

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

SCICOM Data Services, Ltd.,

BKY Case No. 13-43894

Debtor.

Chapter 11 Case

DEBTOR'S CHAPTER 11 PLAN OF LIQUIDATION

DATED APRIL 3, 2014

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INTRODUCTION

Debtor SCICOM Data Services, Ltd. (the “Debtor”) proposes the following Plan of Liquidation (the “Plan”) for the purpose of completing the liquidation of the Debtor’s assets, resolving the outstanding claims against in the Debtor’s bankruptcy estate, and making distributions to holders of claims and interests. Reference is made to the Disclosure Statement in support of the Debtor’s Chapter 11 Plan of Liquidation dated April 3, 2014, for a discussion of the Debtor’s history, business and operations, and property; a summary and analysis of this Plan; risk factors related to this Plan; and certain other matters related to the Debtor’s Chapter 11 Case. This Plan follows the closing of a sale of most of the Debtor’s operating assets. This plan contemplates the selection of a liquidating agent (“Liquidating Agent”) and an oversight committee (“Oversight Committee”) to complete the liquidation by sale of the Debtor’s real property (later defined as “Office Property” in this Plan) and any other remaining unsold assets, collecting of the “earn-out” from Venture Solutions Inc., and distribution of the proceeds to creditors. Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Plan prior to its substantial consummation.

ARTICLE I DEFINITIONS

- 1.1 “Actuate” means Actuate Corporation.
- 1.2 “Additional Assumed Agreements” has the meaning given in Section 8.1 of this Plan.
- 1.3 “Administrative Expense Claims” means claims described in Section 3.1 of this Plan.
- 1.4 “Allowed” means with respect to any claim: (a) a claim that has been scheduled by the Debtor in its Schedules as other than disputed, contingent, or unliquidated and as to which the Debtor, the Liquidating Agent, or any other party-in-interest have not filed an objection; (b) a claim that either is not a Contested Claim or has been allowed by a Final Order; (c) a claim that is determined by the Debtor or the Liquidating Agent to be allowed; (d) a claim that is allowed in a stipulation or settlement executed prior to or after the Effective Date; (e) a claim relating to a rejected executory contract or unexpired lease that is not a Contested Claim or has been allowed by a Final Order, only if a proof of claim has been timely filed; or (f) a claim as to which a proof of claim has been timely filed and as to which the Debtor or any party-in-interest has not filed an objection; and with respect to all claims, only after reduction for applicable setoff and similar rights of the Debtor.
- 1.5 “Avoidance Claim” means any claim, cause of action, or rights to property of the Debtor or the bankruptcy estate under sections 544, 545, 547, 548, 549, 550, or 551 of the Bankruptcy Code.
- 1.6 “Ballot” means the form of ballot to be used to vote on this Plan.
- 1.7 “Bankruptcy Code” or “Code” means Title 11 of the United States Code.

1.8 “Bankruptcy Rule” or “Rule” means a Federal Rule of Bankruptcy Procedure.

1.9 “Causes of Action” means any and all actions, proceedings, causes of action (including, without limitation, any causes of action of a debtor or debtor in possession or the bankruptcy estate(s) under Chapter 5 of the Bankruptcy Code such as the Avoidance Claims), liabilities, obligations, suits, reckonings, covenants, contracts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment, rights to object to claims, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, or whether asserted or assertable directly or derivatively, in law, equity, or otherwise, and all rights thereunder or attendant thereto that belong to the debtors or the bankruptcy estates; provided, however, that “Causes of Action” shall not include any Causes of Action transferred by the Debtors under the Sale Order.

1.10 “Chapter 11 Case” means Debtor’s pending case under Title 11 of the United States Code, enumerated in the caption at the top of this Plan.

1.11 “Committee” means the official committee of unsecured creditors appointed in this Chapter 11 Case.

1.12 “Confirmation Date” means the date on which the Confirmation Order is entered.

1.13 “Confirmation Order” means the order confirming this Plan.

1.14 “Contested Claim” means: (a) a claim that was scheduled by the Debtor in its Schedules as a disputed, contingent, or unliquidated claim and that has not been otherwise Allowed; (b) a claim that is not an Allowed claim because the Debtor, the Liquidating Agent, or other party in interest has objected to allowance of the claim under section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007; (c) any secured or unsecured portions of a secured claim that is the subject of a motion for determination of the value of security under section 506(a) of the Bankruptcy Code and Bankruptcy Rule 3012; (d) any claim held by a Creditor against which the Liquidating Agent has demanded the recovery of property pursuant to section 502(d) of the Bankruptcy Code, without regard to whether such claim was previously an Allowed claim; (e) a claim that is subject to final adjudication in a proceeding outside the Court against one or more of the Debtor’s insurers; or (f) a claim whose validity or amount is subject to determination in an adversary proceeding that has not been resolved by a Final Order.

1.15 “Convenience Claims” means Class 1-A claims described in Section 4.1.1 of this Plan.

1.16 “Court” means the United States Bankruptcy Court for the District of Minnesota, or any other court having competent jurisdiction to issue an order in this case.

1.17 “Creditor” means a holder of a claim entitled to distributions under the Plan.

1.18 “Cure Amount Claim” means a claim based upon the Debtor’s monetary defaults under an executory contract or unexpired lease that is to be paid in connection with the assumption of such contract or lease under section 365 of the Bankruptcy Code.

1.19 “Debtor” has the meaning set forth in the Introduction to this Plan.

1.20 “Disclosure Statement” means the Disclosure Statement for this Plan, as may be further revised, modified, or amended.

1.21 “Effective Date” means the first day following the day on which the conditions of Section 9.2 have been satisfied or such earlier date as is established by a waiver by the Debtor under Section 9.3.

1.22 “Employee Priority Claims” means claims held by employees that are entitled to priority under section 507(a)(4) or (5) of the Bankruptcy Code.

1.23 “ESOP” means the Debtor’s Employee Stock Ownership Plan.

1.24 “Estate Assets” means all of the Debtor’s right, title, and interest in and to property of whatever type or nature as provided in section 541 of the Bankruptcy Code, including Avoidance Claims and Causes of Action, that are not expressly abandoned or otherwise transferred by the Debtor under this Plan.

1.25 “Exculpated Parties” means the Debtor, the Committee, the Liquidating Agent, and the Oversight Committee as well as their shareholders, directors, officers, agents, employees, attorneys, accountants, financial advisors, consultants, and representatives (solely in their capacities as such).

1.26 “Filing Date” means August 6, 2013.

1.27 “Final Determination” means a determination under non-bankruptcy law that has not been stayed, reversed, or amended and to which (a) the time to appeal or seek review or rehearing has expired, and (b) no appeal or petition for review or rehearing was filed or, if filed, remains pending.

1.28 “Final Order” means an order of the Court for which the time to appeal from such order has expired, and which has not been reversed, stayed, modified, or amended.

1.29 “General Unsecured Claims” means the Class 1-B claims described in Section 4.1.2 of this Plan, which are not Unclassified Priority Claims or Convenience Claims.

1.30 “Insured Claim” means that portion of any claim arising from an incident or occurrence alleged to have occurred prior to the Effective Date: (a) as to which any insurer whose insurance contract(s) premiums were paid by the Debtor is obligated pursuant to the terms, conditions, limitations, and exclusions of such insurance contract(s) to pay any judgment, loss, damages, settlement, or contractual obligation with respect to the Debtor; or (b) that any insurer whose insurance contract(s) premiums were paid by the Debtor otherwise agrees to pay as part of a settlement or compromise of a claim made under the applicable insurance contract(s).

1.31 “Interests” means any ownership interests in the Debtor owned by the ESOP.

1.32 “Liquidating Agent” means the person selected by the Committee and the Debtor and approved by the Court to be the successor to the assets of the bankruptcy estate on behalf of

the Creditors and to undertake and perform the powers and duties of the Liquidating Agent described in Article V of the Plan. The Liquidating Agent shall assume his or her powers and duties upon the Effective Date. The Committee with consent of the Debtor has selected Lighthouse Management, Inc. and James A. Bartholomew as Liquidating Agent.

1.33 “Liquidating Fund” has the meaning set forth in Section 5.1.1 of this Plan.

1.34 “Office Property” means the real property located at 10101 Bren Road East, Minnetonka, MN 55343, which has a PID number of 36-117-22-43-0030, and which is legally described as follows: Lots 2 and 6, Block 10, Opus II 1st Addition, according to the recorded plat thereof, Hennepin County, Minnesota.

1.35 “Other Priority Claims” means the claims described in Section 3.3.3 of this Plan.

1.36 “Oversight Committee” means the committee to undertake the powers and duties of the Oversight Committee described in Article V of the Plan which will initially be comprised of WEWCO Property Management and Leasing and Roberts Business Forms. The Oversight Committee shall assume its powers and duties upon the Effective Date.

1.37 “PBGC” means the Pension Benefit Guaranty Corporation.

1.38 “Pension Plan” means the SCICOM Data Services, Ltd. Employee Pension Plan.

1.39 “Plan” means this Chapter 11 Plan of Liquidation as revised or modified or amended.

1.40 “Previously Assumed Agreements” means the contracts, leases, and other agreements that were assumed and assigned in connection with the Venture Sale, as authorized by orders dated September 26, 2013 [dkt. no. 67] and October 11, 2013 [dkt. no. 74].

1.41 “Priority Tax Claim” means a claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

1.42 “Record Date” means the last date on which a claim transfer will be recognized. The Record Date is the Confirmation Date.

1.43 “Sale Order” means the order entered on September 26, 2013 as Docket No. 67 approving the Venture Sale.

1.44 “Schedules” means the Debtor’s schedules of assets and liabilities and the statement of financial affairs on file with the Clerk of the United States Bankruptcy Court for the District of Minnesota, as amended or modified in accordance with Bankruptcy Rule 1009.

1.45 “SCICOM Leasing” means the Debtor’s wholly-owned subsidiary, SCICOM Leasing, Inc.

1.46 “Statutory Fees and Court Costs” means court costs and fees payable by the Debtor under 28 U.S.C. § 1930 and United States Trustee fees.

1.47 “Twenty-Day Claim” means a claim for goods sold to the Debtor in the ordinary course of the Debtor’s business and received by the Debtor within 20 days before the Filing Date, as specifically defined in section 503(b)(9) of the Bankruptcy Code.

1.48 “Twenty-Day Procedures” has the meaning set forth in Section 3.1.2 of this Plan.

1.49 “Unclassified Priority Claims” means the claims described in Article III of this Plan.

1.50 “Unsecured Claims” means all claims that are unsecured, including Unsecured Priority Claims, Convenience Claims, and General Unsecured Claims.

1.51 “Unsecured Priority Claims” means the Priority Tax Claims, Employee Priority Claims, and Other Priority Claims.

1.52 “Venture” means Venture Solutions Inc.

1.53 “Venture Sale” means the sale of certain of the Debtor’s assets to Venture, approved during this case pursuant to the Sale Order.

ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

The following table designates the classes of claims against and equity interests in the Debtor and specifies which of those classes are (i) impaired or unimpaired by the Plan and (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code. The Debtor believes there are no secured claims.

<u>Class</u>	<u>Designation</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
N/A	Administrative Expense Claims	N/A	No
N/A	Priority Claims	N/A	No
1-A	Convenience Claims	Yes	Yes
1-B	General Unsecured Claims	Yes	Yes
2	Equity Interests	Yes	No

*N/A = Not applicable.

ARTICLE III TREATMENT OF CERTAIN UNCLASSIFIED PRIORITY CLAIMS

Certain Allowed claims which are not classified will be treated as follows:

3.1 Allowed Administrative Expense Claims

Except as otherwise provided in this Article, all Allowed Claims specified in Bankruptcy Code § 507(a)(2), not previously paid, will be paid from the Liquidating Fund in full in cash as soon as practicable after the Effective Date after review by the Liquidating Agent, or later as approved by the Court after any claim objections.

3.1.1 Postpetition Operating Expenses

With respect to the Debtor's Allowed operating expenses incurred during the Chapter 11 Case, including Allowed expenses incurred postpetition under the self-insured health plan offered by the Debtor to its employees, the Debtor generally paid these expenses as they came due. By order dated November 6, 2013 the Debtor was authorized to pay specified administrative expenses and priority claims related to employee severance; the amounts authorized in the order have been paid. If any Allowed Administrative Expense Claims resulting from postpetition operations come due after the Effective Date, or for any other reason have not been paid as of the Effective Date, these claims will be paid from the Liquidating Fund as the claims become due or as otherwise agreed between the holders of such claims and Liquidating Agent. Upon confirmation of this Plan, the Court will enter an order setting deadlines for submission of motions seeking allowance of any unpaid post-petition administrative expenses by any who believe they are entitled to be paid and have not been paid. The Debtor estimates that the amount of postpetition administrative operating expense claims that will be Allowed and paid after the Effective Date will total approximately \$25,000.

3.1.2 Twenty-Day Claims

By order dated November 6, 2013, the court authorized the Debtor to pay in cash all known "Twenty-Day Claims", which claims are further described in the Definitions section of this Plan, Article I, §1.47. The holders of those claims known to the Debtor were listed in the motion. The Court also approved procedures with respect to any other potential Twenty-Day Claims ("Twenty-Day Procedures"). The deadline for filing such Twenty-Day Claims was November 29, 2013. Holders of Twenty-Day Claims that did not file a claim form by that date are forever barred from asserting Twenty-Day Claims against the Debtor, the Liquidating Fund, or their respective property. Some Twenty-Day Claims were filed. Of those some were objected to and disallowed and others were Allowed. Twenty-Day Claims that were Allowed by that process have been paid. Claims that are not determined to be Twenty-Day Claims may nevertheless be Allowed General Unsecured Claims or Convenience Claims, as applicable.

3.1.3 Professional Fees and Expenses

The Debtor paid Allowed professional fees and expenses currently during the Chapter 11 Case. However, the Debtor withheld a portion of such fees in accordance with the Court's holdback rules, and professionals will not have billed some work in process in the weeks leading up to confirmation of the Plan. Professional fees and expenses will be subject to Court approval after the Effective Date on a timeline to be determined by the Court. Two of the Debtor's professionals hold retainers totaling \$109,661. The Debtor estimates that pre-confirmation professional fees to be paid after the Effective Date will total approximately \$55,750. These

claims will be paid from retainers or from the Liquidating Fund as they are approved by the Court.

3.1.4 PBGC Claims of a Kind Specified in 11 U.S.C. § 507(a)(2) & (8)

The claims asserted by the PBGC are described in more detail in Section II(C) of the Disclosure Statement. The PBGC has asserted priority status under 11 U.S.C. § 507(a)(2) & (8) for a portion of its claims. Any objection to such claims, including administrative expense claims, shall be made pursuant to Article VI herein. All PBGC administrative expense and priority Claims shall be paid from the Liquidating Fund at such time as it is approved by the Court or otherwise becomes an Allowed claim. The estimated amount of Allowed Claims in this category is \$3,180.

3.1.5 Taxes

In the event that the Debtor has liability to any taxing authority on account of unpaid taxes that accrued and were payable after the Filing Date, the Debtor or the Liquidating Agent will pay such taxes as soon as practicable. The Debtor believes that there will be no such claims.

3.1.6 Claims Arising Under Assumed Executory Contracts or Unexpired Leases

Allowed claims arising under any executory contracts or unexpired leases that are assumed under Section 8.1 of the Plan will be paid according to the terms of any order of the Court approving assumption of such contract or lease, or as otherwise agreed between the holders of such claims and the Debtor or the Liquidating Agent. The Debtor estimates that the only such claim will be in the amount of \$4,200.

3.2 Statutory Fees and Court Costs

Court costs and fees payable by the Debtor under 28 U.S.C. § 1930 will be paid from the Liquidating Fund in full in cash on the Effective Date or as soon as practicable thereafter or as required under the Office of the United States Trustee's quarterly payment guidelines. The Debtor estimates these claims will be nominal, as it has remained current on such payments. After confirmation, the Liquidating Agent will continue to pay quarterly fees to the Office of the United States Trustee and file quarterly reports with the Office of the United States Trustee until this case is closed by the Court, dismissed, or converted. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 cases.

3.3 Unsecured Priority Claims

3.3.1 Priority Tax Claims

a. Payment of Priority Tax Claims

Each holder of an Allowed Priority Tax Claim will be paid, in full satisfaction of its Priority Tax Claim, cash equal to the amount of such Allowed Priority Tax Claim, on the later of: (a) as soon as practicable after the Effective Date, or (b) the date on which such Priority Tax

Claim becomes an Allowed Priority Tax Claim. These claims will be paid from the Liquidating Fund. The Debtor estimates there will be no Allowed Priority Tax Claims.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section 3.3.1.a, the holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim. Any such claim or demand for any such penalty shall be subject to treatment in Class 1-B (General Unsecured Claims), if not subordinated to Class 1-B claims pursuant to an order of the Court. The holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Debtor, the Liquidating Fund, or their respective property (other than as a holder of a Class 1-B Claim).

3.3.2 Employee Priority Claims and Other Claims Under Section 507(a)(4) or (5) of the Bankruptcy Code

As described above, the Debtor received authorization to pay certain Allowed Employee Priority Claims, and the Debtor believes that all holders of Allowed Employee Priority Claims have been paid in full. Any Allowed Employee Priority Claims or other Allowed claims entitled to priority under section 507(a)(4) or (5) of the Bankruptcy Code not already paid will be paid from the Liquidating Fund in full on the earlier of: (a) the Effective Date, or as soon as practicable thereafter, or (b) as they come due. Any such claims that become Allowed claims after the Effective Date will be paid from the Liquidating Fund at such time as they are approved by the Court or otherwise become Allowed claims. The PBGC has asserted certain priority claims under these sections of the Bankruptcy Code. Any claim under section 507(a)(4) or (5) of the Bankruptcy Code asserted by the PBGC shall be subject to the claim administration procedures set forth in Article VI of the Plan and, if Allowed, shall be paid from the Liquidating Fund at such time as it is approved by the Court or otherwise becomes an Allowed claim. The Debtor estimates that the total Allowed amount of the PBGC's priority claims will be \$4,971.

3.3.3 Other Priority Claims

All other Allowed claims not specifically treated in this section and entitled to priority under section 507(a) of the Bankruptcy Code will be paid from the Liquidating Fund in full on the later of the Effective Date or as soon as practicable thereafter or as they come due. The Debtor does not believe there are any claims of this type.

**ARTICLE IV
TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS**

4.1 Unsecured Non-Priority Claims

4.1.1 Class 1-A – Convenience Claims

This class consists of all Allowed non-priority unsecured claims against the Debtor that are (a) in the amount of \$1,000 or less, or (b) reduced by the holder of the claim to \$1,000 by election on the Ballot. Each holder of an Allowed Convenience Claim will be paid, in full

satisfaction of its Allowed Convenience Claim, cash equal to 50% of its Allowed Convenience Claim as soon as practicable following the Effective Date. These claims will be paid from the Liquidating Fund. The Debtor estimates that the Allowed claims treated in this class will total approximately \$32,040 (prior to the reduction to \$1,000, as applicable) and that the distributions to this class will total approximately \$13,305.

4.1.2 Class 1-B – General Unsecured Claims

Except as otherwise provided in this Plan, on one or more distribution dates established under Section 6.1, each holder of an Allowed General Unsecured Claim shall receive a pro rata share of the net proceeds of the Liquidating Fund after the payment of all Allowed Administrative Expense Claims, Allowed Unclassified Priority Claims, Allowed Convenience Claims, and all costs and expenses of the Liquidating Fund. General Unsecured Claims will include claims by counterparties to executory contracts and unexpired leases that are rejected pursuant to Section 8.1 of this Plan.

The likely amount of Allowed Claims in this class and the projected distribution to this class are estimated in the Disclosure Statement. The actual distribution in this class is highly dependent on several factors, including which executory contracts or unexpired leases are assumed and the related cure costs paid; the amount of administrative expense or priority claims, if any, that become Allowed Claims in favor of the PBGC; the sale price of the Office Property; the amount of the Earn-Out Payment received by the Liquidating Fund; and other factors. The Debtor estimates in the Disclosure Statement that the distribution to this class will be between 36% and 44%.

4.2 Class 2 – Interests in Debtor

On the Effective Date, all Interests in the Debtor shall be deemed automatically cancelled, shall be of no further force, whether surrendered for cancellation or otherwise, and the obligations of the Debtor thereunder or in any way related thereto shall be discharged. Interests are not entitled to any distributions under this Plan. Holders of Class 2 Interests are conclusively deemed to have rejected this Plan, and therefore, the votes of holders of Class 2 Interests will not be solicited.

4.3 Special Provisions Relating to Creditors' Rights of Setoff

Nothing in this Plan shall expand or enhance a creditor's right of setoff, which shall be determined as of the Filing Date. Nothing in this Plan is intended to, or shall be interpreted to, approve any creditor's effectuation of a post-Filing Date setoff without the consent of the Debtor unless prior Court approval has been obtained.

ARTICLE V MEANS OF EXECUTION OF THE PLAN

5.1 Liquidating Fund and Liquidating Agent

5.1.1 Liquidating Fund

On the Effective Date, except as otherwise designated in this Plan, all of the Estate Assets shall become part of a liquidating fund (“Liquidating Fund”), which shall be used for the administrative costs of administering the Plan and for payments to holders of Allowed claims in accordance with the terms of this Plan under the direction of the Liquidating Agent.

The transfer of assets and rights to the Liquidating Fund shall not be construed to destroy or limit any such assets or rights or be construed as a waiver of any right, and such rights may be asserted by the Liquidating Fund as if the asset or right was still held by the Debtor.

As an integral part of implementation of the Plan, the Liquidating Agent shall sell or otherwise liquidate or abandon all remaining Estate Assets, including the Office Property, to fund administration of the Liquidating Fund for the benefit of the Creditors.

Notwithstanding any provision of the Disclosure Statement, Plan, or Confirmation Order to the contrary, to the extent that the Debtor or Liquidating Agent holds records of the SCICOM Data Services, Ltd. Employee Pension Plan (the “Pension Plan”) or employment records of Pension Plan participants, including, but not limited to, any Pension Plan governing documents, actuarial documents, and employment records (collectively, the “Pension Plan Documents”), pursuant to the terms of the Sale Order, the Debtor and the Liquidating Agent shall retain and not abandon such Pension Plan Documents until the PBGC has completed its investigation regarding the Pension Plan and shall make the Pension Plan Documents available to the PBGC for inspection and copying.

5.1.2 Liquidating Agent

The Liquidating Agent shall be appointed by the Committee with the approval of the Debtor, and the appointment shall be approved by the Court through the Order confirming the Plan. The Debtor and the Committee have selected Lighthouse Management, Inc. and James Bartholomew as the Liquidating Agent. In the event of the resignation or termination of the Liquidating Agent, any successor Liquidating Agent shall be appointed by the Oversight Committee. The Liquidating Agent’s primary tasks are to receive the Liquidating Fund, liquidate assets, pursue causes of action, administer claims, and distribute proceeds for the benefit of Creditors.

5.1.3 Powers and Duties of the Liquidating Agent

In furtherance of and consistent with the purpose of the Plan, and subject to the direction and consent of the Oversight Committee, in addition to the powers and authority specifically provided elsewhere in the Plan, the Liquidating Agent shall receive the Liquidating Fund, have the powers of an agent to act for the holders of claims under the Plan on account of such claims and be a “representative of the estate” as set forth in 11 U.S.C. § 1123(b)(3)(B) together with the power and authority to (a) hold, manage or sell the Estate Assets, (b) effect all actions and

execute all agreements, instruments and other documents necessary to implement the provisions of this Plan, including, but not limited to, all documentation required by purchasers and title companies to transfer real property on behalf of the Debtor and the Liquidating Fund, (c) establish reserves for Contested Claims, taxes, assessments, professional fees, and other expenses of administration of the Liquidating Fund as may be necessary and appropriate for the operation of the Liquidating Fund, (d) calculate and make distributions from the Liquidating Fund to the holders of all Allowed claims in accordance with the provisions of this Plan, (e) investigate, prosecute, litigate, settle or compromise any objections to claims, Avoidance Claims and Causes of Action on behalf of the Debtor and, as set forth in Section 7.1 of the Plan, those claims may be settled or compromised without notice and a hearing and without Court approval but shall be subject to the consent of the Oversight Committee, (f) review, reconcile or object to claims and resolve such objections as set forth in this Plan, (g) object to the amount of any claim on the Debtor's Schedules if the Liquidating Agent determines in good faith that the claim is invalid, has previously been paid or satisfied, or other grounds exist for an objection, (h) defend, protect and enforce any and all rights and interests transferred to the Liquidating Fund or Liquidating Agent, (i) retain professionals and incur any reasonable and necessary expenses in performance of its duties, and to the extent such payments are approved by the Oversight Committee, to pay those expenses without any further application to the Bankruptcy Court, (j) pay any and all claims, liabilities, losses, damages, costs and expenses incurred by the Liquidating Agent, including all fees and expenses of the Liquidating Agent and professionals retained by the Liquidating Agent, (k) file estate tax returns and other tax returns as required and provide tax information to Creditors, (l) operate assets for periods reasonably required to preserve or maximize value pending liquidation and distribution to Creditors, (m) open, create, or close accounts to deposit, hold, and disburse funds, (n) invest cash in demand or time deposits to obtain market rates of return pending distributions, (o) file any and all reports and motions or requests for relief with the court or any opposition thereto, (p) enter into, authorize, and benefit from any insurance policies and rights of indemnification, (q) dissolve the Debtor or otherwise wind up any of the Debtor's corporate affairs and existence, (r) subject to approval of the Oversight Committee, incur indebtedness to fund administration of the Plan, (s) perform any other functions that are necessary to effectuate this Plan and perform its duties as Liquidating Agent, and (t) have the power and authority to administer the closure of the Chapter 11 case. In all circumstances, the Liquidating Agent will act in the best interests of the Creditors.

5.1.4 Compensation and Retention of Professionals

The Liquidating Agent will be entitled to be paid reasonable compensation and expenses from the Liquidating Fund, subject to the consent of the Oversight Committee. The Liquidating Agent's current rate is \$375 per hour. The Liquidating Agent will be entitled to retain professionals without court approval to assist in its duties, and will be entitled to pay such professionals reasonable compensation and expenses, subject to the consent of the Oversight Committee. The Liquidating Agent may hire former employees and other "insiders" (as that term is defined in the Bankruptcy Code) of the Debtor for post-confirmation services, and may pay such individuals reasonable compensation and expenses, subject to the consent of the Oversight Committee. For certain post-petition services, after the Venture Sale and the Termination of all other employees, the Debtor has employed former employees Timothy Johnson (Debtor's CFO) and Marlene Tollefson. The Liquidating Agent anticipates requesting post-confirmation services from one or both of those individuals. The Liquidating Agent may retain attorneys, consultants, and other professionals that represent the Debtor, subject to the

consent of the Oversight Committee. Fees that the Debtor's professionals incur on behalf of the Debtor after the Effective Date in connection with the implementation of this Plan may be paid out of the Liquidating Fund, subject to the consent of the Liquidating Agent and Oversight Committee, or by Court Order. Any dispute as to such compensation and expenses between the Liquidating Agent, its professionals, and the Oversight Committee, or any objection by any party in interest as to such compensation and expenses, will be resolved by the Court on motion.

5.1.5 Removal of the Liquidating Agent.

At any time upon thirty (30) days' written notice to the Liquidating Agent and upon a unanimous vote by the members of the Oversight Committee, the Oversight Committee may move the Court for an order removing the Liquidating Agent and appointing a successor Liquidating Agent. The motion shall identify a proposed successor Liquidating Agent and generally describe the qualifications of the person to act as successor Liquidating Agent. The Court shall grant the motion if all members vote in favor of the removal and cause exists for the removal of the Liquidating Agent.

5.2 Oversight Committee

The Oversight Committee shall consist initially of two of the Debtor's creditors, WEWCO Property Management and Leasing and Roberts Business Forms. The initial representative of WEWCO Property Management and Leasing will be Dipak Patel, and the initial representative of Robert Business Forms will be Rick Moser. In the event that a resignation or termination of members of the Oversight Committee reduces the number of members to less than two members, then one successor member shall be appointed by the remaining member and the Liquidating Agent. The Oversight Committee will monitor the Liquidating Agent and all activities set forth in this Plan. The Oversight Committee will have the power and authority to ratify or reject decisions of the Liquidating Agent, and in its discretion, the Oversight Committee may delegate to the Liquidating Agent such power and authority as it deems proper. The members of the Oversight Committee will not be paid for their services except for reimbursement of actual expenses incurred by such members. The Oversight Committee will be governed by by-laws substantially in the form of those attached as Exhibit 5.2. In the event that a vote by the Oversight Committee results in a tie vote, the Liquidating Agent (although not a member) shall be entitled to vote on that issue as set forth in Section 2.5 of Exhibit 5.2.

5.3 Liability and Indemnification of Liquidating Agent and Oversight Committee Members

Neither the Liquidating Agent, Oversight Committee members, nor their designees, employees, professionals, or agents will be liable for the act or omission of any other designee, employee, professional, or agent, nor will the Liquidating Agent or Oversight Committee members be liable for any act or omission taken or omitted to be taken in their respective capacities, other than acts or omissions resulting from willful misconduct, gross negligence, or fraud. The Liquidating Agent, Oversight Committee members, their designees, employees, professionals, or agents shall be indemnified and held harmless, including the cost of defending such claims and the attorney fees in seeking indemnification, by the Liquidating Fund against

any and all claims arising out of their duties under this Plan, except to the extent their actions constitute willful misconduct, gross negligence, or fraud.

5.4 Effectuating Documents; Further Transactions; Exemption from Certain Transfer Taxes

The Debtor and the Liquidating Agent, as the case may be, shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan, including, but not limited to, all documentation required by purchasers and title companies to transfer real property on behalf of the Debtor and the Liquidating Fund. Pursuant to section 1146(a) of the Bankruptcy Code, the following shall not be subject to any stamp tax, real estate transfer tax, mortgage recording tax, sales or use tax, or similar tax: (a) the creation of any mortgage, deed of trust, lien, or other security interest; (b) the making or assignment of any lease or sublease; or (c) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with any of the foregoing or pursuant to this Plan.

5.5 Distribution of Employee Bonus

Pursuant to the Venture Sale an “earn-out” payment may be due from Venture after one year after the sale. The portion of “earn out” payment which is payable to former employees shall be distributed by Alerus Financial, N.A. to the former employees entitled thereto. The portion of the “earn-out” payable to the Debtor and the estate shall be received by the Liquidating Agent for distribution in accordance with this Plan.

ARTICLE VI DISTRIBUTIONS AND CLAIMS ADMINISTRATION

6.1 Distributions

Unless otherwise provided in this Plan, and subject to Sections 6.4 and 6.5 of this Plan, the Liquidating Agent shall make an initial distribution to Creditors within sixty (60) days after the Effective Date or as soon as practicable thereafter. The Liquidating Agent shall make a final distribution after determining, in consultation with the Oversight Committee, that all assets that feasibly could be liquidated have been liquidated and that the next distribution will be the final distribution. At its discretion, the Liquidating Agent may make, but is not required to make, additional distributions after the initial distribution and before the final distribution.

6.2 Method of Payment

Payments under this Plan will be made by check, mailed with first class postage pre-paid, to the holder of each claim at the address listed on its proof of claim as of the Record Date, or if no proof of claim has been filed by the date of the hearing on confirmation, to the address listed on the Schedules as of the Record Date. Holders of claims as of the Record Date may contact the Liquidating Agent to amend their addresses as follows:

James Bartholomew
Lighthouse Management Group, Inc.
900 Long Lake Road
Suite 180
New Brighton, MN 55112
Tel: (651) 323-2257

6.3 Claims Administration Responsibility

6.3.1 Reservation of Rights to Object to Claims

Unless a claim is specifically Allowed under this Plan, or otherwise Allowed prior to or after the Effective Date, the Liquidating Agent shall have and retain any and all objections to any and all claims and motions or other requests for the payment of claims, whether administrative expense, secured, or unsecured, including, without limitation, any and all objections to the validity or amount of any and all alleged administrative expense claims, priority tax claims, liens and security interests, whether under the Bankruptcy Code, other applicable law, or contract.

6.3.2 Filing of Objections

Unless otherwise ordered by the Court in the Confirmation Order, any objections to claims other than administrative expense claims will be filed within sixty (60) days after the Effective Date (unless such day is not a business day, in which case such deadline will be the next business day thereafter) or at such later date as approved by the Court upon request from the Liquidating Agent. An objection to a claim will be deemed properly served on the holder of the claim if the Liquidating Agent effects service by any of the following methods: (a) in accordance with Federal Rule of Civil Procedure 4, as allowed and made applicable by Bankruptcy Rule 7004; (b) by first class mail, postage prepaid, on the signatory on the proof of claim or other representative identified on the proof of claim or interest or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the behalf of the claimholder in the Chapter 11 Case.

6.3.3 Determination of Claims

Except as otherwise agreed by the Liquidating Agent, any claim as to which a proof of claim or motion or other request for payment was timely filed in the Chapter 11 Case may be determined and liquidated pursuant to (a) a Final Order of the Court, or (b) a Final Determination under applicable non-bankruptcy law, and will be deemed Allowed in such liquidated amount and satisfied in accordance with this Plan. Nothing contained in this Plan, the Disclosure Statement, or the Confirmation Order will constitute or be deemed a waiver of any claim, right, interest, or Cause of Action that the estate, the Liquidating Agent or Liquidating Fund may have against any person in connection with or arising out of any claim or claims, including, without limitation, any rights under section 157(b) of Title 28 of the United States Code.

6.4 Procedures for Treating and Resolving Contested Claims

6.4.1 No Distributions Pending Allowance

Notwithstanding any other provision hereof, no payments or distributions will be made with respect to all or any portion of a Contested Claim unless and until all objections to such Contested Claim have been settled or withdrawn or have been determined by a Final Order, and the Contested Claim has become an Allowed claim.

6.4.2 Claim Estimation

The Debtor or the Liquidating Agent may request estimation or limitation of any Contested Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code; provided, however, that the Court will determine: (a) whether such Contested Claim is subject to estimation pursuant to section 502(c) of the Bankruptcy Code, and (b) the timing and procedures for such estimation proceedings, if any. Unless provided otherwise in an order of the Court, the estimated amount shall constitute the Allowed amount of such claim or a maximum limitation on such claim, as the Court may direct; provided, however, that if the estimate constitutes the maximum limitation on such claim, the Debtor or the Liquidating Agent may elect to pursue supplemental proceedings to object to the ultimate allowance of such claim. The foregoing shall not limit the rights granted by Code section 502(j).

6.4.3 No Distribution if Cause of Action Asserted

Notwithstanding any other provision hereof, no payment or distribution will be made with respect to all or any portion of a claim or Allowed claim held by a claimant against whom an Avoidance Claim or Cause of Action is asserted unless and until such Avoidance Claim or Cause of Action has been settled or withdrawn or has been determined by Final Order.

6.4.4 Reserve Account for Contested Claims

From and after the Effective Date and until such time as all Contested Claims have been compromised and settled or determined by Final Order or Final Determination, the Liquidating Agent shall establish and maintain a separate reserve account in an amount equal to distributions that would have been made to the holders of Contested Claims if each Contested Claim were an Allowed claim equal to the lesser of: (i) the Contested Claim amount, which is the greater of (a) the amount of the claim scheduled by the Debtor in its schedules or (b) the amount listed on the proof of claim filed by the holder of the claim; (ii) the amount in which the Contested Claim is estimated by the Court for purposes of allowance, which amount unless otherwise ordered shall constitute the maximum amount in which the Contested Claim may become an Allowed Claim; or (iii) such other amount as may be agreed upon by the Liquidating Agent and the holder of the Contested Claim.

6.4.5 Payment Upon Allowance and Disallowance of Contested Claims

At such time as a Contested Claim becomes, in whole or in part, an Allowed claim, the Liquidating Agent shall distribute to the holder thereof the distribution(s) to which the holder is then entitled under the Plan. Such distribution, if any, shall be made as soon as practicable after the entry of the Final Order allowing the claim. In the event that a Contested Claim is not

Allowed, in whole or in part, the holders of Allowed claims in the same class as the holder of the Contested Claim shall receive their pro rata share of any amount reserved on account of the Contested Claim in the next distribution under the Plan, or, if no further distribution is scheduled under the Plan, at such time as all Contested Claims have been compromised and settled or determined by Final Order.

6.5 Record Date

The Record Date for claim transfers is the Confirmation Date. Payment under the Plan will be mailed to the address of the holder of the claim as of the Record Date until the holder of the claim as of the Record Date notifies the Liquidating Agent in writing of a different address.

6.6 Limitations on Amounts to Be Distributed to Holders of Allowed Insured Claims

Except as provided by previous Order, distributions under this Plan to each holder of an Allowed Insured Claim shall be in accordance with the treatment provided under this Plan for the class in which such Allowed Insured Claim is classified, subject to reserve as a Contested Claim under Section 6.4.4 of this Plan and to reduction of the total claim amount on a dollar-by-dollar basis to the extent that such Allowed Insured Claim is satisfied from proceeds payable to the holder thereof under any pertinent insurance contracts and applicable law. Nothing in this Section 6.6 constitutes a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities that any entity may hold against any other entity, including the Debtor's insurers.

6.7 De Minimis Distributions

The Liquidating Agent shall not be required to make any payment of less than twenty-five dollars (\$25.00) with respect to any Allowed Class 1-B claim. To the extent that any interim distribution is not paid to the holder of a Class 1-B claim because it amounts to less than twenty-five dollars (\$25.00), the amount of such withheld distribution shall be reserved for addition to any future distribution or to the final distribution to such holder of a Class 1-B claim, and will be made at that time if the total distribution is at least twenty-five dollars (\$25.00).

6.8 Unclaimed Payments

In the event a payment is returned to the Liquidating Agent unclaimed, with no indication of the payee's forwarding address, the Liquidating Agent will hold such payment for a period of 90 days from the date of return. If not claimed by the payee by the end of that period, the payment will become property of the Liquidating Fund for distribution to holders of General Unsecured Claims. In the event there are unclaimed funds at the end of the distribution process and redistribution to other holders of Claims is impractical, the Liquidating Agent shall pay over such funds to the Volunteers Lawyers Network for the support of its programs designed to provide pro bono assistance to persons needing legal services in bankruptcy matters who are unable to afford such services.

6.9 Time Bar to Check Payments

Checks issued by the Liquidating Agent shall be null and void if not negotiated within 120 days from and after the date of issuance. Requests for re-issuance of any check shall be made to the Liquidating Agent by the holder of the Allowed claim with respect to which such check originally was issued. Any claim in respect of such a voided check must be made on or before 180 days after the date of issuance of such check. After 180 days after issuance of a non-negotiated check for which the holder of the Allowed claim did not request re-issuance, all claims in respect of voided checks shall be discharged and forever barred and the Liquidating Fund shall retain all monies related thereto for distribution in accordance with this Plan.

6.10 Setoffs

The Liquidating Agent may, pursuant to applicable non-bankruptcy law, set off against any distribution(s) to be made pursuant to the Plan, the claims, rights, and Causes of Action of any nature the Debtor or the Liquidating Agent may hold against the holder of such Allowed claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any claim hereunder shall constitute a waiver or release of any such claims, rights, and Causes of Action that the Debtor or the Liquidating Agent may hold against such holder.

ARTICLE VII RETENTION AND ENFORCEMENT OF CLAIMS OR INTERESTS BELONGING TO THE DEBTORS OR THE ESTATES

7.1 Preservation of Causes of Action and Avoidance Actions

On the Effective Date, the Liquidating Agent shall be vested in and retain, as the representative of the estate under section 1123(b)(3)(B) of the Bankruptcy Code, all Causes of Action, including Avoidance Claims, and the Liquidating Agent may enforce or not enforce, consistent with its fiduciary duties, any Causes of Action that the Debtor, the estate, or the Liquidating Agent may hold against any entity to the extent not expressly released under this Plan or by any Final Order of the Court, including, but not limited to, those items identified on Exhibit 7.1. No person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtor or the Liquidating Agent will not pursue any and all available Causes of Action against them. The Debtor expressly reserves all Causes of Action, including Avoidance Claims, for later adjudication by the Liquidating Agent. Therefore, no preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of, the Confirmation Order. The Liquidating Agent may, at its option, compromise any Cause of Action, Avoidance Claim, or any other claim, interest, or objection retained herein after the Effective Date without notice and a hearing and without Court approval. To the extent required by the Bankruptcy Code, the Liquidating Agent is hereby designated as the "Plan Representative." All recoveries on the Causes of Action and Avoidance Claims shall be retained by the Liquidating Agent for making distributions under this Plan. Nothing in this Plan shall shorten or otherwise affect the Liquidating Agent's deadline to assert Avoidance Claims or other Causes of Action as governed by section 546(a) of the Bankruptcy Code or other applicable law.

ARTICLE VIII EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Assumption or Rejection of Executory Contracts and Unexpired Leases

Each contract, lease, or other agreement listed on Exhibit 8.1 as an agreement to be assumed (the “Additional Assumed Agreements”) shall be assumed as of the Effective Date, to the extent that each such Additional Assumed Agreement has not already expired, concluded, or terminated under its own terms. Because the Previously Assumed Agreements have already been assumed and assigned by the Debtor, they are not included on Exhibit 8.1, and their status will not be affected by this Plan. All other executory contracts, unexpired leases, or other agreements that are not Additional Assumed Agreements and were not previously assumed or rejected by Order of the Court in the Chapter 11 Case shall be deemed rejected as of the Effective Date. Entry of the Confirmation Order shall constitute, pursuant to sections 365 and 1123 of the Bankruptcy Code, the approval of the rejection of all such executory contracts and unexpired leases.

8.2 Cure of Defaults

Upon information and belief, all Cure Amount Claims for the Previously Assumed Agreements have been satisfied in accordance with the terms and procedures of the Venture Sale, the related process, and the Sale Order, and no Cure Amount Claims exist related to the Previously Assumed Agreements; provided, however, that in the event a Cure Amount Claim remains due and owing for the Previously Assumed Agreements, such payments shall be made by the Liquidating Fund as provided in Section 3.1.6. The Liquidating Agent shall retain all rights to contest any outstanding Cure Amount Claims.

The Debtor has identified the Cure Amount Claims that it believes exist for the Additional Assumed Agreements. Payments of any Cure Amount Claims for the Additional Assumed Agreements shall be made by the Liquidating Fund as provided in Section 3.1.6. The Liquidating Agent shall retain all rights to contest any Cure Amount Claims asserted in connection with the Additional Assumed Agreements.

8.3 Bar Date for Rejection Damage Claims

To the extent not subject to a claims bar date set forth in any prior or subsequent order of the Court, claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 8.1 of this Plan must be filed with the Court no later than 30 days after the entry of the Confirmation Order and, upon allowance, shall be an Allowed General Unsecured Claim. Any claims not filed within such applicable time periods shall be forever barred from receiving a distribution from the Debtor, the estate, or the Liquidating Fund.

ARTICLE IX CONFIRMATION OF THE PLAN

9.1 Conditions Precedent to Confirmation

The following conditions are conditions to the entry of the Confirmation Order unless such conditions, or any of them, have been satisfied or duly waived pursuant to Section 9.3 of this Plan:

- a. The Confirmation Order shall be reasonably acceptable in form and substance to the Debtor.
- b. This Plan shall not have been materially amended, altered or modified from the version as filed on February 20, 2014, unless such material amendment, alteration or modification has been made in accordance with Section 12.1 of this Plan.

9.2 Conditions Precedent to the Effective Date

The Effective Date shall not occur, and this Plan shall not be consummated, unless and until each of the following conditions have been satisfied or duly waived pursuant to Section 9.3 of this Plan:

- a. The Court shall have entered the Confirmation Order, the Confirmation Order shall be a Final Order, and no stay of the Confirmation Order shall then be in effect.
- b. The Debtor shall have sufficient cash on hand to pay obligations required to be paid on or as soon as reasonably practicable after the Effective Date of this Plan.
- c. This Plan shall not have been materially amended, altered or modified from this Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or modification has been made in accordance with Section 12.1 of this Plan.

9.3 Waiver of Conditions to Confirmation or Effective Date

The conditions to Confirmation and the conditions to the Effective Date may be waived in whole or in part at any time by the Debtor without an order of the Court.

9.4 [reserved]

9.5 Cramdown

The Debtor requests confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired class that has not accepted or is deemed not to have accepted this Plan pursuant to section 1126 of the Bankruptcy Code.

9.6 Effect of Confirmation of the Plan

9.6.1 Title to and Vesting of Assets

All property of the Debtor and the estate is dealt with by this Plan; therefore, on the Effective Date, to the full extent allowed by section 1141(b) of the Code, all property of the Debtor and the estate vests in the Liquidating Fund and such property is free and clear of all liens, encumbrances, claims, and interests of creditors and equity security holders, except to the extent the Plan explicitly provides that such liens, encumbrances, claims, or interests are retained. From and after the Effective Date, the Liquidating Fund may operate, use, acquire, and dispose of property in accordance with the Plan, free and clear of any restrictions of the Bankruptcy Code and the Bankruptcy Rules, and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, except as provided in this Plan.

9.6.2 Injunction Against Interference with the Plan

The Plan is binding on the Debtor, any Creditor, holder of Interests, or others to the full extent provided in section 1141(a) of the Code. All entities who are bound by this Plan, including entities with claims not listed on the Schedules, or who are listed on the Schedules as disputed, unliquidated, or contingent and who did not timely file proofs of claim, are hereby enjoined and prevented from commencing or continuing any judicial or administrative proceeding or employing any process to interfere with the consummation or implementation of this Plan or the payments to be made hereunder, including commencing or continuing any judicial or administrative proceeding or employing any process against the Debtor, the estate, the Oversight Committee, or the Liquidating Agent; provided, however, such injunction shall not prohibit any entity from pursuing actions they may have against third parties.

9.6.3 No Discharge

Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation of the Plan does not discharge the Debtor's indebtedness. Furthermore, no provision contained herein, the Confirmation Order, section 1141 of the Bankruptcy Code, or in any other documents filed in this bankruptcy proceeding shall be construed as discharging, releasing, or relieving any party, in any capacity, from any liability with respect to the Pension Plan under any law, government policy, or regulatory provision.

9.6.4 Exculpation

Subject to the occurrence of the Effective Date, none of the Exculpated Parties shall have or incur any liability to any holder of a claim or interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Case and this Plan, the solicitation of this Plan, the pursuit of confirmation of this Plan, the consummation of this Plan, the administration of this Plan, or the property to be distributed under this Plan; provided, however, that the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan; provided further that nothing in this Plan shall, or shall be deemed to, release or exculpate the Exculpated Parties with respect to their respective obligations or covenants arising pursuant to this Plan.

9.6.5 Special Provision Regarding the Pension Plan

Notwithstanding any provision of the Plan, the Disclosure Statement, or the Confirmation Order to the contrary, neither the Plan, the Disclosure Statement, nor the Confirmation Order will release, discharge or exculpate any party other than the Debtor from any debt or obligation owed to the Pension Plan or the PBGC under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code or enjoin or prevent the Pension Plans and the PBGC from collecting any such liability from a liable party.

ARTICLE X EVENTS OF DEFAULT

Unless otherwise provided elsewhere in the Plan, default with respect to the Debtor's or the Liquidating Agent's obligations under the Plan to any Creditor or other person will not occur unless and until such Creditor or other person has delivered written notice of such default to the Liquidating Agent at the address set out in Section 6.2 of the Plan, and the Debtor or the Liquidating Agent has failed to cure such default within 30 days after receipt of such written notice. If the Debtor or the Liquidating Agent fails to cure a default, a Creditor's or other person's sole remedy is a claim for breach of contract, and the Liquidating Agent shall have such claims and any other remedies provided for in the Plan or pursuant to any interests the Debtor has granted to the Liquidating Agent under the Plan.

ARTICLE XI RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Court shall retain such jurisdiction over the Chapter 11 Case after the Effective Date as is legally permissible to the full extent permitted by the Code, including jurisdiction to:

- a. Allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate, or establish the priority or secured or unsecured status of any claim, including the resolution of any request for payment of any Administrative Expense Claims, and the resolution of any objections to the amount, allowance, priority, or classification of claims;
- b. Resolve any issues arising under asset purchase agreements entered into during the Chapter 11 Case or their respective sale orders to the extent required for the implementation or execution of the Plan;
- c. Determine all questions and disputes regarding title to the assets of the estate to the extent required for the implementation or execution of the Plan;
- d. Either grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods ending on or before the Effective Date;
- e. Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which the Debtor is a party or with

respect to which the Debtor may be liable and to hear, determine and, if necessary, liquidate any claims arising therefrom, including any cure amount claims;

f. Ensure that distributions to holders of Allowed claims are accomplished pursuant to the provisions of this Plan;

g. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and either grant or deny any applications involving the Debtor that may be pending on the Effective Date or brought thereafter;

h. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

i. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is entered into or delivered pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;

j. Modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into, delivered, or created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;

k. Issue injunctions, enforce the injunctions contained in this Plan and the Confirmation Order, and enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;

l. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated, or distributions pursuant to this Plan are enjoined or stayed;

m. Determine any other matters that may arise in connection with or in relation to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order;

n. Enforce or clarify any orders previously entered by the Court in the Chapter 11 Case;

o. Enter a final decree closing the Chapter 11 Case;

- p. Determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any Contested Claims for taxes;
- q. Recover all assets of the Debtor and its estate, wherever located; and
- r. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII MISCELLANEOUS PROVISIONS

12.1 Modification of the Plan

Subject to the restrictions on alteration, amendment, and modification set forth in section 1127 of the Bankruptcy Code, the Debtor reserves the right to alter, amend, or modify this Plan before the Effective Date.

12.2 Revocation of the Plan

The Debtor reserves the right to revoke or withdraw this Plan prior to the Confirmation Date. If the Debtor revokes or withdraws this Plan, or if confirmation does not occur, then this Plan shall be null and void in all respects, and nothing contained in this Plan shall: (a) constitute a waiver or release of any claims by or against the Debtor, (b) prejudice in any manner the rights of the Debtor or any other party in interest, or (c) constitute an admission of any sort by the Debtor or any other party in interest.

12.3 Dissolution of the Committee

On the Effective Date, the Committee shall be dissolved, and the members thereof and the professionals retained thereby shall be released and discharged from their respective fiduciary obligations. The dissolution of the Committee shall not impair the ability of its members to serve on the Oversight Committee.

12.4 Severability of Plan Provisions

If, prior to Confirmation, any term or provision of this Plan is held by the Court to be invalid, void, or unenforceable, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.5 Corporate Documents

The certificate of incorporation of the Debtor and related documents will be amended to the extent necessary as required by section 1123(a)(6) of the Bankruptcy Code and as may otherwise be required by this Plan.

12.6 Regulated Rates

This Plan affects no rates subject to approval by any governmental regulatory commission.

12.7 Successors and Assigns

The rights, benefits, and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

12.8 Governing Law

The rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the State of Minnesota, without giving effect to principles of conflict of laws.

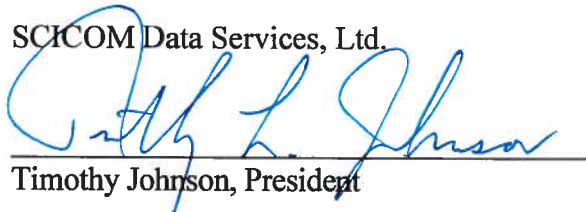
12.9 Construction

The section headings contained in this Plan are for reference purposes and shall not affect in any way the meaning or interpretation of the Plan. To the extent of any inconsistencies between the information contained in the Disclosure Statement and the terms and provisions of the Plan, the terms and provisions of the Plan shall govern.

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IN WITNESS WHEREOF, the undersigned has executed this Chapter 11 Plan of Liquidation as of the date set forth above.

SCICOM Data Services, Ltd.



Timothy Johnson, President

/s/ James L. Baillie

James L. Baillie (#3980)

James C. Brand (#387362)

Sarah M. Olson (#390238)

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ATTORNEYS FOR DEBTOR

Exhibit 5.2

Oversight Committee By-Laws

BY-LAWS OF THE OVERSIGHT COMMITTEE
In re SCICOM Data Services, Ltd.

Case No. 13-43894

1. THE COMMITTEE

1.1. Appointment of Committee. On September 13, 2013, the United States Trustee for the District of Minnesota, under the authority conferred by Section 1102(a)(1) of Title 11, United States Code ("Bankruptcy Code"), appointed the Official Committee of Unsecured Creditors ("Committee") of SCICOM Data Services, Ltd., Case No. 13-43894 (the "Debtor"), currently pending in the United States Bankruptcy Court for the District of Minnesota ("Bankruptcy Court"). Pursuant to the Debtor's Chapter 11 Plan of Liquidation dated _____, 2014 ("Plan"), and confirmed on _____, 2014, all Estate Assets¹ became part of the Liquidating Fund, which shall be used to liquidate remaining Estate Assets and distribute the proceeds according to the terms of the Plan under the direction of the Liquidating Agent. Under Section 12.3 of the Plan, the Committee was dissolved and this Oversight Committee was appointed to undertake the powers and duties granted to it as set forth in the Plan, including monitoring the Liquidating Agent and all activities set forth in the Plan.

1.2. The members of the Oversight Committee are referred to individually herein as a "Member" and collectively as the "Members." The functions of the Oversight Committee are set forth in the Plan. Although the Committee has been dissolved, all Members of the Oversight Committee shall continue to have the duties imposed upon committee members pursuant to 11 U.S.C. § 1103.

1.3. Membership. The Oversight Committee is composed of the Members listed in Exhibit A, which also identifies the representatives for the respective Members where appropriate. The Oversight Committee shall initially consist of two Members who served as members on the Committee.

1.4. Chairperson. The Oversight Committee has selected _____ [to be selected at first meeting], representative of _____, as its chairperson ("Chairperson"). In the event the Chairperson resigns or for any other reason is unable to serve, the majority of the Members entitled to vote shall choose a successor. Additionally, such a majority may at any time, with or without cause, replace the Chairperson at: (i) a meeting called with at least three days' advance written notice, or (ii) a meeting attended by all Members.

1.5. Other Professional Persons. Pursuant to Sections 1.32 and 5.1.2 of the Plan, the Debtor and the Committee selected James A. Bartholomew and Lighthouse Management Group, Inc. to serve as the Liquidating Agent. The Liquidating Agent is entitled to retain professionals to assist in its duties and to pay such professionals' reasonable compensation and expenses, subject to the consent of the Oversight Committee. Through execution of these By-Laws, the Oversight Committee consents to the Liquidating Agent's retention of the law firm

¹ All capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan.

person, by Proxy (with respect to any Oversight Committee votes within the scope of such Proxy), and by telephone connection as long as such connection is sufficient for all attending Members to hear each other attending Member (in each such case, such Member deemed to be "Present").

2.5. Voting; Polling by Telephone. Each voting Member shall be entitled to one vote, and may attend and vote (a) in person by its representative, or (b) through a designated alternate. Subject to Section 2.7, all issues to be voted on shall be decided by a simple majority of those present at the meeting in which the vote takes place. Each Member shall have the right to authorize any other Member to cast the Member's vote for them ("Voting by Proxy") in the event that the Member is not able to attend or participate by telephone in a meeting. Action of the Oversight Committee shall be authorized by the vote of a majority of the Members Present at the time of the vote if there is a quorum. A Member who abstains shall be counted as voting. A Member recused from voting under Section 2.7 shall not be counted as voting. In the event that a vote by the Oversight Committee results in a tie vote on an issue other than a vote under Section 2.7(b), the Liquidating Agent (although not a Member) shall be entitled to vote on that issue.

The designation of alternates at meetings may be in such form, written or oral, as may be acceptable to the Chairperson, upon advice of Counsel. If the matter to be voted on is one of significance and urgency, as determined by a majority of the Members Present, with the advice of Counsel, a reasonable effort shall be made during the meeting to poll by telephone or email all absent Members, provided that the failure to reach any such absent Member will not affect the validity of any vote otherwise proper under these By-Laws. Telephone or email votes solicited pursuant to this section, along with Votes by Proxy, shall be given full voting effect, and may be counted in computing a quorum in respect of the relevant action. Attendance at meetings of the Oversight Committee shall be limited to Members, their respective counsel, the Liquidating Agent, professionals or agents employed or retained by the Oversight Committee, and other persons invited by the Oversight Committee for special or limited purposes.

2.6. Action Without Meeting. Any action required or permitted to be taken by the Oversight Committee, or any subcommittee, may be taken without a meeting provided that a reasonable effort is made to contact each Member or subcommittee member for its vote and to notify each ex officio member of the pendency of such action, and the action voted on is approved by no less than a majority of the entire Oversight Committee or subcommittee then acting as such. Such polling shall be conducted by the Chairperson or by Counsel acting upon the direction of the Chairperson, or by the chairperson of a subcommittee. Any action taken pursuant to this section shall be memorialized in writing and filed with the minutes of the Oversight Committee or subcommittee, as the case may be.

2.7. Conflicts of Interest. In the event that any matter under review or consideration by the Oversight Committee may involve a conflict of interest with respect to any Member, such Member shall disclose such potential conflict of which he or she has knowledge, shall be removed from voting on the matter voluntarily or, if determined by the Oversight Committee to involve a conflict of interest, may be excluded by vote of a majority of the

Members then Present and not subject to such conflict of interest from that portion of the meeting at which such matter is considered.

(a) A Member shall be deemed to have an irrebuttable conflict in matters concerning: (1) any potential or actual Causes of Action (as that term is defined in the Plan) asserted against the Member; and (2) any potential or actual Contested Claim (as that term is defined in the Plan) involving a claim asserted by the Member.

(b) Counsel shall make a determination as to whether a Member should be excluded from a meeting or any portion thereof and shall submit a recommendation to the Oversight Committee in respect of each potential conflict unless the Member voluntarily abstains from voting or otherwise participation in the consideration of the matter giving rise to a potential conflict. Any Member subject to an alleged conflict of interest that does not fall within the scope of Section 2.7(a) shall be provided with a reasonable opportunity to be heard and to provide other Members with additional information and/or refute any allegations of its alleged conflict of interest prior to any Oversight Committee vote regarding such Member's alleged conflict of interest. Whether a conflict of interest exists as to a particular Member or group of Members will be determined on an individual basis and each Member shall have the opportunity to be heard and have the Oversight Committee vote in connection with its alleged conflict of interest. For the purpose of a vote under this Section to exclude a particular Member from a meeting, the Member not allowed to vote shall not be counted for a quorum. Also, for purposes of a vote under this Section, if Counsel recommended that more than one Member be excluded from a meeting for a substantially similar reason ("Excluded Members"), and if one or more of the Excluded Members requests a reasonable opportunity to be heard on the conflict issue, the Excluded Members shall not be entitled to vote on whether a conflict of interest exists on that issue for any other Excluded Member. Additionally, for the purpose of a vote under this Section, a majority vote is required to overrule Counsel's recommendation to the Oversight Committee on issues of potential conflicts. For clarification, in the event of a tie vote, Counsel's recommendation is adopted.

(c) Consistent with the foregoing, the Member having a conflict of interest shall not have access to summaries, analyses, reports or work product prepared by the professionals of the Oversight Committee with respect to the matter in which the conflict of interest exists, except to the extent determined to be appropriate under the circumstances in the discretion of the Oversight Committee.

(d) Each Member of the Oversight Committee retains the right to appear in the Chapter 11 cases of the Debtors in respect of its own interests and to take a position different from that of the Oversight Committee, provided, however, that no Member shall purport to represent or speak for the Oversight Committee in connection therewith. Nothing contained in these By-Laws shall: (i) prevent any Member from exercising or seeking to enforce or protect any of its rights as an individual creditor or other party-in-interest; or (ii) otherwise affect the ability of any Member to act in its capacity as an individual creditor or other party-in-interest as it may deem appropriate, whether or not such actions are opposed by the Oversight Committee.

3. ACTION BY REPRESENTATIVES OF THE OVERSIGHT COMMITTEE

3.1. Chairperson. The Chairperson shall preside at the meetings of the Oversight Committee. Subject to the vote of the Oversight Committee, the Chairperson shall have such powers and duties as are set forth in these By-Laws or as the Committee assigns to him.

3.2. Emergency Motions. Subject to Section 2.5, the Chairperson, with the advice of Counsel, or Counsel shall be empowered, without prior Oversight Committee action or consent, to consent to or otherwise act upon applications or motions for court orders on an emergency basis if the Chairperson, with the advice of Counsel, or Counsel determines that it is not feasible to obtain a vote of the Oversight Committee pursuant to these By-Laws. The Chairperson and Counsel will make best efforts under the circumstances to communicate with as many Members of the Oversight Committee as possible before taking any such actions. The Oversight Committee shall be advised of any court orders, motions or applications so acted upon by the Chairperson pursuant to this section promptly thereafter.

3.3. Subcommittees. The Oversight Committee may, with the advice of Counsel, form one or more subcommittees to serve at the Oversight Committee's pleasure, with such powers and duties as the voting Members of the Oversight Committee shall determine.

3.4. Professionals' Actions. The Oversight Committee's professionals shall act at the request of the Oversight Committee (or, when appropriate, a subcommittee) or the Chairperson, and shall perform the duties specified in their respective orders of retention, together with such implementing duties as are set forth in these By-Laws or as may be requested by the Chairperson, the Oversight Committee, or a subcommittee.

3.5. Secretary. There shall be no secretary for the Oversight Committee. In lieu thereof, Counsel shall maintain minutes of the meetings which shall include a list of the Members Present and the Oversight Committee action with respect to any motion or resolution. The minutes shall be circulated to the Members for approval as soon as practicable.

4. MISCELLANEOUS.

4.1. Ex Officio Members. There shall be no ex officio members of the Oversight Committee without the express approval of the Oversight Committee upon a vote of the majority of participating members voting on such issue. Such ex officio members shall be subject to any and all restrictions contained in these By-Laws including, but not limited to, Section 4.2. Ex officio members shall not be permitted to vote on any matters.

4.2. Confidentiality. Except to the extent otherwise required by 11 U.S.C. § 1102: (i) all information, documents and matters of whatever nature and kind disclosed to the Oversight Committee (unless such information becomes generally available to the Oversight Committee on a non-confidential basis); (ii) all information or documents generated by the Oversight Committee, the Liquidating Agent, or by any of the Oversight Committee's professionals, or by any Member or counsel to any Member for the Oversight Committee's use;

and (iii) all communications between Members in their capacity as such, including information regarding specific positions taken by Members, and all matters discussed at Oversight Committee meetings and the minutes thereof (collectively, (i), (ii) and (iii) are referred to as “Confidential Information”), are confidential and shall not be disclosed or revealed to third parties in any manner whatsoever, except that a Member may share any such Confidential Information with its attorneys and financial consultants, provided that the person or entity receiving such disclosure agrees to be and is bound by these rules of confidentiality.

With respect to any required disclosure of Confidential Information by a Member to a third party by order of a court of appropriate jurisdiction, such Member shall promptly advise Counsel of such disclosure or prospective disclosure and shall reasonably cooperate with Counsel’s efforts to obtain a protective order or other appropriate remedy to protect the confidentiality of such information. With respect to any required disclosure of Confidential Information relating to the Debtors, the Member shall advise Counsel as promptly as reasonably possible prior to such disclosure, and Counsel shall immediately notify the Debtors and the Debtors’ counsel so that the Debtors may seek a protective order or other appropriate remedy to protect the confidentiality of such information.

4.3. Causes for Removal From Oversight Committee. Upon receiving a recommendation from the Liquidating Agent, a Member, or Counsel, the Oversight Committee may elect to remove a Member under the following circumstances:

- (a) For a breach of any of his/her fiduciary duties as a Member;
- (b) For a breach of Section 4.2 of these By-Laws;
- (c) For conduct that would warrant removal of a member of any committee by the United States Trustee or the court pursuant to 11 U.S.C. §§ 1102-1103.

A Member may be removed by the affirmative vote of not less than two-thirds of the Members entitled to vote on such matters.

4.4. Media Communications. No Member shall communicate directly with the public or the media as a representative of the Oversight Committee, unless the Oversight Committee has so authorized the communication to be made by majority vote. Nothing in these By-Laws shall preclude any Member from sharing public, non-confidential information concerning this bankruptcy case with other creditors.

4.5. Expenses. Reasonable and actual expenses of the Oversight Committee and of Members incurred in connection with Oversight Committee business may be submitted to the Liquidating Agent, with a copy to Counsel, in order to seek reimbursement from the estate pursuant to Section 5.2 of the Plan. Unless approved in advance by the Chairperson, with the advice of Counsel, reasonable expenses shall not include the expenses of any person other than a designated representative of a Member, an alternate, or a person invited by the Oversight Committee or by the Chairperson to attend a Oversight Committee meeting or participate in a Oversight Committee-related function. Requests for reimbursement shall be itemized and reasonably detailed, and shall include receipts where practicable.

4.6. Amendments. These By-Laws may be amended, repealed or adopted by the vote of a majority of the Members of the Oversight Committee entitled to vote.

4.7. Execution of These By-Laws. These By-Laws may be executed in any number of counterparts, each of which shall constitute an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to these By-Laws by telecopier or email shall be as effective as delivery of a manually-executed counterpart of a signature page of these By-Laws.

IN WITNESS WHEREOF, the undersigned Members have executed these By-Laws on this ____ day of _____, 2014.

Dipak Patel
WEWCO Property Management and Leasing

Rick Moser
Roberts Business Forms

EXHIBIT A

BY-LAWS OF THE OVERSIGHT COMMITTEE

In re SCICOM Data Services, Ltd.
Case No. 13-43894

OVERSIGHT COMMITTEE MEMBER	REPRESENTATIVE(s)
WEWCO Property Management and Leasing	Dipak Patel
Roberts Business Forms	Rick Moser

Exhibit 7.1

Preserved Causes of Action; Avoidance Actions

The causes of action, potential causes of action, defendants, and potential defendants listed on this exhibit are not exhaustive, but are reflective of current knowledge. To the extent not specifically released under the Plan, the Debtor and Liquidating Agent reserve all rights to bring any causes of action against any defendant. These specifically include:

1. Causes of Action against any and all parties related to transfers of assets listed on sections 3(b), 3(c), and 10(a) of the Statement of Financial Affairs filed in the Chapter 11 Case.
2. Any claim to recovery of any refunds.
3. Claims under insurance policies or against insurance contracts.
4. Claims for setoff or recoupment.
5. Claims for turnover of property of the Debtor's estate.
6. Collection of accounts receivable.
7. All Avoidance Actions, without limitation.

Exhibit 8.1

Assumed Agreements¹

Agreement	Counterparty	Cure Amt.
Independent Trustee Engagement Agreement	Alerus Financial, N.A.	\$0
Agreement for services as 401(k) plan administrator	Bremer Trust, N.A.	\$0
Agreement for services as ESOP plan administrator	Bremer Trust, N.A.	\$0
Insurance	Chubb Group	\$0
Insurance	Federal Insurance Company & Great Northern Insurance Company	\$0
Insurance	Navigators Insurance Company	\$0
Agreement for services as pension plan administrator	Principal Life	\$4,200

¹ As described in Section 8.1 of the Plan, all other executory contracts, unexpired leases, or other agreements that are neither Additional Assumed Agreements nor previously assumed or rejected by Order of the Court in the Chapter 11 Case shall be deemed rejected as of the Effective Date. Included among such contracts, leases, and agreements to be rejected are contracts with Delta Dental and Lincoln National Life Insurance (for employee dental insurance and employee life and long term disability insurance, respectively), under which those counterparties made or continue to make runoff payments. To the extent that the contracts with Delta Dental and Lincoln National Life Insurance (and any other similar contract or agreement under which the counterparty continues to perform) are executory or have not yet expired by their own terms, rejection pursuant to Section 8.1 of the Plan is not intended to affect or terminate such runoff payments or other continuing payments or benefits that the counterparty is obligated to provide.