accounts to make these initial distributions. In addition, holders of

Allowed Unsecured Claims against the Wallace Chapter 11 Estate may receive subsequent distributions.

The assets of the Wallace Chapter 11 Estate include the Wallace Available Cash, as well as its ownership of Interests in BFSC and Martindale, both of which will distribute their equity value, after payment of Allowed Claims of BFSC and Martindale in accordance with the Plan, in the form of the remaining BFCS Available Cash and Martindale Available Cash to the Wallace Estate. After payment of Allowed Claims against BFSC and Martindale, any assets of BFSC and Martindale will be monetized and distributed to the Wallace Chapter 11 Estate to distribute to Holders of Allowed Claims against Wallace. Accordingly, any remaining assets at BFSC and Martindale (after payment of Claims in accordance with the BFSC Plan and Martindale Plan) will be liquidated and distributed to the Wallace Chapter 11 Estate to distribute to Holder of Allowed Claims as against Wallace.

Accordingly, the Trustee and the Debtors believe that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

F. “Best Interests” of Creditors and Interest Holders

Notwithstanding acceptance of a plan by classes of creditors and interest holders, to confirm a plan, a bankruptcy court must determine independently that such plan is in the “best interests” of such classes. The “best interests” test requires that the bankruptcy court find that a plan provides to each member of each impaired class of claims and interests a recovery with a present value at least equal to the present value of the distribution that each such class member would receive if the debtor was instead liquidated under chapter 7 of the Bankruptcy Code.

THE TRUSTEE AND THE DEBTORS BELIEVE THAT THE PLAN IS IN THE “BEST INTERESTS” OF ALL CREDITORS AND INTEREST HOLDERS.

1. Liquidation Analysis – A&T, BFSC, Martindale, and MOA Cody Estates

With respect to A&T, BFSC, Martindale and MOA Cody, the Plan is a liquidating plan and there is no reorganization value to be calculated, or distribution scenarios related thereto. Whether through the Plan or under chapter 7, the assets of these Debtors will be liquidated. However, conversion to a chapter 7 will lead to additional delay in distributions and expenses, including a chapter 7 trustee’s statutory fees of up to 3% of disbursements, as well as counsel and other professionals retained by the chapter 7 trustee. The chapter 7 trustee would likely be required to spend a significant amount of time and expense becoming familiar with the Chapter 11 Cases – time and expense that would not be required if the Plan is confirmed. Moreover, the PBGC Settlement is contingent upon approval of the Plan. The PBGC Settlement resolves potential joint and several liability arising from involuntary termination of the Broadstone Retirement Plan that is estimated to be no less than \$2.3 million.

The Trustee and the Debtors believe that the recoveries to Creditors will be maximized by completing the liquidation of any remaining assets of these Debtors through the Plan and making distributions pursuant to the Plan. The Trustee and the Debtors believe that the Plan provides Creditors and Interest holders with the best possible value that can be realized on their respective Claims and Interests. Under the Plan, the holders of Allowed Claims against A&T, BFSC, Martindale, and MOA Cody will receive a distribution equal to 100% of their Allowed Claims on the Effective Date. Upon payment, all Creditors holding Allowed Claims against A&T, BFSC, Martindale, and MOA Cody will be paid in full and no additional payments will be required.

Moreover, the Plan is also premised on the cancellation of Intercompany Claims. Under the Plan, the Intercompany Claims of the Debtors and non-Debtor Affiliates will receive no distribution. Under a chapter 7 liquidation, absent a consolidation, the chapter 7 trustee for each of the Debtors' Estates may seek to enforce the Intercompany Claims. In addition, Broadstone would seek to enforce its more than \$15 million in Intercompany Claims against Martindale. Such enforcement (assuming such Claims are Allowed and not recharacterized or subordinated) may cause the Creditors of those Debtors' Estates to receive less than what they are receiving under the Plan. Due to the size of the Intercompany Claims, enforcement of such Claims will have an impact on the Creditor recoveries under the Plan. For example, enforcing the Intercompany Claims of Broadstone against Martindale would increase the size of the Unsecured Claims pool entitled to share in the value of unencumbered assets at Martindale (which would decrease recoveries for holders of Allowed Martindale Unsecured Claims, and would remove the possibility of the Wallace Chapter 11 Estate receiving any value on account of its Interest in Martindale). Whether any given Intercompany Claim would be recharacterized as something other than valid debt if a party challenged such Intercompany Claim depends on the consideration of a number of relevant factors.

2. Liquidation Analysis – Wallace Chapter 11 Estate

With respect to Wallace, the Wallace Plan is a liquidating plan and there is no value attributable for future earnings of Wallace or distribution scenarios related thereto. The Trustee and the Debtors estimate that holders of Allowed Wallace Unsecured Claims will receive an initial distribution on or about the Effective Date of at least 50% of their Allowed Claims. In addition, holders of Allowed Wallace Unsecured Claims will receive subsequent distributions upon the liquidation of remaining assets. The Debtors estimate holders of Allowed Wallace Unsecured Claims will receive aggregate distributions in excess of 60% of the Allowed Wallace Unsecured Claims, up to 100% of the Allowed Claims. If the Trustee and the Debtors do not realize on any other assets, the Debtors estimate that holders of Allowed Wallace Unsecured Claims will ultimately receive distributions in an aggregate amount of approximately 75% of their Allowed Wallace Unsecured Claims. The Liquidation Analysis attached as Exhibit "C" provides the likely value that would be obtained if the Wallace Chapter 11 Estate were liquidated under a hypothetical chapter 7 case under the Bankruptcy Code.

The hypothetical conversion of the Wallace Chapter 11 Case to one under chapter 7 would entail the appointment of a chapter 7 trustee who would not have any experience with the Debtors' books and records. A period of education would be required for the chapter 7 trustee, who would retain professionals (*i.e.*, attorneys, accountants, etc.), to conclude the liquidation of the Wallace Chapter 11 Estate and would add an additional layer of administrative costs and significantly delay in distributions to the holders of Allowed Claims. Moreover, as noted above, the PBGC Settlement is contingent upon approval of the Plan. The PBGC Settlement resolves potential liability arising from involuntary termination of the Broadstone Retirement Plan that is estimated to be no less than \$2.3 million. If the Plan is not confirmed, the converted Wallace Estate would potentially face joint and several liability for that amount and be required to bear the costs of litigating merits of that potential liability, including whether such liability is entitled to priority treatment.

The Trustee and Debtors believe substantial cost and delay will be avoided by confirmation of the Plan. Consequently, the Plan will provide a greater return, in a more expedient manner, to holders of Allowed Claims than would conversion to a chapter 7 liquidation.

G. Possible Tax Effects On the Debtors and Creditors

1. Tax Consequences – Generally

The following discussion summarizes certain federal income tax consequences of the Plan to the Debtors and the holders of Claims based upon the Internal Revenue Code, the Treasury Regulations promulgated thereunder, judicial authorities and current administrative rulings and practices now in effect, all of which are subject to change at any time by legislative, judicial or administrative action. Any such change could be retroactively applied in a manner that could adversely affect the Debtors and holders of Claims. In addition, certain aspects of the following discussion are based on proposed Treasury Regulations.

The tax consequences of certain aspects of the Plan may be subject to administrative or judicial interpretations that differ from the discussion below. The Trustee and the Debtors have not requested, nor do they intend to request, a tax ruling from the IRS, nor will the Trustee or the Debtors, with respect to the federal income tax consequences of the Plan, obtain any opinion of counsel. Consequently, there can be no assurance that the treatment set forth in the following discussion will be accepted by the IRS. Further, matters not discussed below may affect the federal income tax consequences to the Debtors, holders of Claims, and holders of Interests. For example, the following discussion does not address state, local or foreign tax considerations that may be applicable to the Debtors or the holders of Claims, and the discussion does not address the tax consequences of the Plan to certain types of holders of Claims and holders of Interests (including non-U.S. persons, financial institutions, life insurance companies, tax-exempt organizations and taxpayers subject to the alternative minimum tax)

who may be subject to special rules not addressed herein.

THE DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL INFORMATION ONLY. THE TRUSTEE, THE DEBTORS, AND THEIR COUNSELS ARE NOT MAKING ANY REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN, WITH RESPECT TO THE DEBTORS, HOLDERS OF CLAIMS OR HOLDERS OF INTERESTS, NOR ARE THEY RENDERING ANY FORM OF LEGAL OPINION OR TAX ADVICE ON SUCH TAX CONSEQUENCES. THE TAX LAWS APPLICABLE TO INDIVIDUALS, CORPORATIONS OR LIMITED LIABILITY COMPANIES IN BANKRUPTCY ARE EXTREMELY COMPLEX, AND THE FOLLOWING SUMMARY IS NOT EXHAUSTIVE. HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS ARE STRONGLY URGED TO CONSULT THEIR TAX ADVISORS REGARDING TAX CONSEQUENCES OF THE PLAN, INCLUDING FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES.

2. Tax Consequences to the Debtors

Consummation of the Plan, including certain cancellation of indebtedness of the Debtors and other actions required under the Plan may result in recognition of income, deductions, gain or loss to the Debtors and possible the incurrence of tax on the part of the Debtors. Any such tax may constitute an Administrative Expense Claim of the Debtors. The Debtors anticipate paying any such Claims, if any, with funds set aside in the Wind Down Reserve.

3. General Tax Considerations for Holders of Claims

The receipt of funds by a holder of an Allowed Unsecured Claim against the Debtors may be a fully taxable transaction. Accordingly, a holder of such a Claim may recognize gain or loss in an amount equal to the difference between (i) the amount realized by the holder in satisfaction of its Claim (other than in respect of any Claim for accrued but unpaid interest, and excluding any portion required to be treated as imputed interest due to the post-Effective Date distribution of such consideration following the resolution of any Disputed Claims in the same class), and (ii) the holder's adjusted tax basis in its Claim (other than any Claim for accrued but unpaid interest).

NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY HOLDER OF A CLAIM. EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN.

XIV. ALTERNATIVES TO THE PLAN

In general, the principal alternatives to confirmation of a plan proposed by a debtor or trustee in chapter 11 are: (i) confirmation of an alternative plan submitted by the debtor or another party in interest, (ii) dismissal of the chapter 11 case, or (iii) liquidation of the debtor under chapter 7 of the Bankruptcy Code.

Here, the Trustee and the Debtors believe that confirmation of the Plan is preferable to these alternatives since the Plan provides Creditors and Interest holders with the best possible value that can be realized on their respective Claims and Interests, without additional delay and expense.

The Trustee and the Debtors do not believe any more feasible plan could be formulated. The Debtors' exclusive period to file a plan expired several years ago and no other party interest has proposed a plan. Dismissal of the Debtors' Chapter 11 Cases could lead to unfair and inequitable distributions to Creditors and potentially result in abandonment of the Debtors' remaining assets. Dismissal of the Wallace Chapter 11 Case could potentially lead to increased costs and delays in the Surrogate Court.

Of the other alternatives, the Trustee and the Debtors believe that, if the Plan is not confirmed or is not confirmable, the only realistic alternative Plan is conversion to chapter 7 pursuant to which a trustee would be appointed to liquidate any remaining assets of the Debtors for distribution to Creditors in accordance with the priorities established by the Bankruptcy Code. However, such a conversion would lead to increased costs and further delays and, with respect to Wallace, due to his death, the Debtors do not believe the Wallace Chapter 11 Case is eligible for conversion to chapter 7. Bankruptcy Rule 1016 provides only two alternatives in the event of death of an individual chapter 11 debtor – dismissal or continued administration of the chapter 11 case if such continuation is in the best interest of creditors. Thus, the Debtors believe that conversion to chapter 7 is not a viable alternative with respect to Wallace.

For the reasons discussed above, the Trustee and the Debtors believe that Confirmation of the Plan would provide Creditors holding Allowed Claims under the Plan with a recovery that is expected to be at least as much and likely greater than such Creditors would receive upon a dismissal or in a liquidation under chapter 7 of the Bankruptcy Code.

XV. GENERAL PROVISIONS

A. Modification of this Plan

The Trustee and the Debtors may propose amendments to, or modifications of, the Plan under section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date, the Trustee and the Plan Administrator may modify the Plan in accordance with section 1127(b) of the Bankruptcy Code to remedy any defects or omissions or

reconcile any inconsistencies in this Plan or in the Confirmation Order in such manner as may be necessary to carry out the intent and purposes of this Plan as long as the rights of Creditors or Interest holders are not materially modified without prior notice or their express written consent.

B. Post-Confirmation Date Fees and Expenses of Professionals

After the Confirmation Date, the Debtors shall, in the ordinary course of business, and without the necessity for any approval by the Court, pay with funds from the Wind Down Reserve the reasonable fees and expenses of the professionals retained in connection with the implementation and consummation of this Plan, the prosecution of Causes of Action, the claims reconciliation process and any other matters as to which the professionals may be engaged.

C. Payment of Statutory Fees

All fees payable pursuant to Chapter 123 of title 28, United States Code shall be paid on the Effective Date. Any statutory fees accruing after the Confirmation Date shall be paid when due by the Trustee and the Debtors with funds from the Wind Down Reserve.

D. Withdrawal or Revocation

The Trustee and the Debtors may withdraw or revoke the Plan at any time prior to the Confirmation Date. If this Plan is withdrawn or revoked prior to the Confirmation Date, or if the Confirmation Date does not occur, then the Plan shall be deemed null and void in all respects. In such event, nothing contained herein shall or shall be deemed to (a) constitute a waiver or release of any Claim by or against, or any Interest in, the Trustee, any of the Debtors, or any other Person, or (b) prejudice in any manner the rights of Trustee, the Debtors, or any other Entity in any further proceedings involving the Trustee or the Debtors.

E. Courts of Competent Jurisdiction

If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

CONCLUSION

The Trustee and the Debtors urge all Creditors solicited and entitled to vote on the Plan to accept the Plan and to evidence such acceptance by returning their Ballots so they will be received by the voting deadline of September __, 2016 at 5:00 p.m.

Dated: New York, New York
July 29, 2016

ESTATE OF PAUL F. WALLACE

By: /s/ Marianne T. O'Toole
Marianne T. O'Toole
Chapter 11 Trustee

A&T HOLDING CORP.

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: President

BEN FRANKLIN SERVICES CORP.

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: President

MARTINDALE CORPORATION

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: Vice President

MOA CODY, LLC

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: President

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EXHIBIT "A"

CHAPTER 11 PLAN

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
PAUL F. WALLACE <i>et al.</i> , ¹	: Case No. 10-22998 (RDD)
	: Jointly Administered
Debtors.	: Jointly Administered
	: Jointly Administered
-----X	

JOINT CHAPTER 11 PLAN

July 29, 2016

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Attorneys for the Debtors

*Attorneys for Marianne T. O’Toole, Chapter 11
Trustee of the Estate of Paul F. Wallace*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: Paul F. Wallace (4083); A&T Holding Corp. (5034); Ben Franklin Services Corp. (2756); Martindale Corporation (7023); MOA-Cody, LLC (0956); and MOA Hospitality, Inc. (6914). MOA Hospitality, Inc. (“MOAH”) does not currently have any funds available and, accordingly, this Plan does not address the MOAH estate. For purposes of this Plan, “Debtors” shall refer solely to Paul F. Wallace, A&T Holding Corp., Ben Franklin Services Corp., Martindale Corporation, and MOA-Cody, LLC.

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INTRODUCTION

Marianne T. O’Toole, the Chapter 11 Trustee of the estate of Paul F. Wallace (the “Wallace Estate”) and Debtors and Debtors-in-Possession A&T Holding Corp. (“A&T”), Ben Franklin Services Corp. (“BFSC”), Martindale Corporation (“Martindale”), and MOA-Cody, L.L.C. (“MOA Cody”) (each, a “Debtor” and, collectively, the “Debtors”), hereby submit this joint Chapter 11 Plan dated as of July __, 2016 (the “Plan”), to all known holders of a Claim against or Interests in the Debtors in compliance with chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”). The Plan is an aggregation of five separate plans: the Wallace Plan; the A&T Plan; the BFSC Plan; the Martindale Plan; and the MOA Cody Plan. The Wallace Plan, the A&T Plan, the BFSC Plan, the Martindale Plan, and the MOA Cody Plan are severable from each other and the Confirmation and Consummation of any is not conditioned on the Confirmation and Consummation of any of the other. A plan is not being proposed by MOA Hospitality, Inc., a jointly administered debtor that is seeking the voluntary dismissal of its Chapter 11 case.

ARTICLE I

DEFINITIONS

Unless otherwise defined below, all capitalized terms throughout this Plan shall have the meanings set forth in this article. Any term used in the Plan that is not defined herein, but is defined in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), shall have the meaning set forth in the Bankruptcy Code or the Bankruptcy Rules. Unless otherwise indicated, the singular shall include the plural and any term used in this Plan which is not defined below, but which is defined in the Bankruptcy Code, shall have the meaning set forth in the Bankruptcy Code:

1.1 “Administrative Expense Claim” shall mean any right to payment constituting a cost or expense of administration of the Debtors’ Chapter 11 Cases (including, without limitation, professional fees and expenses), incurred during the Administrative Period, duly filed in accordance with section 503(a) of the Bankruptcy Code, asserting classification under any subsection of section 503(b) of the Bankruptcy Code, which are entitled to treatment under sections 507(a) and/or 1129(a)(9) of the Bankruptcy Code.

1.2 “Administrative Period” shall mean the period beginning on the Petition Date and ending on the Confirmation Date.

1.3 “Affiliate” shall have the meaning set forth in section 101(2) of the Bankruptcy Code and as it pertains to the Debtors.

1.4 “Allowed Amount” shall mean, with respect to a particular Claim, (a) the amount of a Claim that is listed in each of the respective Debtors’ Schedules, as they may from time to time be amended in accordance with Bankruptcy Rule 1009, as not disputed, contingent or unliquidated, if the holder of such Claim has not filed a Proof of Claim with the Court within the applicable period of limitation fixed by the Court pursuant to Bankruptcy Rule 3003(c)(3) and there otherwise has been no objection interposed against such claim, or (b) if a holder of a Claim has filed a Proof of Claim with the Court within the applicable period of limitation fixed by the Court pursuant to Bankruptcy Rule 3003(c)(3): (i) the amount stated in such Proof of Claim if no objection to such Proof of Claim has been interposed within the applicable period of limitations fixed by the Bankruptcy Code or applicable Bankruptcy Rules or as otherwise fixed by the Court, or (ii) such amount as shall be fixed by an order of the Court which has become a Final Order, if an objection has been interposed within the applicable period of limitations fixed by the Bankruptcy Code, applicable Bankruptcy Rule, or the Court, or (c) with respect to a request for allowance of an Administrative Expense Claim other than by a Professional: (i) the amount stated in such filed Administrative Expense Claim if no objection to such Administrative Expense Claim has been interposed by the Debtors, or (ii) such amount as shall be fixed by an order of the Court which has become a Final Order, or (d) with respect to a request for allowance of an Administrative Expense Claim by a Professional, such amount as shall be fixed by an order of the Court which has become a Final Order.

1.5 “Allowed Claim” shall mean any such Claim for which an Allowed Amount has been determined.

1.6 “Amex” shall mean American Express Centurion Bank of Utah.

1.7 “Amex Judgment” shall mean that certain Stipulated Judgment and Order entered by the Bankruptcy Court on May 18, 2011 under which Amex was granted a non-dischargeable money judgment against Wallace in the amount of \$44,535.34.

1.8 “A&T” shall mean A&T Holding Corp., as debtor and debtor in possession under Chapter 11 Case No. 10-22999 (RDD).

1.9 “A&T Available Cash” shall mean such Cash currently held in the A&T Estate Account for the benefit of A&T.

1.10 “A&T Estate Account” shall mean the account established and held by the Trustee for the benefit of A&T.

1.11 “A&T Unsecured Claim” shall mean an Unsecured Claim against A&T.

1.12 “Available Cash” shall mean the Wallace Available Cash plus such Cash transferred to the Wallace Estate Account upon the Effective Date after payment of the Allowed Claims against A&T, BFSC, Martindale, and MOA Cody in accordance with the Plan. Upon the

Effective Date, all A&T Available Cash, Martindale Available Cash, and MOA Cody Available Cash, less amounts sufficient to pay the Wind Down Reserve and Disputed Claims asserted against A&T, BFSC, Martindale, or MOA Cody, if such Claims were to be Allowed as asserted, unless a reserve in a different amount is agreed to by the Trustee, the Debtors, and the affected claimholder or set by order of the Bankruptcy Court, shall be transferred to the Wallace Estate Account and shall be deemed Available Cash. After the Effective Date, Available Cash shall be calculated, from time to time, as that amount equal to all Cash held, or received in the future, by the Trustee and/or Plan Administrator.

1.13 “Bankruptcy Code” shall mean Title 11 of the United States Code, 11 U.S.C. § 101 et seq. and all amendments thereto.

1.14 “Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure recommended by the Judicial Conference of the United States and prescribed by the Supreme Court of the United States, effective August 1, 1983, in accordance with the provisions of section 2075 of title 28 of the United States Code, and all amendments thereto.

1.15 “BFSC” shall mean Ben Franklin Services Corp., as debtor and debtor in possession under Chapter 11 Case No. 10-23000 (RDD).

1.16 “BFSC Available Cash” shall mean such cash deposited into the BFSC Estate Account by MOA Cody after MOA Cody has satisfied all holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2, and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full).

1.17 “BFSC Estate Account” shall mean the account established and held by the Trustee for the benefit of BFSC.

1.18 “BFSC Unsecured Claim” shall mean an Unsecured Claim against BFSC.

1.19 “Broadstone” shall mean The Broadstone Group, Inc., a non-Debtor affiliate of the Debtors.

1.20 “Broadstone Retirement Plan” shall mean The Broadstone Group, Inc. Retirement Plan.

1.21 “Business Day” shall mean any day other than a Saturday, Sunday or “legal holiday” as defined in Bankruptcy Rule 9006(a).

1.22 “Cash” shall mean United States currency, a certified check, a cashier’s check, a wire transfer of good funds from any source, or final credits to the account of the Debtors arising

from an instrument for the payment of money, cash equivalents, and other readily marketable securities or instruments.

1.23 “Chapter 11 Cases” shall mean the bankruptcy cases under Chapter 11 of the Bankruptcy Code filed by the Debtors, commenced on the Petition Date and designated as Jointly Administered Case No. 10-22998 (RDD).

1.24 “Claim” shall mean (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed or contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.25 “Class” shall mean a group of Claims or Interests that are substantially similar in nature and are grouped together for similar treatment pursuant to this Plan.

1.26 “Confirmation Date” shall mean the date upon which the Confirmation Order is entered on the docket maintained by the Clerk of the Court with respect to the Chapter 11 Cases.

1.27 “Confirmation Order” shall mean that order entered by the Court confirming the Plan under § 1129 of the Bankruptcy Code.

1.28 “Court” shall mean the United States Bankruptcy Court for the Southern District of New York.

1.29 “Creditors” shall mean all Entities holding Allowed Claims against the Debtors.

1.30 “Debtors” shall mean A&T, BFSC, Martindale, MOA Cody, and Wallace.

1.31 “Disputed Claim” shall mean any Claim for which an Allowed Amount has not yet been determined, and with respect to which an objection has been interposed on or prior to the Confirmation Date or such other date as may be fixed by the Court.

1.32 “Disputed Claims Reserve” shall mean an appropriate reserve, to be determined by the Trustee and the Plan Administrator, unless otherwise ordered by the Bankruptcy Court, for distributions on account of Disputed Claims that are subsequently allowed after the Effective Date.

1.33 “Distribution Record Date” shall mean the Effective Date of the Plan.

1.34 “Effective Date” shall mean a day which is no less than 14 days after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions

precedent to the Effective Date set forth in the Plan have been satisfied or waived; and (c) the Trustee has completed the Initial Distributions.

1.35 “Entity” shall mean any individual, corporation, limited or general partnership, limited liability company, joint venture, association, joint stock company, estate, trust, trustee, United States trustee, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.

1.36 “Entity Debtors” shall mean A&T, BFSC, Martindale, and MOA Cody.

1.37 “Estate Accounts” shall mean, collectively, the A&T Estate Account, the BFSC Estate Account, the Martindale Estate Account, the MOA Cody Estate Account, and the Wallace Estate Account.

1.38 “Estates” shall mean the estates created in the Debtors’ Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

1.39 “Exculpated Parties” shall mean the Debtors, the Trustee, and any of their officers, directors, representatives, employees, Professionals, or agents during the Cases.

1.40 “Final Decree” shall mean the order to be entered by the Court closing the Chapter 11 Cases in accordance with section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022.

1.41 “Final Order” shall mean an order or judgment of the Court that: (a) is not the subject of a pending appeal, (b) has not been reversed, stayed, modified or amended, and (c) the time to appeal from or to seek review or rehearing of such order shall have expired.

1.42 “Impaired” shall have, when used with respect to any Claim, Interest or Class, the same meaning as that contained in section 1124 of the Bankruptcy Code.

1.43 “Initial Distributions” shall mean: (a) payment in full to holders of Allowed A&T Administrative Expense Claims, Allowed A&T Priority Claims and Allowed A&T Class 1, Class 2 and Class 3 Claims (or deposit of sufficient reserves established to pay such Claims in full); (b) payment in full to holders of Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Claims and Allowed BFSC Class 1, Class 2 and Class 3 Claims (or deposit of sufficient reserves established to pay such Claims in full); (c) payment in full to holders of Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Claims, and Allowed Martindale Class 1, Class 2 and Class 3 Claims (or deposit of sufficient reserves established to pay such Claims in full); (d) payment in full to holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2 and Class 3 Claims (or deposit of sufficient reserves established to pay such Claims in full); (e) payment in full to holders of Allowed Wallace Administrative Expense Claims, Allowed

Wallace Priority Claims, and Allowed Wallace Class 1, Class 2, Class 3 Claims (or deposit of sufficient reserves established to pay such Claims in full); (f) payment to holders of Allowed Wallace Unsecured Claims of at least 50% of their Allowed Wallace Unsecured Claims (or deposit of sufficient reserves established to pay such Claims in full); and (g) funding of the Wind Down Reserve.

1.44 “Intercompany Claim” shall mean a Claim by a Debtor against another Debtor or a Claim by an Affiliate of the Debtors against a Debtor.

1.45 “Interests” shall mean any equity interests in any of the Debtors, including, but not limited to, limited liability company interests, partnership interests, shares of common stock, preferred stock, any stock rights, options, warrants, calls, subscriptions, or other similar rights, agreements, or commitments or other outstanding agreements obligating the Debtors to issue, transfer, or sell any interests or shares of any type of stock of the Debtors.

1.46 “Lien” shall mean have the meaning set forth in section 101(37) of the Bankruptcy Code.

1.47 “Martindale” shall mean Martindale Corporation, as debtor and debtor in possession under Chapter 11 Case No. 10-23001 (RDD).

1.48 “Martindale Available Cash” shall mean such Cash currently held in the Martindale Estate Account for the benefit of Martindale.

1.49 “Martindale Estate Account” shall mean the account established and held by the Trustee for the benefit of Martindale.

1.50 “Martindale Unsecured Claim” shall mean an Unsecured Claim against Martindale.

1.51 “MOA Cody” shall mean MOA-Cody, L.L.C., as debtor and debtor in possession under Chapter 11 Case No. 10-23002 (RDD).

1.52 “MOA Cody Available Cash” shall mean such Cash currently held in the MOA Cody Estate Account for the benefit of MOA Cody.

1.53 “MOA Cody Estate Account” shall mean the account established and held by the Trustee for the benefit of MOA Cody.

1.54 “MOA Cody Unsecured Claim” shall mean an Unsecured Claim against MOA Cody.

1.55 “Other Priority Claim” shall mean any Claim, other than a Priority Tax Claim or an Administrative Expense Claim, which is entitled to priority treatment under section 507(a) of the Bankruptcy Code.

1.56 “PBGC” shall mean the Pension Benefit Guarantee Corporation.

1.57 “PBGC Claims” shall mean the claims asserted by the PBGC against the Debtors relating to the underfunding of the Broadstone Retirement Plan, which claims are premised upon the assertion by the PBGC that the Debtors are members of the “controlled group” of Broadstone and thus subject to joint and several liability with respect to the Broadstone Plan.

1.58 “PBGC Payment” shall mean the payment to be made to the PBGC pursuant to the terms of the PBGC Stipulation in the amount of \$500,000.00.

1.59 “PBGC Settlement” shall mean that certain settlement by and between the PBGC,, the Trustee, and each of the Debtors, that is annexed to this Plan as Exhibit “A” and which, among other things, resolves the PBGC Claims and provides for the PBGC Payment.

1.60 “Petition Date” shall mean the date the Debtors filed their respective Chapter 11 petitions with the Court, to wit, May 20, 2010.

1.61 “Plan Administrator” shall mean Marianne T. O’Toole, or such other individual or Entity designated by the Trustee and the Debtors as representative of the Entity Debtors and their Estates for purposes of administering and consummating the Plan.

1.62 “Priority Claim” shall mean Other Priority Claims and Priority Tax Claims.

1.63 “Priority Tax Claim” shall mean any Claim which is entitled to priority treatment under section 507(a)(8) of the Bankruptcy Code.

1.64 “Professional Fees” shall mean any claim for compensation and/or reimbursement of expenses under section 326, 330, 331, or 503(b) of the Bankruptcy Code by and Professionals retained or appointed by the Court, which must be applied for in accordance with the Bankruptcy Code and Plan, and must be allowed by the Court before payment thereof may be made.

1.65 “Professionals” shall mean the Trustee and any professionals retained by the Trustee or the Debtors by order of the Court pursuant to, inter alia, sections 327 and 328 of the Bankruptcy Code in the Chapter 11 Cases, or appointed by the Court pursuant to section 1104 of the Bankruptcy Code.

1.66 “Proof of Claim” shall mean a proof of Claim filed against any of the Debtors in the Chapter 11 Cases.

1.67 “Pro rata” shall mean proportionally, so that the ratio of the amount of consideration distributed on account of a particular Allowed Claim to the Allowed Amount of the Claim is the same as the ratio of the amount of consideration distributed on account of all Allowed Claims of the Class in which the particular Claim is included to the aggregate amount of the Allowed Claims of the Class.

1.68 “Schedules” shall mean the schedules of assets and liabilities filed by each of the Debtors with the Court as they may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

1.69 “Secured Claim” shall mean a Claim secured by a Lien against any property of the Estates, but only to the extent of the “value”, as determined by the Court pursuant to section 506(a) of the Bankruptcy Code and Bankruptcy Rule 3012 or as otherwise agreed to, of such claimant’s interest in the Debtors’ interest in such property; the claimant’s interest must be lawfully perfected, and not subject to avoidance under the Bankruptcy Code or any applicable non-bankruptcy law.

1.70 “Secured Creditor” shall mean the holder of a Secured Claim.

1.71 “Trustee” shall mean Marianne T. O’Toole, the Chapter 11 Trustee appointed with respect to the Wallace Chapter 11 Estate.

1.72 “Unimpaired” shall mean any Class of Claims or Interests that is not Impaired.

1.73 “Unsecured Claim” shall mean any Claim which does not qualify as an Administrative Expense Claim, Other Priority Claim, Priority Tax Claim, Intercompany Claim, Secured Claim, PBGC Claim, and which is not an Interest.

1.74 “Wallace” shall mean the individual Paul F. Wallace who was the debtor and debtor in possession under Chapter 11 Case No. 10-22998 (RDD) and is now deceased.

1.75 “Wallace Available Cash” shall mean such Cash held by the Trustee in the Wallace Estate Account for the benefit of creditors of the Wallace Chapter 11 Estate.

1.76 “Wallace Chapter 11 Estate” shall mean the estate created in Wallace’s Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

1.77 “Wallace Estate Account” shall mean the accounts established and held by the Trustee for the benefit of the Wallace Chapter 11 Estate and its creditors.

1.78 “Wallace Probate Estate” shall mean the estate of Wallace created upon his death in the Surrogate Court of the State of New York.

1.79 “Wallace Unsecured Claim” shall mean an Unsecured Claim against Wallace.

1.80 “Wind Down Reserve” means the Cash reserve established by the Debtors as of the Confirmation Date, which shall be no less than \$300,000.00 or such other amount satisfactory to the Trustee to fund the post-Confirmation Date taxes, expenses, Professional Fees and costs of the Debtors’ Estates, including the fees of the Plan Administrator and United States Trustee quarterly fees.

ARTICLE II

PROVISION FOR PAYMENT OF NON-CLASSIFIED CLAIMS – ALL DEBTORS

2.1 Payment of Administrative Expense Claims. Holders of Allowed Administrative Expense Claims will receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Administrative Expense Claim, Cash in an amount equal to the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) the Effective Date, (b) the date on which the Administrative Expense Claim becomes an Allowed Claim, or (c) the date on which the Administrative Expense Claim becomes payable under any agreement relating thereto.

2.2 Professional Compensation and Reimbursement Claims. All Entities, including Professionals, seeking an award by the Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date pursuant to sections 326, 327, 328, 330, 331 and 503(b) of the Bankruptcy Code (a) shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred by the date that is twenty (20) days after the Confirmation Date or such other date as may be fixed by the Court, and (b) if granted such an award by the Court, shall be paid in full in such amounts as are Allowed by the Court (i) on the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable or (ii) upon such other terms as may be mutually agreed upon between such Holder of an Administrative Expense Claim and the Trustee.

2.3 Payment of Priority Tax Claims. In the event any Priority Tax Claims exist, each holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim (i) Cash in the amount equal to the Allowed Amount of such Allowed Priority Tax Claim, (ii) treatment in any other manner such that its Allowed Priority Tax Claims will not be impaired, or (iii) such other treatment as to which the Trustee and the Debtors and the holder of such Allowed Priority Tax Claim have agreed upon in writing, on the later of (a) the Effective Date or (b) the date on which its Priority Tax Claim becomes an Allowed Priority Tax Claim.

2.4 Payment of United States Trustee Quarterly Fees. The Trustee and Debtors shall pay all United States Trustee fees due and payable pursuant to section 1930 of title

28 on or before the Effective Date. In addition, the Trustee and the Debtors shall pay all United States Trustee quarterly fee due and payable on all disbursements, until the entry of a Final Decree, dismissal of each Debtor's Case, or conversion of a Debtor's Case to a case under chapter 7.

ARTICLE III

CLASSIFICATION OF CLAIMS AND INTERESTS

3.1. Wallace Plan.

- Class 1. Wallace Other Priority Claims
- Class 2. Wallace Secured Claims
- Class 3. PBGC Claims
- Class 4. Wallace Unsecured Claims
- Class 5. Wallace Intercompany Claims
- Class 6. Wallace Interests

3.2. A&T Plan.

- Class 1. A&T Other Priority Claims
- Class 2. A&T Secured Claims
- Class 3. A&T Unsecured Claims
- Class 4. A&T Intercompany Claims
- Class 5. A&T Interests

3.3. BFSC Plan.

- Class 1. BFSC Other Priority Claims
- Class 2. BFSC Secured Claims
- Class 3. BFSC Unsecured Claims
- Class 4. BFSC Intercompany Claims
- Class 5. BFSC Interests

3.4. Martindale Plan.

- Class 1. Martindale Other Priority Claims
- Class 2. Martindale Secured Claims
- Class 3. Martindale Unsecured Claims
- Class 4. Martindale Intercompany Claims
- Class 5. Martindale Interests

3.5. MOA Cody Plan.

- Class 1. MOA Cody Other Priority Claims
- Class 2. MOA Cody Secured Claims
- Class 3. MOA Cody Unsecured Claims
- Class 4. MOA Cody Intercompany Claims
- Class 5. MOA Cody Interests

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS

4.1 Wallace Plan. The following treatment set forth in this Article IV shall be accorded in full and complete satisfaction of all Claims against, and Interests in, Wallace designated by Class. No Claim shall entitle the holder thereof to any distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim.

(a) Treatment of Wallace Other Priority Claims (Class 1)

- i. Impairment and Voting. Each holder of an Allowed Wallace Other Priority Claim is not Impaired, is conclusively presumed to have accepted this Plan, and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. Each holder of an Allowed Class 1 Wallace Other Priority Claim, unless such holder agrees to other treatment, shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Wallace Other Priority Claim, Cash in an amount equal to the amount of such Allowed Wallace Other Priority Claim on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any Wallace Other Priority Claim becomes an Allowed Wallace Other Priority Claim.

(b) Treatment of Wallace Secured Claims (Class 2)

- i. Impairment and Voting. Each holder of a Wallace Secured Claim is not Impaired, is conclusively presumed to have accepted this Plan, and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. To the extent there are any Allowed Wallace Secured Claims, each holder of an Allowed Wallace Secured

Claim shall receive, in the Trustee's sole discretion, one of the following types of treatment:

- a. (i) payment in Cash of an amount equal to the value of the collateral securing the Claim as determined by agreement between the Trustee and the holder of such Claim or by Final Order of the Bankruptcy Court, on the date that such Claim becomes an Allowed Wallace Other Secured Claim by a Final Order, or as soon thereafter as may be practical, and (ii) an Allowed Class 3 Wallace Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the Allowed amount of such holder's Claim, which Allowed Class 3 Wallace Unsecured Claim shall be treated in accordance with Section 4.1(c) of the Plan; or
- b. the Trustee shall abandon the property securing the Allowed Class 2 Wallace Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 Wallace Secured Claim by a Final Order; or
- c. such other treatment as the holder of such Allowed Wallace Secured Claim and the Trustee shall agree upon in writing.

(c) Treatment of PBGC Claims (Class 3)

- i. Impairment and Voting. The holders of the PBGC Claims are not Impaired, and pursuant to the PBGC Settlement, the PBGC is not entitled to vote to accept or reject the Plan.
- ii. Distributions. On the Effective Date, the PBGC shall receive the PBGC Payment in full and final satisfaction, release, and discharge of the PBGC Claims in accordance with the PBGC Settlement.

(d) Treatment of Wallace Unsecured Claims (Class 4)

- i. Impairment and Voting. Each holder of an Allowed Wallace Unsecured Claim is Impaired and is entitled to vote to accept or reject the Plan.
- ii. Distributions. Subject to the prior satisfaction in full of all Allowed Wallace Secured Claims, Allowed Wallace Administrative Expense Claims, Allowed Wallace Priority Tax

Claims and Allowed Wallace Other Priority Claims, the PBGC Payment, and the Wind Down Reserve, on the Effective Date, or as soon as practicable after such Claim becomes an Allowed Wallace Unsecured Claim if the date of allowance is later than the Effective Date, each holder of an Allowed Wallace Unsecured Claim shall receive, in full settlement, release, and discharge of their Allowed Class 3 Wallace Unsecured Claim, periodic ratable distributions in Cash in an aggregate amount of up to 100% of such holder's Allowed Wallace Unsecured Claim, without interest.

(e) Treatment of Wallace Intercompany Claims (Class 5)

- i. Impairment and Voting. Each holder of an Allowed Wallace Intercompany Claim is Impaired and is deemed to reject the Plan.
- ii. Distributions. Intercompany Claims against Wallace will receive no distribution.

(f) Treatment of Wallace Interests (Class 6)

- i. Impairment and Voting. Each holder of an Allowed Wallace Interest is not Impaired and is deemed to accept the Plan. The Wallace Probate Estate is the sole Holder of an Interest in Wallace.
- ii. Distributions. Holders of Interests in Wallace shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. After holders of Allowed Wallace Administrative Expense Claims, Allowed Wallace Priority Claims, and Allowed Wallace Class 1, Class 2, Class 3, and Class 4 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full), any remaining Available Cash will be distributed to the Wallace Probate Estate on account of its Interest in Wallace.

4.2 A&T Plan. The following treatment set forth in this Article IV shall be accorded in full and complete satisfaction of all Claims against, and Interests in, A&T designated by Class. No Claim shall entitle the holder thereof to any distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim.

(a) Treatment of A&T Other Priority Claims (Class 1)

- i. Impairment and Voting. Each holder of an Allowed A&T Other Priority Claim is not Impaired, is conclusively presumed to have

accepted this Plan and is not entitled to vote to accept or reject the Plan.

- ii. Distributions. Each holder of an Allowed Class 1 A&T Other Priority Claim, unless such holder agrees to other treatment, shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed A&T Other Priority Claim, Cash in an amount equal to the amount of such Allowed A&T Other Priority Claim on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any A&T Other Priority Claim becomes an Allowed A&T Other Priority Claim.

(b) Treatment of A&T Secured Claims (Class 2)

- ii. Impairment and Voting. Each holder of an A&T Secured Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.
- iii. Distributions. To the extent there are any allowed AT&T Secured Claims, each holder of an Allowed A&T Secured Claim shall receive, in A&T's sole discretion, one of the following types of treatment:
 - a. (i) payment of an amount equal to the value of the collateral securing the Claim as determined by agreement between A&T and the holder of such Secured Claim or by Final Order of the Bankruptcy Court, in Cash on the date that such Claim becomes an Allowed Class 2 A&T Secured Claim by a Final Order, or as soon thereafter as may be practicable, and (ii) an Allowed Class 3 A&T Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the amount of such holder's Allowed Secured Claim, which Allowed Class 3 A&T Unsecured Claim shall be treated in accordance with Section 4.2(c) of the Plan; or
 - b. A&T shall abandon the property that secures the Allowed Class 2 A&T Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 A&T Secured Claim by a Final Order; or

- c. such other treatment as the holder of such Allowed Secured Claim and A&T shall agree upon in writing.

(c) Treatment of A&T Unsecured Claims (Class 3)

- i. Impairment and Voting. Each holder of an Allowed A&T Unsecured Claim is Impaired and is entitled to vote to accept or reject the Plan.
- ii. Distributions. Subject to the prior satisfaction in full of all Allowed A&T Secured Claims, Allowed A&T Administrative Expense Claims, Allowed A&T Priority Tax Claims, and Allowed A&T Other Priority Claims, each holder of an Allowed A&T Unsecured Claim shall receive, in full settlement, release and discharge of their Allowed Class 3 A&T Unsecured Claim, Cash in an aggregate amount of 100% of such holder's Allowed A&T Unsecured Claim, without interest, with such distribution to be made on the Effective Date or as soon as practicable after such Claim becomes an Allowed A&T Unsecured Claim if the date of allowance is later than the Effective Date.

(d) Treatment of A&T Intercompany Claims (Class 4)

- i. Impairment and Voting. Each holder of an Allowed A&T Intercompany Claim is Impaired and is deemed to reject the Plan.
- ii. Distributions. Intercompany Claims against A&T will receive no distribution.

(e) Treatment of A&T Interests (Class 5)

- i. Impairment and Voting. Each holder of an Allowed A&T Interest is not Impaired and is deemed to accept the Plan. Martindale is sole Holder of an Interest in A&T.
- ii. Distributions. Holders of Interests in A&T shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. Holders of Interests in A&T shall receive the A&T Available Cash remaining holders of Allowed A&T Administrative Expense Claims, Allowed A&T Priority Claims and Allowed A&T Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

4.3 BFSC Plan. The following treatment set forth in this Article IV shall be accorded in full and complete satisfaction of all Claims against, and Interests in, BFSC designated by Class. No Claim shall entitle the holder thereof to any distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim.

(a) Treatment of BFSC Other Priority Claims (Class 1)

- i. Impairment and Voting. Each holder of an Allowed BFSC Other Priority Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. Each holder of an Allowed Class 1 BFSC Other Priority Claim, unless such holder agrees to other treatment, shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed BFSC Other Priority Claim, Cash in an amount equal to the amount of such Allowed BFSC Other Priority Claim on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any BFSC Other Priority Claim becomes an Allowed BFSC Other Priority Claim.

(b) Treatment of BFSC Secured Claims (Class 2)

- i. Impairment and Voting. Each holder of a BFSC Secured Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. To the extent there are any allowed BFSC Secured Claims, each holder of an Allowed BFSC Secured Claim shall receive, in BFSC's sole discretion, one of the following types of treatment:
 - a. (i) payment of an amount equal to the value of the collateral securing the Claim as determined by agreement between BFSC and the holder of such Secured Claim or by Final Order of the Bankruptcy Court, in Cash on the date that such Claim becomes an Allowed Class 2 BFSC Secured Claim by a Final Order, or as soon thereafter as may be practicable, and (ii) an Allowed Class 3 BFSC Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the amount of such

holder's Allowed Secured Claim, which Allowed Class 3 BFSC Unsecured Claim shall be treated in accordance with Section 4.3(c) of the Plan; or

- b. BFSC shall abandon the property that secures the Allowed Class 2 BFSC Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 BFSC Secured Claim by a Final Order; or
- c. such other treatment as the holder of such Allowed Secured Claim and BFSC shall agree upon in writing.

(c) Treatment of BFSC Unsecured Claims (Class 3)

- i. Impairment and Voting. Each holder of an Allowed BFSC Unsecured Claim is Impaired and is entitled to vote to accept or reject the Plan.
- ii. Distributions. Subject to the prior satisfaction in full of all Allowed BFSC Secured Claims, Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Tax Claims, and Allowed BFSC Other Priority Claims, each holder of an Allowed BFSC Unsecured Claim shall receive, in full settlement, release and discharge of their Allowed Class 3 BFSC Unsecured Claim, Cash in an aggregate amount of 100% of such holder's Allowed BFSC Unsecured Claim, without interest, with such distribution to be made on the Effective Date or as soon as practicable after such Claim becomes an Allowed BFSC Unsecured Claim if the date of allowance is later than the Effective Date.

(d) Treatment of BFSC Intercompany Claims (Class 4)

- i. Impairment and Voting. Each holder of an Allowed BFSC Intercompany Claim is Impaired and is deemed to reject the Plan.
- ii. Distributions. Intercompany Claims against BFSC will receive no distribution.

(e) Treatment of BFSC Interests (Class 5)

- i. Impairment and Voting. Each holder of an Allowed BFSC Interest is unimpaired and is deemed to accept the Plan. Wallace is the sole Holder of an Interest in BFSC.
- ii. Distributions. Holders of Interests in BFSC shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. Holders of Interests in BFSC shall receive its share of BFSC Available Cash after holders of Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Claims and Allowed BFSC Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

4.4 Martindale Plan. The following treatment set forth in this Article IV shall be accorded in full and complete satisfaction of all Claims against, and Interests in, Martindale designated by Class. No Claim shall entitle the holder thereof to any distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim.

(a) Treatment of Martindale Other Priority Claims (Class 1)

- i. Impairment and Voting. Each holder of an Allowed Martindale Other Priority Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. Each holder of an Allowed Class 1 Martindale Other Priority Claim, unless such holder agrees to other treatment, shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Martindale Other Priority Claim, Cash in an amount equal to the amount of such Allowed Martindale Other Priority Claim on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any Martindale Other Priority Claim becomes an Allowed Martindale Other Priority Claim.

(b) Treatment of Martindale Secured Claims (Class 2)

- i. Impairment and Voting. Each holder of a Martindale Secured Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.

- ii. Distributions. Each holder of an Allowed Martindale Secured Claim shall receive, in Martindale's sole discretion, one of the following types of treatment:
 - a. (i) payment of an amount equal to the value of the collateral securing the Claim as determined by agreement between Martindale and the holder of such Secured Claim or by Final Order of the Bankruptcy Court, in Cash on the date that such Claim becomes an Allowed Class 2 Martindale Secured Claim by a Final Order, or as soon thereafter as may be practicable, and (ii) an Allowed Class 3 Martindale Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the amount of such holder's Allowed Secured Claim, which Allowed Class 3 Martindale Unsecured Claim shall be treated in accordance with Section 4.4(c) of the Plan; or
 - b. Martindale shall abandon the property that secures the Allowed Class 2 Martindale Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 Martindale Secured Claim by a Final Order; or
 - c. such other treatment as the holder of such Allowed Secured Claim and Martindale shall agree upon in writing.

(c) Treatment of Martindale Unsecured Claims (Class 3)

- i. Impairment and Voting. Each holder of an Allowed Martindale Unsecured Claim is Impaired and is entitled to vote to accept or reject the Plan.
- ii. Distributions. Subject to the prior satisfaction in full of all Allowed Martindale Secured Claims, Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Tax Claims, and Allowed Martindale Other Priority Claims, each holder of an Allowed Martindale Unsecured Claim shall receive, in full settlement, release and discharge of their Allowed Class 3 Martindale Unsecured Claim, Cash in an aggregate amount of 100% of such holder's Allowed Martindale Unsecured Claim, without interest, with such distribution to me made on the Effective Date or as soon as practicable after such Claim becomes

an Allowed Martindale Unsecured Claim if the date of allowance is later than the Effective Date.

(d) Treatment of Martindale Intercompany Claims (Class 4)

- i. Impairment and Voting. Each holder of an Allowed Martindale Intercompany Claim is Impaired and is deemed to reject the Plan.
- ii. Distributions. Intercompany Claims against Martindale will receive no distribution.

(e) Treatment of Martindale Interests (Class 5)

- i. Impairment and Voting. Each holder of an Allowed Martindale Interest is unimpaired and is deemed to accept the Plan. Wallace is the sole Holder of an Interest in Martindale.
- ii. Distributions. Holders of Interests in Martindale shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. Holders of Interests in Martindale shall receive its share of Martindale Available Cash holders of Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Claims, and Allowed Martindale Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

4.5 MOA Cody Plan. The following treatment set forth in this Article IV shall be accorded in full and complete satisfaction of all Claims against, and Interests in, MOA Cody designated by Class. No Claim shall entitle the holder thereof to any distribution pursuant to this Plan unless, and only to the extent that, such Claim is an Allowed Claim.

(a) Treatment of MOA Cody Other Priority Claims (Class 1)

- i. Impairment and Voting. Each holder of an Allowed MOA Cody Other Priority Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. Each holder of an Allowed Class 1 MOA Cody Other Priority Claim, unless such holder agrees to other treatment, shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed MOA Cody Other Priority Claim, Cash in an amount equal to the amount of such

Allowed MOA Cody Other Priority Claim on the later of (i) the Effective Date or (ii) as soon as practicable after the date on which any MOA Cody Other Priority Claim becomes an Allowed MOA Cody Other Priority Claim.

(b) Treatment of MOA Cody Secured Claims (Class 2)

- i. Impairment and Voting. Each holder of an MOA Cody Secured Claim is not Impaired, is conclusively presumed to have accepted this Plan and is not entitled to vote to accept or reject the Plan.
- ii. Distributions. Each holder of an Allowed MOA Cody Secured Claim shall receive, in MOA Cody's sole discretion, one of the following types of treatment:
 - a. (i) payment of an amount equal to the value of the collateral securing the Claim as determined by agreement between MOA Cody and the holder of such Secured Claim or by Final Order of the Bankruptcy Court, in Cash on the date that such Claim becomes an Allowed Class 2 MOA Cody Secured Claim by a Final Order, or as soon thereafter as may be practicable, and (ii) an Allowed Class 3 MOA Cody Unsecured Claim for any deficiency between the value of the collateral securing the Claim and the amount of such holder's Allowed Secured Claim, which Allowed Class 3 MOA Cody Unsecured Claim shall be treated in accordance with Section 4.5(c) of the Plan; or
 - b. MOA Cody shall abandon the property that secures the Allowed Class 2 MOA Cody Secured Claim to the holder of such Claim on or as soon as practicable after the date on which such Claim becomes an Allowed Class 2 MOA Cody Secured Claim by a Final Order; or
 - c. such other treatment as the holder of such Allowed Secured Claim and MOA Cody shall agree upon in writing.

(c) Treatment of MOA Cody Unsecured Claims (Class 3)

- i. Impairment and Voting. Each holder of an Allowed MOA Cody Unsecured Claim is Impaired and is entitled to vote to accept or reject the Plan.

- ii. Distributions. Subject to the prior satisfaction in full of all Allowed MOA Cody Secured Claims, Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Tax Claims, and Allowed MOA Cody Other Priority Claims, each holder of an Allowed MOA Cody Unsecured Claim shall receive, in full settlement, release and discharge of their Allowed Class 3 MOA Cody Unsecured Claim, Cash in an aggregate amount of 100% of such holder's Allowed MOA Cody Unsecured Claim, without interest, with such distribution to me made on the Effective Date or as soon as practicable after such Claim becomes an Allowed MOA Cody Unsecured Claim if the date of allowance is later than the Effective Date.

(d) Treatment of MOA Cody Intercompany Claims (Class 4)

- i. Impairment and Voting. Each holder of an Allowed MOA Cody Intercompany Claim is Impaired and is deemed to reject the Plan.
- ii. Distributions. Intercompany Claims against MOA Cody will receive no distribution.

(e) Treatment of MOA Cody Interests (Class 5)

- i. Impairment and Voting. Each holder of an Allowed MOA Cody Interest is unimpaired and is deemed to accept the Plan. BFSC is the sole Holder of an Interest in MOA Cody.
- ii. Distributions. Holders of Interests in MOA Cody shall retain such Interests and such Interests will not be altered upon confirmation of the Plan. Holders of Interests in MOA Cody shall receive its share of MOA Cody Available Cash after holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves have been established to pay such Claims in full).

ARTICLE V

EFFECT ON UNEXPIRED LEASES AND EXECUTORY CONTRACTS

5.6. Rejection of Executory Contracts. Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, executory contracts and unexpired leases to which any of the Debtors is a party and which (a) are not subject to a previously filed motion to assume and

assign or (b) have not been previously rejected by an order of the Court shall be deemed rejected by the Debtors as of the Confirmation Date in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code.

5.7. Bar Date for Filing Rejection Claims. Any entity who has a Claim against the Debtors resulting from the rejection of an executory contract or lease pursuant to this Plan (a “Rejection Claim”), shall file a Proof of Claim against the appropriate Debtor with the Clerk of the Court, and serve a copy thereof upon counsel to the Trustee and counsel to the Debtors, within thirty (30) days following service of the Notice of Entry of the Confirmation Order. Failure to file such Proof of Claim within such time period shall result in the Rejection Claim being forever barred against the Debtor, its Estate, and property. Any Rejection Claim filed will be treated as a Disputed Claim until the period of time has elapsed within which the Trustee or the Debtors may file an objection to such Claim. If no such objection is filed within the prescribed period under the Plan, the Claim shall be deemed as of the expiration of said period to be an Allowed Unsecured Claim as against the filed Debtor, and the holder thereof have the rights of a holder of an Allowed Unsecured Claim as against the filed Debtor Entity.

ARTICLE VI

EFFECTS OF CONFIRMATION OF THE PLAN

6.1. No Discharge of the Entity Debtors. The Confirmation Order shall not discharge the Entity Debtors from any debt and liability that arose before Petition Date as provided in section 1141(d)(3)(A) of the Bankruptcy Code.

6.2. Discharge of Wallace. Upon completion of all distributions as specified in this Plan, the Wallace Chapter 11 Estate shall be discharged of all debts incurred before confirmation of the Plan and to the extent specified in section 1141(d) of the Bankruptcy Code, except for the Amex Judgment Amount to the extent it has not been satisfied in full.

6.3. Injunction. **EXCEPT AS OTHERWISE PROVIDED IN THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS, LIENS, INTERESTS, OR OTHER LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THIS PLAN OR ORDER ENTERED DURING THE CHAPTER 11 CASES; (2) ARE SUBJECT TO EXCULPATION PURSUANT TO THIS PLAN; OR (3) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THIS PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS ON ACCOUNT OF SUCH CLAIM, LIEN, INTEREST OR RIGHT:**

- (a) **COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, LIENS, INTERESTS, OR OTHER LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTORS, THE TRUSTEE OR ANY EXCULPATED PARTIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES;**
- (b) **ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTORS, THE TRUSTEE OR ANY EXCULPATED PARTIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES;**
- (c) **CREATING, PERFECTING OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTORS, THE TRUSTEE OR ANY ENTITY SO EXCULPATED (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY ENTITY SO EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, OR LIABILITIES;**
- (d) **ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTORS OR ANY EXCULPATED ENTITY (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY EXCULPATED ENTITY) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A TIMELY PROOF OF CLAIM PRESERVING SUCH RIGHT OF SETOFF PURSUANT TO SECTION 553 OF THE BANKRUPTCY CODE OR OTHERWISE; AND**
- (e) **COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTORS, THE TRUSTEE OR EXCULPATED PARTIES**

(OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY EXCULPATED ENTITY) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, OR LIABILITIES SETTLED OR COMPROMISED PURSUANT TO THE PLAN;

PROVIDED THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THIS PLAN OR OTHER ORDER OF THE BANKRUPTCY COURT; PROVIDED, FURTHER, THAT NOTHING CONTAINED HEREIN SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY LAW.

6.4. Binding Effect of Plan Confirmation. On or after the Effective Date, the provisions of this Plan shall bind any holder of a Claim against, or Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan. All Entities are further enjoined from taking any actions against the Debtors and their property, assets, or interests in property that may interfere with the implementation or consummation of the Plan.

6.5. Exculpation. The Debtors, the Trustee, and any of their officers, directors, employees, attorneys, advisors, representatives, accountants, or agents during the Chapter 11 Cases (collectively, the "Exculpated Parties") shall not be deemed to have incurred any liability for any act or omission in connection with, or arising out of, the (a) pursuit of confirmation of this Plan, (b) consummation of this Plan, (c) administration of this Plan or (d) disposition of assets or property during the Debtors' Chapter 11 Cases, except for such Person's willful misconduct, self-dealing, fraud, or *ultra vires* acts and, in all respects, the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

6.6. Vesting of Assets. Except as otherwise provided in the Confirmation Order, on the Effective Date, pursuant to the provisions of section 1141(b) and (c) of the Bankruptcy Code, (a) all property, assets and effects of the Wallace Chapter 11 Estate and the Entity Debtors shall vest in their respective post-confirmation Estates free and clear of all Claims and interests, except as otherwise expressly provided in this Plan, the Confirmation Order or the Bankruptcy Code and (b) all Liens against any property of the Debtors shall be deemed extinguished and discharged, and the Debtors will be revested with the assets of the Debtors not distributed or otherwise transferred under the Plan or by previous Order of the Court, free and clear of all Liens. Any and all security interests filed against the Debtors' assets shall be deemed

satisfied and withdrawn as of the Effective Date.

6.7. Causes of Action. As of the Effective Date, the Debtors and the Plan Administrator, on behalf of their Estates, shall retain the right to prosecute any avoidance or recovery action under sections 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code or any other rights to payment of claims, that belong to or could have been raised by or on behalf of the Debtors or the Estates. The Debtors and the Plan Administrator, on behalf of their Estates, shall retain the right to assert any such Claims as defenses to, and setoffs against, Disputed Claims. The Debtors and the Plan Administrator, on behalf of their Estates, will continue to prosecute any claims and will use the net proceeds from the recovery of such claims to make additional distributions to Creditors and Interest holders as set forth herein.

6.8. Corporate Action. The Plan Administrator shall administer the Plan on behalf of the Debtors and shall be deemed a representative of the Debtors. The Plan Administrator shall be the sole officer of the Debtors. Upon the distribution of all assets of the Estates pursuant to this Plan and the filing by or on behalf of the Debtors of a certification to that effect with the Court (which may be included in the application for entry of the Final Decree), such Entity Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Entity Debtor or payments to be made in connection therewith. From and after the Effective Date, the Entity Debtors shall not be required to file any document, or take any action, to withdraw their respective business operations from any states where the Entity Debtors previously conducted business operations.

ARTICLE VII

MEANS FOR EXECUTING THE PLAN

7.1. Implementation. The Plan is to be implemented in a manner consistent with section 1123 of the Bankruptcy Code and the terms and conditions set forth in this Plan.

7.2. Funding for this Plan. The Plan shall be funded with (i) Cash currently held in the A&T Estate Account, Martindale Estate Account, MOA Cody Estate Account, and Wallace Estate Account; and (ii) funds received after the Effective Date from, among other things, the recovery and liquidation of the Debtors' other assets. After holders of Allowed A&T Administrative Expense Claims, Allowed A&T Priority Claims and Allowed A&T Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining A&T Available Cash will be distributed to Martindale. After holders of Allowed Martindale Administrative Expense Claims, Allowed Martindale Priority Claims, and Allowed Martindale Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining Martindale Available Cash will be distributed to the Wallace Chapter 11 Estate. After holders of Allowed MOA Cody Administrative Expense Claims, Allowed MOA Cody Priority Claims, and Allowed MOA Cody Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to

pay such Claims in full), any remaining MOA Cody Available Cash will be distributed to BFSC. After holders of Allowed BFSC Administrative Expense Claims, Allowed BFSC Priority Claims and Allowed BFSC Class 1, Class 2 and Class 3 Claims have been paid in full (or sufficient reserves established to pay such Claims in full), any remaining BFSC Available Cash will be distributed to the Wallace Chapter 11 Estate. All Cash distributed to the Wallace Chapter 11 Estate shall be deemed Available Cash and shall be used to satisfy holders of Allowed Wallace Administrative Expense Claims, Allowed Wallace Priority Claims, and Allowed Wallace Class 1, Class 2, Class 3, Class 4, and Class 5 Claims.

7.3. Continuing Existence. From and after the Confirmation Date, each of the Entity Debtors and their Estates shall continue in existence for the sole and limited purpose of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash or other methods, of any remaining assets of the Estates, as expeditiously as reasonably possible, (iii) enforcing and prosecuting of claims, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims, and (v) administering this Plan.

7.4. Wind Down Reserve. As soon as practical after the Confirmation Date, the Trustee shall establish the Wind Down Reserve, which shall be funded with Wallace Available Cash, and shall be used by the Plan Administrator to pay the post-Confirmation Date taxes, expenses, and fees and costs of the Estates, including professional fees, Plan Administrator fees and United States Trustee quarterly fees. To the extent the Plan Administrator is able to recover assets post-Confirmation Date, the Plan Administrator may make reasonable deposits to the Wind Down Reserve to ensure sufficient funds remain to pay post-Confirmation Date expenses of the Debtors and Plan Administrator. Upon liquidation, collection, and monetization of all the Debtors' assets, resolution of all Disputed Claims, and payment of all post-Confirmation Date expenses, the funds remaining in the Wind Down Reserve shall be released to the Wallace Chapter 11 Estate for final distribution to holders of Allowed Claims against Wallace in accordance with the terms of the Plan and upon payment of any such Allowed Claims in full, without interest, to the Wallace Probate Estate.

7.5. Intentionally Omitted.

7.6. Appointment of Plan Administrator for Entity Debtors. On the day immediately following the Effective Date and automatically and without further action, the Trustee shall be appointed the Plan Administrator for each of the Debtors and shall be deemed the sole responsible person and officer of each of the Debtors for purposes of implementing and consummating the Plan. The Plan Administrator shall be deemed the Debtors' representative in accordance with section 1123 of the Bankruptcy Code. The Plan Administrator will be compensated at an hourly rate of \$500.00 on a monthly basis.

7.7. Duties of Plan Administrator. The duties and powers of the Plan Administrator will include the following:

- a) review and analyze Claims;
- b) cause the Debtors to object to any Claims (disputed or otherwise), and to compromise or settle any Claims prior to the objection;
- c) liquidate any remaining assets of the Debtors;
- d) prepare operating reports and all other reporting requirements required by the United States Trustee;
- e) exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by any officer, director, shareholder or member of the Debtors with like effect as if authorized, exercised and taken by unanimous action of such officers, directors, shareholders and members;
- f) assist in making distributions and take other actions consistent with the Plan and the implementation hereof, including the establishment, revaluation, adjustment, and maintenance of appropriate reserves;
- g) retain Professionals as needed to assist the Plan Administrator in the administration, implementation, and consummation of the Plan;
- h) administer the winding-up of the affairs of the Debtors, including, but not limited to, filing tax returns, including final tax returns, and closing their respective Chapter 11 Cases;
- i) pay plan administration costs and costs of holding and liquidating any non-Cash property, including but not limited to taxes, insurance and Professionals' fees;
- j) take all other actions consistent with the provisions of this Plan, which the Plan Administrator deems reasonably necessary or desirable with respect to administering this Plan;
- k) enter into any agreement or execute any document required by or consistent with this Plan and perform all of the Debtors' obligations thereunder;
- l) implement and/or enforce all provisions of this Plan and the Confirmation Order;
- m) prepare and file all appropriate federal, state, and local tax returns; and

- n) collect all assets and assist the Debtors in enforcing their rights under any claims, contracts and other assets of the Debtors.

7.8. No Agency Relationship. Neither the Plan Administrator nor any professionals retained by the Plan Administrator shall be deemed to be the agent for any of the Creditors in connection with the funds held or distributed pursuant to this Plan. The Plan Administrator and any professionals retained by the Plan Administrator shall not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind except for willful misconduct, self-dealing, fraud, or *ultra vires* acts and, in all respects, the Plan Administrator and any professionals retained by the Plan Administrator may conclusively rely, and shall be fully protected personally in acting upon any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document that they believe to be genuine and to have been signed or presented by the proper party or parties.

7.9. Closing of the Chapter 11 Cases. After an Estate has been fully administered, the Plan Administrator shall promptly seek authority from the Bankruptcy Court to close each applicable Chapter 11 Case in accordance with the Bankruptcy Code and Bankruptcy Rules.

7.10. Winding Up Affairs. Following the Effective Date, the Debtors shall not engage in any business activities or take any actions, except those necessary to consummate the Plan and wind up the affairs of the Debtors.

ARTICLE VIII

DISTRIBUTIONS UNDER THE PLAN

8.1 Funding of Distributions. All distributions required to be made by the Debtors on the Effective Date on account of Allowed Claims shall be made by the Trustee on behalf of the Debtors from the Estate Accounts. For purposes of making distributions under this Plan, the Trustee shall be deemed the Estates' representative in accordance with section 1123 of the Bankruptcy Code.

8.2 Distributions. The Trustee shall not be required to give any additional bond or surety or other security for the performance of her duties. The Trustee shall hold the Available Cash in the Estate Accounts. The Trustee shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties hereunder, (b) make all distributions contemplated hereby and (c) exercise such other powers as may be vested in the Trustee by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Trustee to be necessary and proper to implement the provisions of the Plan. At the option of the Trustee, any Cash payment to be made hereunder may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

8.3 No Agency Relationship. In connection with making distributions on behalf of the Debtors, the Trustee and any professionals retained by the Trustee shall not be deemed to be the agent for any of the Creditors in connection with the funds held or distributed pursuant to this Plan. The Trustee and any professionals retained by the Trustee shall not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind except for willful misconduct, self-dealing, fraud, or *ultra vires* acts and, in all respects, the Trustee and any professionals retained by the Trustee may conclusively rely, and shall be fully protected personally in acting upon any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document that they believe to be genuine and to have been signed or presented by the proper party or parties.

8.4 Date of Distributions. The Trustee shall make initial distributions to holders of Allowed Claims on the Effective Date, unless otherwise specifically provided for under this Plan, and thereafter, the Trustee shall from time to time determine the subsequent distribution dates. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

8.5 Delivery of Distributions. All distributions to any holder of an Allowed Claim shall be made by the Trustee. For purposes of mailing distribution checks, the Trustee may rely on the addresses for holders of Allowed Claims as set forth in the Schedules unless superseded by the address for such holders set forth in the Proofs of Claim filed by Creditors with the Court or such other written notice of a change of address that the Trustee may receive prior to such distribution.

8.6 Unclaimed Distributions. Except as otherwise provided herein, in the event any Creditor fails to Claim any distribution within 90 days from the date of such distribution, by failing to present such distribution check for payment, such Creditor shall forfeit all rights thereto, and thereafter the distribution formerly available to the Creditor shall revert to the Debtors' Estates and such Creditor shall have no further rights to share in any subsequent distributions which may be made. Unclaimed distributions shall remain in the possession of the Debtors' Estates until such time as a distribution becomes deliverable or holder accepts distribution, or such distribution reverts back to the Debtors, as applicable, and shall not be supplemented with any interest, dividends or other accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 90 days from the date distributions were first made to the respective Creditor. After such date, all unclaimed property or interest in property shall revert to the respective Debtor's Estate, and the Claim of any holder to such property or interest in property shall be discharged and forever

barred. Distributions that are deemed unclaimed property pursuant to the preceding sentence shall be redistributed in accordance with the Plan.

8.7 Undeliverable Distributions. In the event that any distribution to any holder is returned as undeliverable, the Trustee shall use reasonable efforts to determine the current address of such Creditor, but no distribution to such Creditor shall be made unless and until the Trustee has determined the then current address of such Creditor, at which time such distribution shall be made to such Creditor without interest (except to the extent interest is included in the original distribution). If no correct address can be determined, the distribution intended for such Creditor shall be deemed unclaimed property within the meaning and intent of section 347(b) of the Bankruptcy Code at the expiration of 90 days from the date distributions were first made to the respective Creditor under the Plan. Distributions that are deemed unclaimed property pursuant to the preceding sentence shall be redistributed in accordance with the Plan.

8.8 Setoffs. The Debtors shall have the right to set off against any distribution to be made pursuant to the Plan to a Creditor, claims of any nature whatsoever that the Debtors may have or have had, against such Creditor, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such claim that it may have or have had against any such Creditor.

8.9 Distribution Record Date. As of the close of business on the Effective Date, the transfer register for each of the Classes of Claims or Interests as maintained by the Clerk of Court, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Interests. Neither the Debtors nor the Trustee shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Effective Date.

8.10 Fraction of Cents. Any other provision of this Plan to the contrary notwithstanding, no payments of fractions of cents will be made. Whenever any payment of a cent would otherwise be called for, the actual payment may reflect a rounding of such fraction to the nearest whole cent (up or down).

8.11 Objections to Claims. The Trustee or the Plan Administrator shall have the exclusive right to file and prosecute objections to Claims or request estimation hearings. As of the day immediately following the Effective Date, the Plan Administrator will have the sole authority to compromise, settle, otherwise resolve or withdraw any objections to Claims and compromise, settle or otherwise resolve Disputed Claims. Unless otherwise ordered by the Bankruptcy Court, on and after the Effective Date, the Plan Administrator will file all objections to Claims that are the subject of Proofs of Claim or requests for payment filed with the Bankruptcy Court (other than applications for allowances of compensation by Professionals) and serve such objections upon the holder of the Claim as to which the objection is made as soon as

is practicable, but in no event later than (i) 90 days after the Effective Date or (ii) such later date as may be approved by the Bankruptcy Court for cause shown, after notice and a hearing.

8.12 No Distributions Pending Allowance of a Disputed Claim. If any portion of a Claim is a Disputed Claim, no payment or distribution provided under this Plan shall be made on account of such Claim unless and until it becomes an Allowed Claim.

8.13 Disputed Claims Reserve. On the Effective Date (or as soon thereafter as reasonably practicable), and prior to making the distributions to holders of Allowed Claims required to be made on the Effective Date, the Trustee and the Debtors shall establish the Disputed Claims Reserve. The Disputed Claims Reserve will consist of Cash that would have been distributed on account of all Disputed Claims if such Claims were Allowed Claims on the Effective Date, with the amount of such Allowed Claims to be determined, solely for the purposes of establishing reserves and for maximum distribution purposes, to be (a) the lesser of (i) the asserted amount of each Disputed Claim filed with the Bankruptcy Court as set forth in the non-duplicative Proof of Claim, or (if no Proof of Claim was filed) scheduled by the Debtors, and (ii) the amount, if any, estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code or ordered by other order of the Bankruptcy Court, or (b) the amount otherwise agreed to by the Debtors and the holder of such Disputed Claim for reserve purposes.

8.14 Distributions After Allowance of a Disputed Claim. Distributions to each holder of a Disputed Claim, to the extent that such Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of this Plan governing the Class of Claims in which such Allowed Claim is classified. On the later of (a) the Effective Date or (b) as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Plan Administrator shall cause a distribution of Cash to the holder of such Claim any payment that would have been distributed to such holder if the Claim had been Allowed on the Effective Date, plus any payments that would have been made on account of such Allowed Claim after the Effective Date, without any interest thereon. When all Disputed Claims are resolved and either become Allowed or are disallowed by Final Order, to the extent Cash remains in the Disputed Claims Reserve after all holders of Disputed Claims that have become Allowed and have been paid the full amount they are entitled to pursuant to the treatment set forth for the appropriate Class under the Plan, then that excess Cash shall constitute Available Cash to be distributed in accordance with the Plan.

ARTICLE IX

RETENTION OF JURISDICTION

9.1. Notwithstanding entry of the Confirmation Order, the Court shall retain jurisdiction over the Chapter 11 Cases under the provisions of the Bankruptcy Code, including, without limitation, section 1142(b) thereof and the Bankruptcy Rules, to insure that the intent

and purpose of this Plan are implemented. Without limiting the foregoing, the Court shall retain jurisdiction for the following purposes:

- a. to consider any modification of this Plan in accordance with section 1127 of the Bankruptcy Code and/or modification of the Plan after substantial consummation as defined in section 1101(2) of the Bankruptcy Code;
- b. to determine all applications for allowance and to resolve any objections made respecting requests for compensation and/or reimbursement of expenses;
- c. to determine any and all applications pending as of or made following the Confirmation Date for the rejection of any executory contracts or unexpired leases to which the Debtors are a party or with respect to which the Debtors may be liable, and the allowance of any Claims resulting therefrom;
- d. to adjudicate all Claims or controversies arising out of any purchases, sales or contracts made or undertaken by the Debtors during the pendency of the Chapter 11 Cases;
- e. to determine any and all controversies, suits and disputes arising under or in connection with this Plan, its interpretation or enforcement, and such other matters as may be provided for in the Confirmation Order confirming the Plan or in accordance with the Bankruptcy Code or the Bankruptcy Rules;
- f. to determine any and all motions, applications, adversary proceedings, contested and litigated matters or such other matters over which the Court has jurisdiction prior to the Confirmation Date, including the enforcement, prosecution, litigation, settlement and/or other disposition of Claims and counterclaims of the Debtors;
- g. to recover all additional assets of the Debtors wherever located;
- h. to liquidate or estimate damages or determine the manner and time of such liquidation or estimation in connection with any disputed, contingent or unliquidated Claim;
- i. to continue to enforce the automatic stay through entry of the Final Decree;
- j. to determine such other matters and for such other purposes as may be provided for in the Plan and the Confirmation Order;

- k. to effectuate all payments and transfers under the Plan; and
- l. to enter a Final Decree closing the Chapter 11 Cases.

ARTICLE X

CONDITIONS PRECEDENT TO THE CONFIRMATION DATE AND THE EFFECTIVE DATE

10.1. Conditions to Confirmation of the Plan. This Plan may not be confirmed unless each of the following conditions has been satisfied:

- (a) the Order approving the Disclosure Statement submitted in connection with this Plan shall have been entered on the legal docket for the Chapter 11 Cases and shall have become a Final Order; and
- (b) the Confirmation Order shall be in a form reasonably acceptable to the Trustee.

10.2. Conditions Precedent to the Effective Date. The occurrence of the Effective Date is subject to the following conditions being satisfied:

- (a) the Confirmation Order being entered on the legal docket for the Chapter 11 Cases and becoming a Final Order; and
- (b) there shall exist sufficient Cash to satisfy in full or as otherwise agreed by the holder thereof all Administrative Expense Claims, Priority Tax Claims and Other Priority Claims or to deposit Cash in the Disputed Claims Reserve in respect of any Administrative Expense Claims, Priority Tax Claims and Other Priority Claims that are Disputed Claims.

10.3. Waiver of Conditions Precedent. Other than the requirements set forth in Sections 10.1(a) and 10.2(a) of this Plan, the requirement that a particular condition set forth in Sections 10.1 and 10.2 hereof be satisfied may be waived or modified, in whole or in part, by the Trustee. Any such waiver or modification of a condition precedent in Sections 10.1 and 10.2 hereof may be effected at any time, without notice, without leave or order of the Bankruptcy Court and without any other formal action.

ARTICLE XI

GENERAL PROVISIONS

11.1 Headings. The headings of the Articles, paragraphs and sections of this Plan are inserted for convenience only and shall not affect the interpretation hereof.

11.2 Governing Law. Except to the extent that the Bankruptcy Code is applicable, the rights and obligations arising under this Plan shall be governed by, and construed in accordance with, the laws of the State of New York by the Court.

11.3 Effective Rejection by One or More Classes of Claims. Each Impaired Class of Creditors with Claims against the Debtors' Estates shall be entitled to vote separately to accept or reject this Plan. The Trustee and the Debtors reserve the right to request the Court to confirm this Plan notwithstanding the fact that each Impaired Class has not accepted the Plan, all in accordance with the provisions of section 1129(b) of the Bankruptcy Code.

11.4 Modification of this Plan. The Debtors and the Trustee may propose amendments to, or modifications of, this Plan under section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date, the Trustee and the Plan Administrator may modify this Plan in accordance with section 1127(b) of the Bankruptcy Code to remedy any defects or omissions or reconcile any inconsistencies in this Plan or in the Confirmation Order in such manner as may be necessary to carry out the intent and purposes of this Plan as long as the rights of Creditors or holders of Interest are not materially modified without prior notice or their express written consent.

11.5 Severability. Should any provision in this Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect on any and all other provisions of this Plan.

11.6 Successors and Assigns. The rights, benefits and obligations of any person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such person.

11.7 Post-Confirmation Date Fees and Expenses of Professionals. After the Confirmation Date, the Trustee and the Debtors shall in the ordinary course of business and without the necessity for any approval by the Court, pay the reasonable fees and expenses of professionals in connection with the implementation and consummation of this Plan, the claims reconciliation process and any other matters as to which the professionals may be engaged.

11.8 Payment of Statutory Fees. All fees payable pursuant to Chapter 123 of title 28, United States Code shall be paid on the Effective Date. The Debtors' Estates shall pay any statutory fees accruing after the Confirmation Date.

11.9 Withdrawal or Revocation. The Debtors and/or the Trustee may withdraw or revoke this Plan at any time prior to the Confirmation Date. If this Plan is withdrawn or revoked prior to the Confirmation Date, or if the Confirmation Date does not occur, then this Plan shall be deemed null and void in all respects. In such event, nothing contained herein shall or shall be deemed to (a) constitute a waiver or release of any Claim by or against, or any Interest in, the Trustee, the Debtors or any other Person, or (b) prejudice in any manner the rights of the Trustee or the Debtors or any other Entity in any further proceedings involving the Trustee or the Debtors.

11.10 Courts of Competent Jurisdiction. If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

11.11 Elimination of Classes. Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim, or a Claim temporarily Allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for purposes of voting on acceptance or rejection of this Plan, and for purposes of determining acceptance or rejection of this Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

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CONCLUSION

The Debtors urge all Creditors solicited and entitled to vote on the Plan to accept the Plan and to evidence such acceptance by returning their Ballots so they will be received by the voting deadline.

Dated: New York, New York
July 29, 2016

ESTATE OF PAUL F. WALLACE

By: /s/ Marianne T. O'Toole
Marianne T. O'Toole
Chapter 11 Trustee

A&T HOLDING CORP.

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: President

BEN FRANKLIN SERVICES CORP.

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: President

MARTINDALE CORPORATION

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: Vice President

MOA CODY, LLC

By: /s/ Lawrence Lopater
Name: Lawrence Lopater
Title: President

DICONZA TRAURIG KADISH LLP

Attorneys for the
Debtors and Debtors-in-Possession

By: /s/ Gerard DiConza
Gerard DiConza
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Trustee of the Estate of Paul F. Wallace et al.

By: /s/ Salvatore LaMonica
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Wantagh, New York 11793
Telephone (516) 826-6500

EXHIBIT “A”

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
In re:

PAUL F. WALLACE, *et al.*,

Chapter 11

Case No. 10-22998 (RDD)

(Jointly Administered)

Debtors.
-----x

STIPULATION OF SETTLEMENT

WHEREAS, on May 20, 2010 (the "Petition Date"), Paul F. Wallace ("Wallace"), A&T Holding Corp. ("A&T"), Ben Franklin Services Corp. ("BFSC"), Martindale Corporation ("Martindale"), MOA-Cody, L.L.C. ("MOA Cody"), each filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Court"); and

WHEREAS, on October 18, 2010, MOA Hospitality, Inc. ("MOAH") and, together with Wallace, A&T, BFSC, Martindale, and MOA Cody, the "Debtors") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code; and

WHEREAS, by Order dated June 18, 2010, the Debtors' cases were procedurally consolidated and are being jointly administered under Case No. 10-22998 (RDD) (the "Main Case"); and

WHEREAS, each of the Debtors, except Wallace, have continued in control of its business and management of its property as a debtor-in-possession pursuant to Bankruptcy Code §§ 1107(a) and 1108; and

WHEREAS, on February 10, 2014, this Court entered an Order directing, among other things, the continuation of the Chapter 11 case of the deceased debtor, Wallace, and the appointment of a Chapter 11 Operating Trustee for the Wallace's bankruptcy estate (the "Wallace Estate"); and

WHEREAS, by notice dated February 14, 2014, Marianne T. O'Toole (the "Trustee"), was appointed as the Chapter 11 Operating Trustee of the Wallace Estate and has since qualified and is acting in that capacity; and

WHEREAS, non-Debtor The Broadstone Group, Inc. (the "Broadstone") sponsored the The Broadstone Group, Inc. Retirement Plan (the "Broadstone Plan"), a defined benefit pension plan covered by Title IV of the Employee Retirement Income Security Act of 1974 (ERISA); and

WHEREAS, the Broadstone Plan has since been terminated pursuant to ERISA § 4042, and trusted by the Pension Benefit Guaranty Corporation ("PBGC") on March 17, 2016; and

WHEREAS, Wallace is the 100% owner of Martindale and BFSC; and

WHEREAS, Martindale is the 100% owner of A&T, and BFSC is the 100% owner of MOA Cody; and

WHEREAS, Martindale owns a significant portion of Broadstone, and USIF Real Estate, a Bahamian Trust, owns the remaining portion of Broadstone; and

WHEREAS, Broadstone, directly and indirectly, has ownership in USIF Real Estate; and

WHEREAS, Broadstone is the 100% owner of New Image Realty Inc., and New Image Realty Inc. is the 90% owner of MOAH; and

WHEREAS, as a result of the foregoing ownership structure, the PBGC has asserted that each of the Debtors are members of Broadstone's "controlled group", as defined in Section 4001 of ERISA, and thus subject to joint and several liability stemming from the underfunding of the Broadstone Plan, and the liability arising from an involuntary termination of the Plan pursuant to, e.g., Sections 302, 303, 4062 and 4068 of ERISA and Sections 412 and 430 of the Internal Revenue Code; and

WHEREAS, the Trustee and the Debtors dispute that the Debtors are members of Broadstone's controlled group for purposes of liability with respect to the Broadstone Plan and dispute that any party engaged in a prohibited transaction with respect to the Broadstone Plan, but acknowledge that the Broadstone Plan is underfunded and has been terminated by agreement with the PBGC; and

WHEREAS, the Trustee, the Debtors, and the PBGC engaged in protracted arm's length negotiations and determined, without the Trustees and/or the Debtors admitting liability of any kind, to resolve their dispute on the terms and conditions set forth in this Stipulation of Settlement (the "Stipulation").

1. Within ten (10) days of entry of a final, non-appealable Order confirming the Debtors' Chapter 11 plan of reorganization (the "Plan"), the Trustee and the Debtors shall remit the sum of five-hundred thousand dollars (\$500,000.00) (the "Settlement Sum") to the PBGC on account of, and in full satisfaction of, any and all claims that the PBGC has or may have, either directly or on behalf of others, related to the Broadstone Plan, against the Debtors, regardless of the date as of which such claims arose or may arise and regardless of whether the claims relate to the Debtors' alleged status as related employers of Broadstone. The Trustee and the Debtors shall provide notice to PBGC, via email to fennell.louisa@pbgc.gov, that the Settlement Sum has been remitted and, following this notification, the PBGC shall confirm receipt of the Settlement Sum in writing to the Trustee and the Debtors within two (2) business days of receipt of the notification. The Trustee and the Debtors shall allocate the payment of the Settlement Sum as dictated by the Plan or ordered by the Court.

2. The Wallace Trustee and the Debtors shall file a Plan that encompasses the terms of this Stipulation and seeks approval thereof. The PBGC shall not be entitled to vote on the

Plan, but shall receive notice of the filing of the Plan, any objections to the Plan, and the Order confirming the Plan.

3. In the event the Court declines to confirm the Plan: (a) the Stipulation shall become null, void, and of no further force or effect; (b) nothing contained herein shall be deemed an admission by the Parties; (c) the Trustee and the Debtors shall not be required to remit the Settlement Sum to the PBGC; and (d) the PBGC shall retain all rights held prior to the Stipulation to pursue the Debtors for liabilities related to the Broadstone Plan.

4. Upon entry of a final, non-appealable Order confirming the Plan and remittance by the Trustee and the Debtors of the Settlement Sum to the PBGC, the PBGC, on its own behalf and in every other capacity in which it may now or in the future act shall be deemed to have, and shall have, unconditionally released and forever discharged the Trustee, her professionals, the Debtors, their professionals, and the Debtors' estates from any and all disputes, controversies, suits, actions, claims, assessments, debts, sums of money, damages, penalties, taxes, fines, judgments, liabilities, liens, demands, causes of action and obligations, of whatever kind, nature, character, and description, whether in law or equity, whether in tort, contract, statutory, federal, or under other applicable law, whether known or unknown, whether liquidated or unliquidated, whether contingent or fixed, and whether anticipated or unanticipated, related to the Broadstone Plan, which the PBGC has, had, may ever have, or may ever claim to have, whether directly or on behalf of others, against the Trustee, her professionals, the Debtors, their professionals, and the Debtors' estates; and the PBGC will take no action, direct or indirect, against the Trustee, her professionals, the Debtors, their professionals, and the Debtors' estates to collect, impose, or enforce liability or liens under ERISA, the Internal Revenue Code, or otherwise, related to the Broadstone Plan.

5. Upon the entry of a final, non-appealable Order confirming the Plan and receipt of written acknowledgment by the PBGC that it has received the Settlement Sum, the Trustee, on behalf of herself, her professionals, the Debtors, their professionals, and the Debtors' estate, shall be deemed to have, and shall have, unconditionally released and forever discharged the PBGC from any and all disputes, controversies, suits, actions, claims, debts, sums of money, damages, judgments, liabilities, demands, and causes of action, of whatever kind, nature, character, and description, whether in law or equity, whether in tort, contract, statutory, federal, or under other applicable law, whether known or unknown, whether liquidated or unliquidated, whether contingent or fixed, and whether anticipated or unanticipated, which the Trustee, her professionals, the Debtors, their professionals, and the Debtors' estate had, have, may ever have, or may ever claim to have, against the PBGC, relating to the Broadstone Plan. Notwithstanding the preceding, and to the extent the Plan is confirmed and PBGC receives the Settlement Sum, nothing in this Stipulation will release or discharge the PBGC from its obligations hereunder.

6. This Stipulation is a compromise and settlement of disputed claims and is the product of arm's length negotiations. The Parties understand and agree that the execution and delivery of this Stipulation, the filing of the Plan, and the payment of the Settlement Sum shall not constitute or be construed as an admission or adjudication, express or implied, of any liability whatsoever with respect to any claims that are the subject matter of this Stipulation, or any issue of fact, law, or liability of any type or nature with respect to any matter whether or not referred to herein, and none of the Parties hereto has made such an admission.

7. No provision of this Stipulation, nor anything expressed or implied herein, is intended to confer upon any person, other than the Parties hereto, any claims, rights, or remedies hereunder.

8. This Stipulation may not be amended or modified other than in writing executed by the Parties.

9. This Stipulation sets forth the entire agreement between and fully supersedes any and all prior agreements and understandings, written or oral, between the Parties pertaining to the subject matter hereof.

10. This Stipulation shall be binding upon the Parties and their respective heirs, executors, successors, administrators and assigns.

11. This Stipulation may be executed in one or more counterparts, including by facsimile and/or electronic mail, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

12. The Bankruptcy Court shall retain exclusive jurisdiction over the subject matter of this Stipulation.

[signature page to follow]

Dated: July 29, 2016
Wantagh, New York

LaMonica Herbst & Maniscalco, LLP
Counsel to Marianne T. O'Toole, Chapter 11 Operating
Trustee of the Estate of Paul F. Wallace

By: /s/ Rachel P. Stoian
Salvatore LaMonica, Esq.
Rachel P. Stoian, Esq.
3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
Tel. (516) 826-6500

Dated: July 29, 2016
New York, New York

DiConza Traurig Kadish LLP
Counsel to the Debtors A&T Holding Corp., Ben Franklin
Services Corp., Martindale Corporation, MOA-Cody,
L.L.C., and MOA Hospitality, LLC

By: /s/ Gerard DiConza
Gerard DiConza, Esq.
A Member of the Firm
630 Third Avenue
New York, New York 10017
Tel. (212) 682-4940

Dated: July 29, 2016
Lakewood Ranch, Florida

Smith & Downey, P.A.
Counsel to Marianne T. O'Toole, Chapter 11 Operating
Trustee of the Estate of Paul F. Wallace, and the Debtors
A&T Holding Corp., Ben Franklin Services Corp.,
Martindale Corporation, MOA-Cody, L.L.C., and MOA
Hospitality, LLC

By: /s/ Sandi M. Russell
Sandi M. Russell, Esq.
1767 Landwood Ranch Boulevard #203
Lakewood Ranch, Florida 32411
Tel. (941) 747-7047

Dated: July 28, 2016
Washington, D.C.

Pension Benefit Guaranty Corporation

By: /s/ Stephanie Thomas
Stephanie Thomas, Esq.
Office of the Chief Counsel
1200 K Street, N.W.
Washington, D.C. 20005
Tel. (202) 326-4020

EXHIBIT “B-1”

ORGANIZATIONAL CHART – OCTOBER 1, 2009

EXHIBIT B-1

ORGANIZATIONAL CHART - OCTOBER 1, 2009

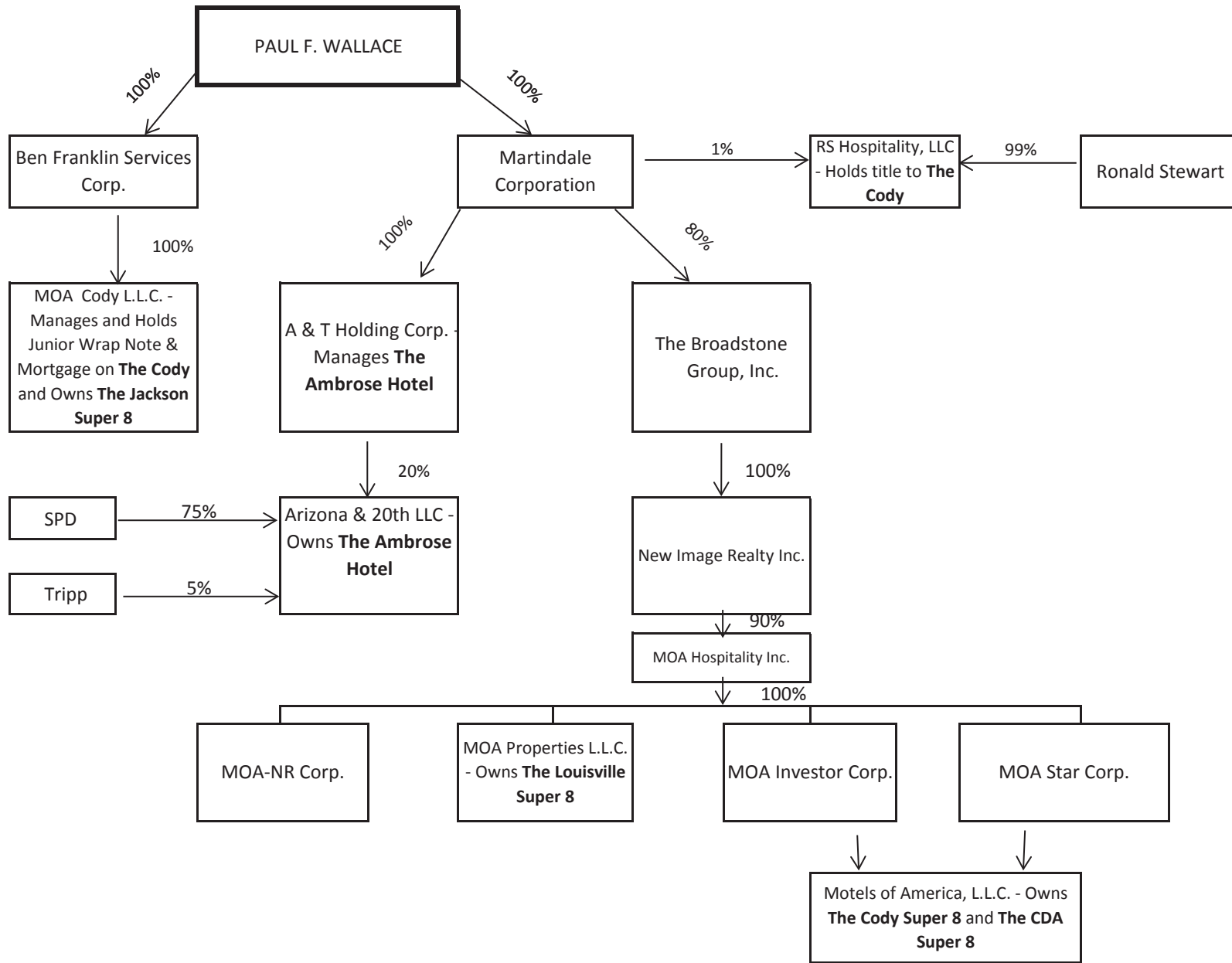


EXHIBIT “B-2”

ORGANIZATIONAL CHART – PETITION DATE –
5/20/2010

ORGANIZATIONAL CHART - PETITION DATE

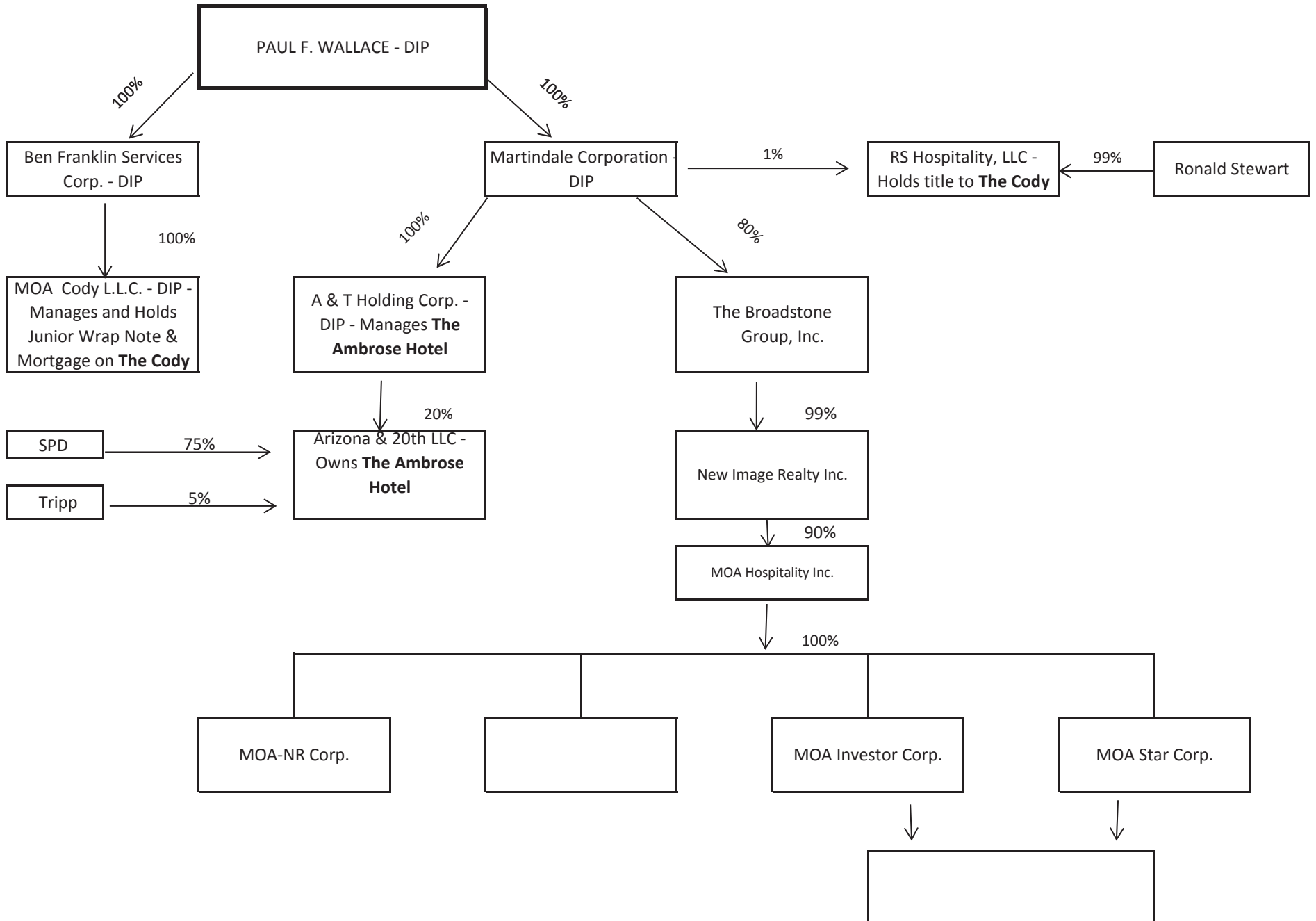


EXHIBIT “B-3”

ORGANIZATIONAL CHART – CURRENT

ORGANIZATIONAL CHART - November 30, 2013

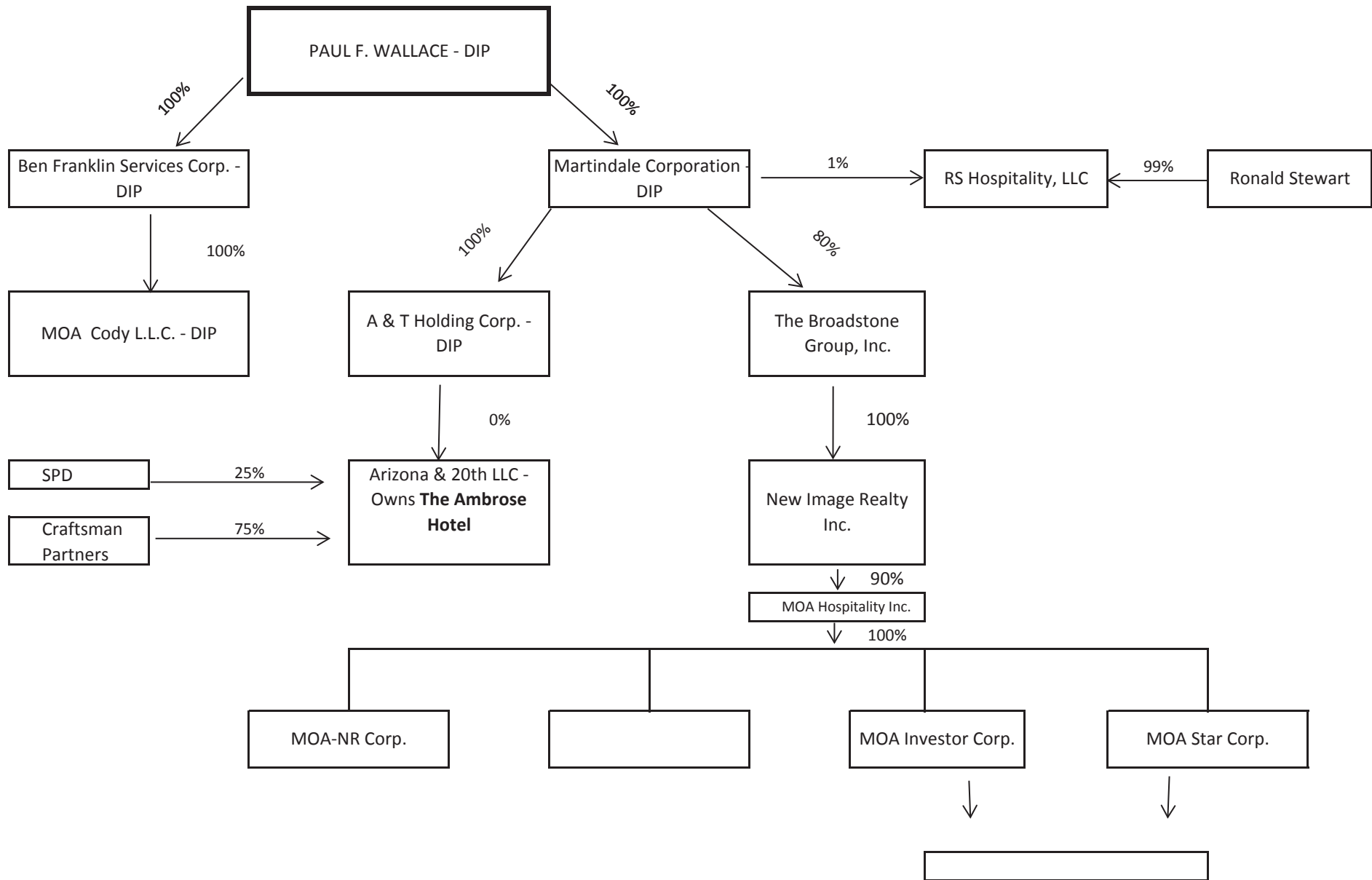


EXHIBIT “C”

WALLACE LIQUIDATION ANALYSIS

Asset	Est. Value	Notes
Available Funds as of June 30, 2016	\$ 2,244,746.00	
Equity in Martindale	\$ 2,600,000.00	Includes Martindale's equity interest in A&T.
Equity in BFSC	\$ 900,000.00	Includes BFSC's equity interest in MOA Cody.
Total Assets	\$ 5,744,746.00	

Hypothetical Chapter 7 Liquidation Costs

Hypothetical Priority Claims	\$ -	
Hypothetical Chapter 7 Trustee Commissions and Expenses	\$ 190,000.00	Estimated based upon proceeds received and disbursed by the Wallace Chapter 11 Estate.
Hypothetical Chapter 7 Trustee Professionals Fees & Expenses	\$ 400,000.00	Chapter 7 Trustee would retain attorneys and accountants to assist in final liquidation of the Wallace Chapter 11 Estate.
Hypothetical Chapter 11 Administrative Expenses	\$ 1,250,000.00	Estimated based upon fees due to DTK, LH&M, S&D, and Chapter 11 Trustee, plus UST fees and taxes.
Total Costs	\$ 1,840,000.00	

Hypothetical Net Available for General Unsecured Creditors	\$ 3,904,746.00
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General Unsecured Claims

Allowed General Unsecured Claims	\$ 4,800,000.00	
Hypothetical PBGC Liability	\$ 2,300,000.00	PBGC Settlement is contingent upon approval of the Plan. If Plan is not confirmed, Wallace Estate risks joint and several liability as an alleged member of Broadstone's controlled group. Assumed to be general unsecured for purposes of analysis, but PBGC may assert priority.

Hypothetical Total General Unsecured Claims in Chapter 7 **\$ 7,100,000.00**

Hypothetical percentage recovery for Allowed General Unsecured Claims of Wallace Estate under Chapter 7 Liquidation	55.00%
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Proposed percentage recovery for Allowed General Unsecured Claims of Wallace Estate under Plan	70% to 100%
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