

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

SPC Seller, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12647 (BLS)

Jointly Administered

**DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION PROPOSED BY THE DEBTORS AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

GREENBERG TRAURIG, LLP

Scott D. Cousins, Esq. (DE Bar No. 3079)
Sandra G. Selzer, Esq. (DE Bar No. 4283)
The Nemours Building
1007 North Orange Street, Suite 1200
Wilmington, Delaware 19801
Telephone: (302) 661-7000
Facsimile: (302) 661-7360

-and-

Nancy A. Mitchell, Esq.
Alan J. Brody, Esq.
200 Park Avenue
New York, New York 10166
Telephone: (212) 801-9200
Facsimile: (212) 801-6400

*Counsel for the Debtors and
Debtors-in-Possession*

LOWENSTEIN SANDLER PC

Kenneth A. Rosen, Esq.
Sharon Levine, Esq.
S. Jason Teele, Esq.
Michael Savetsky, Esq.
65 Livingston Avenue
Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400

-and-

RICHARDS, LAYTON & FINGER, P.A.

Russell C. Silberglied, Esq. (DE Bar No. 3462)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

*Co-Counsel for the Official Committee
of Unsecured Creditors*

Dated: May 14, 2010
Wilmington, Delaware

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: SPC Seller, Inc. (f/k/a Stant Parent Corp.) (7606), SHC Seller, Inc. (f/k/a Stant Holding Corp.) (2025), SC Seller, Inc. (f/k/a Stant Corporation) (8429), SMI Seller, Inc. (f/k/a Stant Manufacturing, Inc.) (4059), STC Seller, Inc. (f/k/a Standard-Thompson Corporation) (5751), and TIC Seller, Inc. (f/k/a Thompson International Corporation) (5448).

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ALL CREDITORS AND INTEREST HOLDERS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. BECAUSE ACCEPTANCE OF THE PLAN WILL CONSTITUTE ACCEPTANCE OF ALL THE PROVISIONS THEREOF, HOLDERS OF IMPAIRED CLAIMS OR INTERESTS ENTITLED TO VOTE ARE URGED TO CONSIDER CAREFULLY THE INFORMATION REGARDING TREATMENT OF THEIR CLAIMS OR INTERESTS CONTAINED IN THIS DISCLOSURE STATEMENT.

IN DETERMINING WHETHER TO VOTE TO ACCEPT THE PLAN, HOLDERS OF IMPAIRED CLAIMS OR INTERESTS ENTITLED TO VOTE MUST RELY UPON THEIR OWN EXAMINATION OF THE DEBTORS AND THE TERMS OF THE PLAN, INCLUDING THE MERITS AND RISKS INVOLVED. THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL, AND TAX ADVISORS WITH RESPECT TO ANY SUCH MATTERS CONCERNING THIS DISCLOSURE STATEMENT, THE SOLICITATION, THE PLAN, AND THE TRANSACTIONS CONTEMPLATED THEREBY.

PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE FOLLOWING SUMMARY, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER EXHIBITS ANNEXED TO THE PLAN, THE PLAN SUPPLEMENT, AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. ALL CREDITORS AND INTERESTS HOLDERS SHOULD READ CAREFULLY THE "RISK FACTORS" SECTION HEREOF BEFORE VOTING FOR OR AGAINST THE PLAN. SEE "CERTAIN RISK FACTORS TO BE CONSIDERED," Article VI.

CERTAIN STATEMENTS CONTAINED HEREIN, INCLUDING FINANCIAL INFORMATION, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY ENTITY FOR ANY OTHER PURPOSE. THE FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE DESCRIPTION OF THE DEBTORS, THEIR BUSINESSES, AND EVENTS LEADING TO THE COMMENCEMENT OF THESE CHAPTER 11 CASES, HAS BEEN PREPARED AND OBTAINED BY THE DEBTORS, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, AND THEIR PROFESSIONALS FROM VARIOUS DOCUMENTS, AGREEMENTS, AND OTHER WRITINGS RELATING TO THE DEBTORS. NEITHER THE DEBTORS, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, NOR ANY OTHER PARTY MAKES ANY REPRESENTATION OR WARRANTY REGARDING SUCH INFORMATION.

THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THIS DISCLOSURE STATEMENT. ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

AS TO CONTESTED MATTERS, AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, OR OTHERWISE HAVE ANY PRECLUSIVE EFFECT, BUT RATHER SHALL CONSTITUTE AND BE CONSTRUED AS A STATEMENT MADE WITHOUT PREJUDICE SOLELY FOR SETTLEMENT PURPOSES, WITH FULL RESERVATION OF RIGHTS, AND IS NOT TO BE USED FOR ANY LITIGATION PURPOSE WHATSOEVER. AS SUCH, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING, ADVERSARY PROCEEDING OR OTHER ACTION INVOLVING THE DEBTORS OR ANY OTHER PARTY IN INTEREST, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, FINANCIAL OR OTHER EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT. SEE SECTION IV OF THIS DISCLOSURE STATEMENT. THERE CAN BE NO ASSURANCE THAT THOSE CONDITIONS WILL BE SATISFIED.

THE FINANCIAL INFORMATION INCLUDED AND ATTACHED HERETO WERE PREPARED BY THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS WITH THE ASSISTANCE OF ITS RESTRUCTURING ADVISOR BASED ON INFORMATION AVAILABLE TO THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND NUMEROUS ASSUMPTIONS THAT ARE AN INTEGRAL PART OF THE FINANCIAL PROJECTIONS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND SOME OR ALL OF WHICH MAY NOT MATERIALIZE. THE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE SEC REGARDING FINANCIAL PROJECTIONS. FURTHERMORE, THE FINANCIAL PROJECTIONS HAVE NOT BEEN AUDITED BY INDEPENDENT CERTIFIED ACCOUNTANTS. ALTHOUGH PRESENTED WITH NUMERICAL SPECIFICITY, THE FINANCIAL PROJECTIONS ARE BASED UPON A VARIETY OF ASSUMPTIONS, SOME OF WHICH HAVE NOT BEEN ACHIEVED TO DATE AND MAY NOT BE REALIZED IN THE FUTURE, AND ARE SUBJECT TO SIGNIFICANT BUSINESS, LITIGATION, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY, IF NOT ALL, OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS. CONSEQUENTLY, THE FINANCIAL PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR

WARRANTY BY THE DEBTORS OR ANY OTHER PERSON, THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE FINANCIAL PROJECTIONS.

ANY CAPITALIZED TERMS NOT DEFINED HEREIN SHALL HAVE THE DEFINITION ASCRIBED TO SUCH TERM IN THE PLAN

ARTICLE I.

INTRODUCTION AND SUMMARY

A. Introduction

Stant Parent Corp., n/k/a SPC Seller, Inc. ("SPC"), Stant Holding Corp. n/k/a SHC Seller, Inc. ("Stant Holding"), Stant Corporation n/k/a SC Seller, Inc. ("Stant Corp."), Stant Manufacturing, Inc. n/k/a SMI Seller, Inc. ("SMI"), Standard-Thomson Corporation n/k/a STC Seller, Inc. ("STC") and Thomson International Corporation n/k/a TIC Seller, Inc. ("Thomson"), the debtors and debtors-in-possession in the above-captioned Chapter 11 Cases (each individually a "Debtor" and collectively, the "Debtors" or the "Company"), and the Official Committee of Unsecured Creditors of the Debtors (the "Committee"), pursuant to the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), respectfully submit this Disclosure Statement (the "Disclosure Statement") with respect to the First Amended Joint Chapter 11 Plan of Reorganization proposed by the Debtors and the Committee (the "Plan").

The following introduction and summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Disclosure Statement together with any relevant Exhibits.

Concurrently with the filing of this Disclosure Statement, the Debtors and the Committee filed the Plan which sets forth how Claims against and Interests in the Debtors will be treated in these Chapter 11 Cases. This Disclosure Statement describes certain aspects of the Plan, the Debtors' prior operations, significant events occurring in the Debtors' Chapter 11 Cases and other related matters. FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT, THE PLAN AND THE EXHIBITS HERETO AND THERETO IN THEIR ENTIRETY.

B. Disclosure Statement Enclosures

Attached as exhibits to this Disclosure Statement are copies of the following:

- The Plan (Exhibit "A");
- The Order of the Bankruptcy Court (without exhibits) (the "Solicitation Procedures Order"), which, among other things, approves the Disclosure Statement and establishes certain procedures with respect to the solicitation and tabulation of votes to accept or to reject the Plan (Exhibit "B");
- Disbursing Agent Agreement (Exhibit "C").
- A liquidation analysis (Exhibit "D")

In addition, a Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of Impaired Claims and Interests that the Debtors and the Committee believe are entitled to vote to accept or reject the Plan.

The Solicitation Procedures Order sets forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan and for filing objections to confirmation of the Plan, and the applicable standards for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. Each holder of an Impaired Claim or Interest entitled to vote on the Plan should read in their entirety the Disclosure Statement, the Plan, the Solicitation Procedures Order and the instructions accompanying the Ballots before voting on the Plan. These documents contain, among other things, important information concerning the classification of Claims and interests for voting purposes and the tabulation of votes. No solicitation of votes to accept or reject the Plan may be made except pursuant to section 1125 of the Bankruptcy Code and the Solicitation Procedures Order.

C. Only Impaired Classes Vote

Pursuant to the provisions of the Bankruptcy Code, only Classes of Claims and Interests that are "impaired" under the Plan may vote to accept or reject the Plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable or contractual rights are changed under such plan. In addition, if the holders of claims or interests in an impaired class do not receive or retain any property under a plan on account of such claims or interests, such

impaired class is deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code.

The Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by holders of claims in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan.

Section 1129(b) of the Bankruptcy Code permits the confirmation of a plan notwithstanding the nonacceptance of a plan by one or more impaired classes of claims or interests. Under that section, a plan may be confirmed by a court if (i) at least one class of impaired claims accepts the plan and (ii) the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each nonaccepting class.

In addition, if any Impaired Class of Claims or Interests entitled to vote shall not accept the Plan by the requisite majorities provided in section 1126(c) of the Bankruptcy Code, the Debtors reserve the right to seek to have the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code.

Under the Plan, Claims in Class 4 are Impaired and are entitled to vote on the Plan. Holders of Interests in Class 5 will receive no distribution and, accordingly, such holders are deemed to reject the Plan. Under the Plan, Claims in Classes 1, 2, and 3 are unimpaired and are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASS 4.

For a summary of the treatment of each Class of Claims and Interests, see "Overview of the Plan" below.

D. Confirmation Hearing

The Bankruptcy Court has scheduled the Confirmation Hearing for _____, 2010, at _____m. (prevailing Eastern Time) in the United States Bankruptcy Court for the District of Delaware. The Bankruptcy Court has directed that

objections, if any, to confirmation of the Plan be served and filed on or before _____, 2010, at _____ M. (prevailing Eastern Time) in the manner described in the Notice accompanying this Disclosure Statement. The date of the Confirmation Hearing may be adjourned from time to time without further notice except for an in-court announcement at the Confirmation Hearing of the date and time as to which the Confirmation Hearing has been adjourned.

ARTICLE II. OVERVIEW OF THE PLAN

A. Introduction

The Plan is the product of the effort by the Debtors' management, the Committee and their professional advisors to develop a plan that will enable Creditors to receive the maximum recovery possible in these Chapter 11 Cases.

THE DEBTORS AND THE COMMITTEE BELIEVE THAT THE PLAN WILL ENABLE THEM TO MAXIMIZE THE RECOVERY TO THEIR CREDITORS AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS AND THEIR CREDITORS. THE DEBTORS AND THE COMMITTEE THEREFORE URGE THOSE PARTIES ENTITLED TO CAST A BALLOT TO ACCEPT THE PLAN.

B. Summary of Distributions

Under the Plan, Allowed Administrative Expense Claims, Allowed Fee Claims and Allowed Priority Claims are unclassified Claims, which are Unimpaired and will be or have already been satisfied in full pursuant to the terms of the Plan. The acceptance of the Plan by Holders of these Claims is not required and the Proponents are not soliciting their votes.

Allowed DIP Facility Claims were assumed by the Purchaser under the APA and as set forth in the Sale Order and are deemed paid in full pursuant to the terms of the APA and the Sale Order. Although the Holders of Allowed DIP Facility Claims receive no property under the Plan, all such Claims are Unimpaired. The Holders of Allowed DIP Facility Claims are deemed to accept the Plan and are not entitled to vote on the Plan.

Allowed Senior Secured Lender Claims have been assumed by the Purchaser under the APA and as set forth in the Sale Order and are deemed paid in full pursuant to the terms of the APA and the Sale Order. Although the Holders of Allowed Senior Secured Lender Claims receive no property under the Plan, all such Claims are Unimpaired. The Holders of Allowed Senior Secured Lender Claims are deemed to accept the Plan and are not entitled to vote on the Plan.

Holders of Allowed Junior Prepetition Note Claims have received the Northstar Consideration under the Sale Order in full and final satisfaction of such Claims. Holders of Junior Prepetition Note Claims shall receive no distribution under the Plan on account of such Claims. In as much as all Junior Prepetition Note Claims have been satisfied in full, all such Claims are Unimpaired. The Holders of Junior Prepetition Note Claims are deemed to accept the Plan and are not entitled to vote on the Plan.

Holders of Allowed General Unsecured Claims shall receive their Pro Rata portion of the Net Committee Cash Payment Fund on the Distribution Date. Allowed General Unsecured Claims are Impaired under the Plan and the Holders of such Claims are therefore entitled to vote to accept or reject the Plan.

The Plan cancels all Interests in the Debtors. Holders of Interests shall receive no distribution under the Plan on account of such Interests and are deemed to reject the Plan. Holders of Interests are not entitled to vote on the Plan.

The following table summarizes the treatment accorded Creditors and Interest Holders of the Debtors under the Plan:

Class	Description	Treatment	Entitled to Vote	Est. Amount of Allowed Claims	Est. % Recovery
	Administrative Expense Claims and Priority Claims	Unimpaired	No	Approximately \$500,000.00	100% Other than professional fees and expenses, which will be paid from the Professional Fee Account, substantially all Administrative Expense Claims and Priority Claims as of the APA Closing Date were assumed by the Purchaser. Remaining Administrative Expense Claims and Priority Claims will be satisfied from Professional Fee Account, the Wind Down Budget Escrow or the Committee Cash Payment, as appropriate
1	DIP Facility Claims	Unimpaired	No	\$11,000,000.00	N/A Assumed by the Purchaser as of the APA Closing Date and deemed paid in full pursuant to the APA and Sale Order
2	Senior Secured Lender Claims	Unimpaired	No	\$62,051,487.61	N/A Assumed by the Purchaser as of the APA Closing Date and deemed paid in full pursuant to the APA and Sale Order
3	Junior Prepetition Note Claims	Unimpaired	No	\$25,218,778.71	N/A By consent, Holders of Claims in Class 3 will receive the Northstar Consideration ((a) \$100,000 and (b) warrants for 1.75% of

					the fully-diluted common equity of the Purchaser (subject to dilution on account of the management options)) paid by Purchaser on the APA Closing Date
4	General Unsecured Claims	Impaired	Yes	Approximately \$2,500,000-\$3,000,000	2.51%-3.01%
5	Interests	Impaired	No	N/A	N/A

C. Voting Procedures and Instructions

Each Holder of a classified Claim or Interest should read this Disclosure Statement and the Plan. Ballots for acceptance or rejection of the Plan are being provided only to the Holders of General Unsecured Claims. If you are asserting more than one Claim, please copy your ballot and return one completed ballot for each Claim. If you are not entitled to vote on the Plan, you will not receive a ballot.

If you are entitled to vote on the Plan, you should complete and sign the enclosed ballot and return such ballot in the envelope provided. In order to be counted, your ballot must be actually received by The Garden City Group, Inc., 135 Maxess Rd., Melville, NY 11747, Attention: SPC Seller, Inc., *et al.* Ballot Processing, on or before 4:00 p.m. (prevailing Eastern time) on _____, 20____ (the "Voting Deadline"). Ballots may be submitted by mail, personal delivery, overnight delivery service, or courier service. **Facsimile transmissions are not acceptable. Electronic mail transmissions are not acceptable.** There is no need to file your ballot with the Clerk of the Bankruptcy Court. If your ballot is damaged or lost, or if you do not receive a ballot to which you are entitled, you may request a replacement by contacting The Garden City Group, Inc., 135 Maxess Rd., Melville, NY 11747, Attention: SPC Seller, Inc., *et al.* Ballot Processing or by telephone at (631) 470-5000.

Only actual timely received votes will be counted. A failure to return a ballot will not be counted either as a vote for or against the Plan. Improperly completed or late ballots will not be counted. Any ballot that indicates both an acceptance and rejection of the Plan will be

deemed a vote to accept the Plan. If a Creditor or Interest Holder casts more than one ballot voting the same Claim or Interest before the Voting Deadline, the latest dated ballot received before the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior ballots. Creditors and Interest Holders must vote all of their Claims or Interests within a particular Class under the Plan either to accept or reject the Plan and may not split their votes within a particular Class; thus, a ballot (or a group of ballots) within a particular Class received from a single Creditor or Interest Holder that partially rejects and partially accepts the Plan will be deemed to have voted to accept the Plan.

D. Confirmation of the Plan

Your vote on the Plan is important. In order for the Plan to be accepted by a Class, of those parties entitled to vote, the affirmative vote of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the relevant Class is required.

If certain Classes vote against the Plan, the Bankruptcy Court may still confirm the Plan if the Court finds that the Plan does not unfairly discriminate against the impaired Class or Classes voting against the Plan and accords fair and equitable treatment to those impaired Class or Classes. The Proponents intend to request such a "cramdown" confirmation of the Plan if any Class does not vote in favor of the Plan.

The Bankruptcy Court has scheduled a hearing on Confirmation of the Plan for **10:00 a.m. (prevailing Eastern Time)** on _____, 2010 at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, before the Honorable Brendan L. Shannon, United States Bankruptcy Judge. Any party in interest may object to Confirmation of the Plan. The Bankruptcy Court has directed that objections, if any, to Confirmation of the Plan, be served upon: (i) counsel to the Debtors at the following addresses: (a) Greenberg Traurig, LLP, The Nemours Building, 1007 North Orange Street, Suite 1200, Wilmington, Delaware 19801 (Attn: Scott D. Cousins, Esq. and Sandra G. Selzer, Esq.) and (b) Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166

(Attn: Nancy A. Mitchell, Esq. and Alan J. Brody, Esq.); (ii) co-counsel to the Committee at the following addresses: (a) Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey 07068 (Attn: Sharon L. Levine, Esq. and S. Jason Teele, Esq.) and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Russell C. Silberglied, Esq.), and (iii) the United States Trustee for Region 3, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: David L. Buchbinder, Esq.), on or before _____, 2010, in the manner described in the order scheduling hearing on Confirmation accompanying this Disclosure Statement. **The Confirmation Hearing may be adjourned from time to time without further notice other than by announcement in open court.**

E. Recommendation with Respect to the Plan

The Debtors and the Committee recommend that you accept the Plan by voting your ballot accordingly and timely returning your completed ballot in the pre-printed envelope provided.

ARTICLE III.
HISTORY AND BUSINESS BACKGROUND OF THE DEBTORS

A. Overview of the Debtors

The Debtors are private entities incorporated in Delaware. The Debtors maintain their global headquarters in Connersville, Indiana, and their North American manufacturing facility in Pine Bluff, Arkansas. Prior to the sale of the Debtors' assets described herein, the Debtors comprised the U.S. operating and holding entities of the Stant conglomerate ("Stant"), which is a leading integrated manufacturer of highly engineered fluid systems for the global automotive and industrial original equipment manufacturing ("OEM") markets and the automotive aftermarket. Stant's products address two critical engine applications: fuel systems and cooling systems.

Over its distinguished 111-year history, Stant established strong brand names by leading its markets in technology and innovation, amassing a robust intellectual property

portfolio. Stant also established market leadership in the automotive and industrial sectors and fostered strong relationships with leading original equipment manufacturers for such sectors, tier 1 suppliers, and aftermarket customers. Starting in 2003, Stant's management pursued an aggressive expansion strategy by investing in new product and market development to extend Stant's product lines, customer base and global geographic presence. Stant was successful in winning new customers, gaining new platforms with certain automotive OEM customers and increasing its content per vehicle. Stant was also successful in expanding its global platform, with certain of its non-Debtor affiliates opening new manufacturing facilities in the Czech Republic and China.

Stant was founded in 1898 as a small family-owned engine repair shop and built a reputation in the early 1900s as a leading manufacturer of hood ornaments and radiator caps. Upon the sale from the two sons of Stant's founder to Purolator Courier, Stant began developing vapor control solutions to address emission standards implemented by the Environmental Protection Agency in 1970.

In 1987, Stant underwent a management-led buyout sponsored by a private equity firm, Bessemer Securities Corporation. Subsequently, Stant engaged in an aggressive consolidation strategy and traded on the NASDAQ upon its initial public offering in 1993 until it was acquired by Tomkins PLC ("Tomkins") in 1997.

From 1997 to 2008, Tomkins divested multiple divisions that were part of the Stant conglomerate. In 2007, Tomkins engaged Fidus Partners to sell SMI and STC. On June 18, 2008, H.I.G. Capital, L.L.C. ("H.I.G. Capital") acquired Stant through a combination of senior debt led by GMAC Commercial Finance, LLC ("GMAC"), secured subordinated debt from Northstar Mezzanine Partners V L.P. ("Northstar"), unsecured seller notes from Tomkins, preferred equity from GarMark Partners and common equity from a group led by H.I.G. Capital and comprised of other minority investors.

H.I.G. Capital, through its subsidiary, H.I.G. Stant IV, LLC, became the majority shareholder of SPC after the acquisition in June of 2008. SPC owns a hundred percent (100%)

of Stant Holding, which owns a hundred percent (100%) of Stant Corp. A hundred percent (100%) of each of the three operating debtor entities, SMI, STC and Thomson, are, in turn, owned by Stant Corp.

B. Prepetition Capital Structure

On or about June 18, 2008, Stant Holding, Stant Corp, STC, SMI and Thomson as borrowers (collectively, the "Borrowers"), SPC as guarantor, GMAC as a lender and agent (in its capacity as agent, the "Senior Prepetition Agent"), and certain lenders party thereto from time to time (together with the Senior Prepetition Agent, the "Senior Secured Lenders") entered into the Prepetition Loan Agreement, pursuant to which the Senior Secured Lenders agreed, inter alia, to make certain loans and financial accommodations to the Borrowers in the aggregate principal amount of up to \$70,000,000, comprised of a revolving credit facility in the principal amount of up to \$30,000,000 (including a swingline loan) and a term loan facility in the principal amount of \$40,000,000 (collectively, the "Senior Prepetition Loans"), which Senior Prepetition Loans are secured by a first priority lien on, and security interest in, substantially all of the Debtors' prepetition assets (the "Prepetition Collateral"). As of the Petition Date, approximately \$62,051,487.61 (inclusive of interest, facility fees, costs, expenses, swap exposure and indemnities), plus (i) outstanding letter of credit exposure, and (ii) other fees, costs, expenses and indemnities as provided for in the Prepetition Loan Agreement was outstanding under the Prepetition Loan Agreement.

On or about June 18, 2008, the Borrowers, SPC as guarantor, and Northstar entered into a note purchase agreement, pursuant to which the Borrowers issued and delivered to Northstar one or more notes dated as of the date thereof (collectively, the "Junior Prepetition Notes") in an aggregate principal amount of \$23,000,000. The Junior Prepetition Notes were secured by a second lien on and security interest in the Prepetition Collateral. As of July 22, 2009, approximately \$25,218,778.71 was outstanding under the Junior Prepetition Notes.

On or about June 18, 2008, the Senior Prepetition Agent and Northstar entered into a certain Subordination and Intercreditor Agreement (the "Intercreditor Agreement"), which set forth the respective rights and obligations of the Debtors' secured lenders, including, inter alia, the priority of payment to such lenders, and in the event of a bankruptcy proceeding by the Debtors, Northstar's agreement that Northstar would, among other things, not object to, contest or oppose any sale, transfer or other disposition of all or any part of the Prepetition Collateral free and clear of liens or other claims of Northstar under Section 363 of the Bankruptcy Code if the Senior Secured Lenders have consented to or not otherwise opposed such sale, transfer or disposition.

C. Events Leading to the Debtors' Chapter 11 Filing

A variety of external factors led to a decline in the Debtors' operating performance and lead to the filing of their Chapter 11 Cases. These factors included a dramatic downturn in the global economy, unprecedented volatility in the global credit markets and a steep decline in domestic and foreign auto sales. Approximately half of the Debtors' business was dependent on the domestic auto industry. During the time period leading up to the filing of the Debtors' Chapter 11 Cases, the North American automotive industry was in a period of dramatic turmoil. The industry was faced with significant volume decreases, a move from trucks and SUVs to small cars, increases in raw material prices, supplier/customer friction, weak credit markets, a considerable drop in consumer confidence, a dramatic deterioration in financing available for new vehicles, and financial stress for the "Big Three" which resulted in discontinuation of multiple brand names and/or product lines coupled with a dramatic reduction in dealership distribution channels throughout the United States. The automotive parts market in which the Debtors competed is directly correlated with the automotive industry as a whole. In 2003, approximately 17 million cars and light trucks were produced in North America. Forecasts for 2009 reflected that North American light vehicle production would be at approximately 8 million units and estimates for 2010 suggested a mere 10-million-unit production for the year.

In April of 2009, Chrysler LLC and its affiliated debtors (collectively, "Chrysler") filed for bankruptcy protection, which resulted in an immediate liquidity impact on the Debtors of not receiving Chrysler receivables when anticipated and led all of Chrysler's U.S. production facilities to shut down or remain closed. The Chrysler bankruptcy, thus, largely eliminated the Debtors' sales to Chrysler with the exception of service parts, and the Debtors' revenues from Chrysler dropped dramatically. At the time of the filing of the Debtors' Chapter 11 Cases, Chrysler was planning to reduce the number of production platforms in the U.S. and to downsize its dealership distribution network by approximately 25%. Such reduction in production platforms and dealership distribution network was expected to have a dramatically adverse impact on the Debtors' expected future revenues from Chrysler.

In addition, General Motors Corporation and its affiliated debtors (collectively, "GM") filed for bankruptcy protection on June 1, 2009. Numerous GM production facilities were shut down and were expected to continue to remain closed for at least the near future. At the time of the filing of the Debtors' Chapter 11 Cases, it was anticipated that GM would sell and/or discontinue several of its brands, including Pontiac, Hummer and Saturn, and reduce its dealership distribution network by approximately 40%. Such reduction was expected to have a dramatic impact on the Debtors' expected future revenues from GM.

In addition to the severe downturns in the global economy and the auto industry, a few company-specific factors also created challenges for the Debtors. Prior to the acquisition by H.I.G. Capital, Stant had not operated as a stand-alone business for some time and lacked some of the required controls that would be typical of a stand-alone company of its size. Therefore, the consequent pricing, contract and budgeting errors contributed to the Debtors' inability to achieve their expected levels of earnings before interest, tax, depreciation and amortization ("EBITDA"). Additionally, Stant lost some of its key existing customers and new customer projects as a result of technical issues and the acquisition of one of Stant's customers, whose acquirer decided to displace Stant with an incumbent supplier.

The declining OEM production volumes and significant changes in the vehicle segment mix in the U.S., as well as the lack of internal controls and the unanticipated loss of customers, reduced the Debtors' revenues and gross margins. Moreover, due to the decline in the industry sector and the reliance on inappropriate EBITDA expectations caused by the lack of certain internal controls, the Debtors found themselves with a capital structure and debt burden that was not appropriate for the Debtors' level of earnings. After the closing of the acquisition transaction with H.I.G. Capital, the Debtors immediately started failing to meet certain covenant levels required by their lenders, thereby causing defaults and increasing stress on the business. In addition to their failure to meet covenant levels, the Debtors' overall leverage and inability to make interest and principal payments also caused undue stress on the Debtors' operations.

The combination of quickly deteriorating revenues, unfavorable gross margins, and the resulting changes in the current and projected EBITDA figures made it necessary for the Debtors to implement various measures to cut cost and increase profitability. Since the acquisition by H.I.G. Capital in 2008, in an effort to better align the Debtors' manufacturing capacity, lower operating costs and streamline the organizational structure, the Debtors' management team engaged in an extensive restructuring effort to rationalize operations and increase profitability. The Debtors' primary restructuring initiative was to reduce the number of North American facilities from four to three, eliminating their operations in Waltham, Massachusetts. In June of 2008, the Debtors began the process of moving the operations in Waltham to their facilities in Pine Bluff, Arkansas and Tijuana, Mexico. The Debtors completed the move in March of 2009. In addition to implementing cost cutting measures, price increases and significant workforce reductions, the Debtors also improved their financial controls by hiring a new CFO and utilizing multiple other resources that were committed to the Debtors.

Even with the success in reducing fixed costs and improving financial controls, the Debtors were not able to generate sufficient cash flows to meet their continuing obligations. In light of the continued global economic instability, including the unique financial difficulties faced by the Big Three United States automakers, the Debtors' Board of Directors engaged in a

series of extensive negotiations with the various parties in the Debtors' capital structure to restructure the Debtors' balance sheet. The objective of the negotiations was to attain and implement a capital structure that would provide the short term liquidity for the Debtors to endure the severe financing environment in the market and to support their long-term viability. Despite the Debtors' significant efforts through extensive negotiations with multiple proposals from various constituents, the Debtors were unable to reach an agreement that met their business and financial objectives.

On June 4, 2009, in order to provide the Company with additional liquidity to allow parties more time to come to a negotiated agreement outside of bankruptcy and for the global and automotive market to recover, GMAC and the Debtors entered into a forbearance agreement (the "Forbearance Agreement"), pursuant to which GMAC agreed to forbear from acting on the Company's defaults until June 29, 2009 (the "Forbearance Termination Date"). The Forbearance Agreement provided the Debtors with additional liquidity funded by the Senior Secured Lenders. On June 29, 2009, the Debtors and GMAC agreed to an extension of the Forbearance Termination Date from June 29, 2009 to July 13, 2009.

However, notwithstanding the success in managing costs of the Debtors and entering into the Forbearance Agreement with GMAC, the Debtors were still unable to avoid a bankruptcy filing. After extensive negotiations with their lenders, a review of various liquidation and sale recovery scenarios and discussions with the Debtors' professionals, the Debtors' Board of Directors (the "Board") ultimately determined that the most effective way to maximize the value of the Debtors' estates for the benefit of their creditors was to seek protection under the Bankruptcy Code, in order (i) to sell their viable business in an auction conducted under the supervision of the Bankruptcy Court for the highest and best offer and (ii) to complete a prompt and orderly liquidation of substantially all of their assets.

At a special board meeting held on July 21, 2009, the Board met and voted to approve a resolution giving the Debtors authority to file voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

ARTICLE IV.
SIGNIFICANT EVENTS DURING THE BANKRUPTCY

A. The Bankruptcy Filings

The Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code on July 27, 2009 (the "Petition Date") in the United States Bankruptcy Court for the District of Delaware. Since the Petition Date and until the closing of the sale of the Debtors' assets described herein, the Debtors continued in possession of their property and in control of their operations as Debtors-in-Possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. An immediate effect of the Debtors' filing the Chapter 11 Cases was the imposition of the automatic stay under section 362(a) of the Bankruptcy Code, which, with limited exceptions, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against property of the Debtors and the continuation of litigation against the Debtors. On July 29, 2009, the Bankruptcy Court entered an order authorizing the procedural consolidation and joint administration of the Debtors' Chapter 11 Cases under the lead case of SPC Seller, Inc., Case No. 09-12647 [Docket No. 43].

B. Schedules of Assets and Liabilities, Statements of Financial Affairs and Monthly Operating Reports

The Debtors filed the requisite schedules of assets and liabilities and statements required pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as well as the monthly operating reports required pursuant to section 1106 of the Bankruptcy Code, Bankruptcy Rule 2015(a) and the guidelines of the United States trustee. The Debtors anticipate payment in full of all U.S. Trustee Fees by the Debtors or the Disbursing Agent, as applicable, as those fees come due in the ordinary course. The meeting of creditors pursuant to section 341(a) of the Bankruptcy Code was held on September 8, 2009.

C. Significant "First Day" Motions

To minimize the adverse effects on the Debtors' businesses as a result of the commencement of their Chapter 11 Cases, immediately after filing their bankruptcy petitions, the Debtors filed a variety of "first day" applications and motions (collectively, the "First Day

Motions”) by which they sought and obtained various forms of relief designed to meet the immediate goals of: (a) establishing procedures for the efficient administration of the Chapter 11 Cases; (b) continuing the Debtors’ operations during the Chapter 11 Cases with as little disruption and loss of productivity as possible; (c) maintaining the confidence and support of the Debtors’ vendors, customers, employees and other key constituencies; (d) obtaining debtor-in-possession financing; (e) obtaining authority to use cash collateral; and (f) retaining appropriate professionals. Certain First Day Motions are briefly summarized below:

a. Motion for Joint Administration. On the Petition Date, the Debtors filed a motion seeking an order directing the joint administration of their Chapter 11 Cases under a single lead case number. The Bankruptcy Court granted this motion by an Order entered on July 29, 2009 [Docket No. 43].

b. Motion to Retain Greenberg Traurig, LLP as Counsel to the Debtors. On the Petition Date, the Debtors filed an application seeking an order authorizing them to employ and retain Greenberg Traurig as their counsel in the Chapter 11 Cases as of the Petition Date. The Bankruptcy Court granted this application by an Order entered on August 17, 2009 [Docket No. 113].

c. Motion to Retain and Compensate Ordinary Course Professionals. On the Petition Date, the Debtors filed an application seeking an order (a) authorizing them to retain and employ certain professionals utilized in the ordinary course of the Debtors’ business (the “Ordinary Course Professionals”) on an “as needed” basis without the submission of separate, formal retention applications for each such professional, subject to a monthly cap of \$75,000, and (b) establishing procedures to compensate the Ordinary Course Professionals under sections 328, 330, and 331 of the Bankruptcy Code for postpetition services rendered and expenses incurred. The Bankruptcy Court granted this application by an Order entered on August 17, 2009 [Docket No. 114], subject to certain conditions including a cap on payments to any individual Ordinary Course Professional of \$25,000 per month.

d. Motion to Retain and Appoint The Garden City Group, Inc. as Claims and Noticing Agent to the Debtors. On the Petition Date, the Debtors filed an application seeking an order authorizing and approving the retention and appointment of The Garden City Group, Inc. as claims and noticing agent to, among other things: (i) serve as the Court's notice agent to distribute notices to the estate's creditors and parties-in-interest; (ii) provide computerized claims, claims objection and balloting database services, as well as maintain, process and docket proofs of claim filed in the Chapter 11 Cases; and (iii) provide expertise and consultation and assistance in claim and ballot processing, and other relevant administrative services. The Bankruptcy Court granted this application by an Order entered on July 29, 2009 [Docket No. 44].

e. Motion to Maintain Bank Accounts and Cash Management System. On the Petition Date, the Debtors filed a motion seeking an order (a) authorizing the continued use of the Debtors' existing bank accounts and existing business forms and checks; (b) continued use of the Debtors' existing cash management system; (c) waiving investment and deposit guidelines of Section 345 of the Bankruptcy Code and the United States Trustee's Guidelines; and (d) providing additional related relief. The Bankruptcy Court granted this motion by an Order entered on July 29, 2009 [Docket No. 45].

f. Motion to Establish Interim Compensation Procedures. On the Petition Date, the Debtors filed a motion seeking an order establishing procedures for the payment of fees and reimbursement of expenses for professionals retained in the Chapter 11 Cases pursuant to Court order and for reimbursement of certain expenses incurred by Committee members. The Bankruptcy Court granted this motion by an Order entered on August 14, 2009 [Docket No. 98].

g. Motion for Authority to Pay Certain Prepetition Employee and Withholding Obligations. On the Petition Date, the Debtors filed a motion seeking authority to pay and/or honor, as the case may be, various prepetition obligations relating to their employees and independent contractors, including (a) certain prepetition claims of employees, including, but not limited to, claims for wages, salaries, vacation, sick leave, and unpaid reimbursable expenses

and certain costs and disbursements related to the foregoing, up to a cap of \$10,950.00 per employee, (b) certain claims or payments pursuant to employee benefit plans, and (c) all prepetition federal and state withholding obligations. The Bankruptcy Court granted this motion on an interim basis by an Order entered on July 29, 2009 [Docket No. 51], and on a final basis by an Order entered on August 17, 2009 [Docket No. 107].

h. Motion for Authority to Pay Certain Prepetition Taxes and Regulatory Fees. On the Petition Date, the Debtors filed a motion seeking authority to pay certain prepetition sales, use and similar taxes and regulatory fees in an aggregate amount not to exceed \$25,000.00. The Bankruptcy Court granted this motion by an Order entered on July 29, 2009 [Docket No. 48].

i. Motion to Prohibit Utilities from Discontinuing Service, Deem Utilities Adequately Assured of Future Performance, and Establish Related Procedures. On the Petition Date, the Debtors filed a motion seeking entry of an order, among other things, (i) determining that their utility providers have been provided with adequate assurance of payment within the meaning of section 366 of the Bankruptcy Code; (ii) approving procedures governing requests for additional or different adequate assurance; and (iii) and prohibiting their utility providers from altering, refusing, or discontinuing services on account of prepetition amounts outstanding. The Bankruptcy Court granted this motion on an interim basis by an Order entered on July 29, 2009 [Docket No. 50], and on a final basis by an Order entered on August 17, 2009 [Docket No. 106].

j. Motion for Authority to Obtain Postpetition Financing of Insurance Premiums and Pay Prepetition Premiums. On the Petition Date, the Debtors filed a motion seeking authority to honor their obligations under numerous insurance policies in effect as of the Petition Date and to renew those policies or enter into new policies as necessary in the ordinary course of business. The Debtors also sought authority to pay, in their discretion, any prepetition premiums related to the insurance policies to the extent necessary to avoid any form of

impairment to the coverage, benefits, or proceeds provided under the policies. The Bankruptcy Court granted this motion by an Order entered on July 29, 2009 [Docket No. 46].

k. Motion for Authority to Honor Certain Prepetition Obligations to Customers and Continue Customer Practices and Programs. On the Petition Date, the Debtors filed a motion seeking authority to (i) pay certain prepetition obligations owing to their customers under incentive programs such as promotional rebate programs, prompt payment discounts, and certain other programs designed to generate goodwill and maintain loyalty in their customer base, and (ii) continue their customer incentive programs. The Bankruptcy Court granted this motion by an Order entered on July 29, 2009 [Docket No. 47].

l. Motion for Authority to Pay Prepetition Claims of Critical Vendors. On the Petition Date, the Debtors filed a motion seeking the authority, in their sole discretion, to pay all or a portion of their prepetition obligations to certain critical vendors, suppliers and service providers, subject to certain terms and conditions, up to a maximum of \$9,000,000 in the aggregate. The Bankruptcy Court granted this motion on an interim basis by an Order entered on July 29, 2009 [Docket No. 49], and on a final basis by an Order entered on August 17, 2009 [Docket No. 109].

D. Appointment of the Committee; Retention of Committee Counsel

The Committee was appointed by the Office of the United States Trustee on August 6, 2009. The Committee consists of: Masters Machine Co., Inc., Jackson Spring & Mfg. Co., Quality Mold Shop, Inc., Nstar Electric Company and Jasper Rubber Products, Inc. The Committee sought and obtained approval of the Bankruptcy Court to retain the law firms of Lowenstein Sandler, P.C. and Richards, Layton & Finger, P.A. to serve as its co-counsel. The Committee also sought and obtained approval of the Bankruptcy Court to retain Huron Consulting Group as its financial advisors.

E. Postpetition Financing

In order to operate during their Chapter 11 Cases and thereby have an opportunity to complete the orderly sale of their assets, the Debtors required immediate additional financing.

Prior to the Petition Date, the Debtors retained Ladenburg Thalman & Co., Inc. ("Ladenburg"), an investment banking firm, to identify and contact potentially interested financial parties in an effort to procure necessary postpetition financing for the Debtors. As part of their search, Ladenburg contacted twenty-eight (28) potential lenders. Notwithstanding Ladenburg's efforts, the Debtors were unable to procure sufficient financing in the form of unsecured credit allowable as an administrative expense under section 364(a) or (b) of the Bankruptcy Code, in exchange for the grant of a superpriority administrative expense claim pursuant to section 364(c)(1) of the Bankruptcy Code, or secured by a junior lien on the property of the estate pursuant to section 364(c)(3) of the Bankruptcy Code. Therefore, after substantial negotiations, the Debtors, H.I.G. Capital, GMAC, and the Senior Secured Lenders reached an agreement to fund the Company to allow for a competitive sale process through an auction in the Chapter 11 Cases.

As part of the First Day Motions, on the Petition Date, the Debtors filed a motion (the "DIP Motion") seeking authority to, among other things, (i) obtain postpetition secured financing (the "DIP Facility") from GMAC, as a lender and agent (in such capacity, the "DIP Agent") and the other Senior Secured Lenders (collectively, the "DIP Lenders")² in an aggregate amount not to exceed \$11,000,000 at any one time outstanding, in accordance with the terms and conditions set forth in an amendment to the Prepetition Loan Agreement (the "Postpetition Amendment"), (ii) use the cash collateral of the Senior Secured Lenders, and (iii) grant the DIP Lenders and the Senior Secured Lenders certain related relief [Docket No. 17]. Copies of the Prepetition Loan Agreement and the Postpetition Amendment were attached as exhibits to the DIP Motion.

The Senior Secured Lenders consented to the approval of the DIP Facility, including, *inter alia*, the Debtors' use of the Senior Secured Lenders' cash collateral and the priming of the liens granted to GMAC as Senior Prepetition Agent and on behalf of the Senior

² Pursuant to that certain Participation Agreement dated as of July 27, 2009 (the "Participation Agreement"), H.I.G. Capital Partners IV, L.P. purchased a \$6,000,000 participation in the DIP Facility. H.I.G. Stant IV, LLC, an affiliate of H.I.G. Capital Partners IV, L.P., is the majority shareholder of SPC. None of the H.I.G. entities are affiliated with the DIP Agent or the DIP Lenders.

Secured Lenders. Pursuant to the terms of the Intercreditor Agreement, Northstar was prohibited from challenging, contesting or otherwise objecting to the DIP Facility or the Debtors' use of cash collateral.

The Bankruptcy Court granted the DIP Motion on an interim basis by an Order entered on July 29, 2009 [Docket No. 52], and on a final basis by an Order entered on August 17, 2009, [Docket No. 110].

F. The Sale of Substantially All of the Debtors' Assets

As previously discussed, after extensive negotiations with their lenders, a review of various liquidation and sale recovery scenarios and discussions with the Debtors' professionals, the Debtors' Board ultimately determined that the most effective way to maximize the value of the Debtors' estates for the benefit of their creditors was to seek protection under the Bankruptcy Code, in order (i) to sell their viable business in an auction conducted under the supervision of the Bankruptcy Court for the highest and best offer and (ii) to complete a prompt and orderly liquidation of substantially all of their assets.

Immediately prior to the Petition Date, the Debtors and Vapor Acquisition Corp. entered into the APA for the sale of substantially all of the Debtors' assets, free and clear of liens, claims, and encumbrances, with such liens, claims, and encumbrances to attach to the Sale proceeds.

On the Petition Date, the Debtors filed a motion (the "Sale Motion") [Docket No. 15] seeking the entry of two orders: (a) first, an order (the "Bid Procedures Order") (i) approving the procedures (the "Bid Procedures") with respect to the proposed sale (the "Sale") of substantially all of the Debtors' assets (the "Acquired Assets"), (ii) scheduling a hearing (the "Sale Hearing") on the Sale and setting objection and bidding deadlines with respect to the Sale, (iii) approving the form and manner of notice of an auction for the Acquired Assets (the "Auction"), (iv) establishing procedures to determine cure amounts and deadlines for objections for certain contracts and leases to be assumed and assigned by the Debtors (the "Assumed

Agreements"); and (v) granting related relief; and (b) second, an order (the "Sale Order"), (i) authorizing the Sale free and clear of liens, claims, encumbrances, and interests, pursuant to the APA between the Debtors and Vapor Acquisition Corp. (ii) authorizing and approving the APA, (iii) authorizing the assumption and sale of the Assumed Agreements, and (iv) granting related relief.

The aggregate consideration offered to the Debtors under Vapor Acquisition Corp.'s original stalking horse bid for the Acquired Assets, as set forth in the proposed Asset Purchase Agreement filed as Exhibit D to the Sale Motion, was as follows: an estimated \$81 million, comprised of: (a) the assumption of all amounts due under the DIP Facility, (b) assumption of the Restructured Senior Indebtedness and (c) the assumption of Assumed Liabilities including Cure Amounts.

After extensive good faith negotiations between the Debtors, the Committee and Vapor Acquisition Corp., the terms of the APA were modified to provide for materially better treatment of all creditors of the Debtors' estates, to allow for funding to confirm a chapter 11 plan, and to allow for partial bids for certain of the Debtors' assets and/or business lines.

On August 17, 2009, the Bankruptcy Court entered the Bid Procedures Order [Docket No. 111], which established the Bid Procedures to govern the bidding and Auction process with respect to the proposed Sale of the Acquired Assets. Among other things, the Bid Procedures Order established September 3, 2009 at 12:00 p.m. (the "Bid Deadline") as the deadline for interested parties to submit competing bids to acquire the Acquired Assets and September 14, 2009 at 9:00 a.m. as the date and time of the Auction. The Bid Procedures Order also established September 10, 2009 at 4:00 p.m. as the deadline for interested parties to file any objections to the Sale or the proposed assumption and assignment by the Debtors of the Assumed Agreements, and scheduled the Sale Hearing for September 15, 2009 at 3:00 p.m. The Bid Procedures were attached to the Bid Procedures Order as Exhibit 1 [Docket No. 111].

On August 5, 2009, the Debtors filed an application with the Bankruptcy Court seeking authority to retain Mesirow Financial Consulting, LLC ("Mesirow"), an investment

banking firm, to act as the Debtors' financial advisor effective as of the Petition Date, and assist with the Sale of substantially all of the Debtors' assets, including, among other things, to assist the Debtors in marketing their assets for sale, identify, screen and contact prospective purchasers, assist potential purchasers with their due diligence, and assist the Debtors to evaluate proposals from potential purchasers. The Bankruptcy Court granted this application by an Order entered on August 28, 2009 [Docket No. 140].

As part of the sale process, Mesirow aggressively marketed the Debtors' assets by identifying and contacting sixty-eight (68) potential buyers, including twenty-three (23) strategic and forty-five (45) financial buyers, with twelve (12) of those parties signing confidentiality agreements with the Debtors. Each entity executing a confidentiality agreement received access to the Debtors' electronic data room, which contained more detailed financial and operational information to support the diligence efforts of the interested parties and to get them quickly up to speed regarding the Debtors' business.

Mesirow diligently pursued potential suitors and held frequent discussions with numerous potentially interested parties seeking to obtain additional bid proposals. Mesirow also coordinated a detailed management presentation to at least one potential bidder. In addition, the Debtors retained an independent chief restructuring officer to assist the Debtors with chapter 11 issues, including interfacing between Mesirow and the Debtors' management to evaluate the marketing of the assets. Throughout the marketing process, Mesirow was in contact with the Debtors and their counsel at least twice a week regarding Mesirow's efforts, and provided the Debtors and their counsel with regular updates of its efforts with potential purchasers. Mesirow also regularly updated and advised the financial advisors to the Committee regarding the status of efforts and latest developments through regular weekly reports and conference calls, and responded to their inquiries on a real-time basis.

Notwithstanding the Debtors' marketing of their assets in an effort to obtain competing bids, no competing bids were submitted by the Bid Deadline. On September 11, 2009, the Debtors filed a Notice of No Qualified Bid and Cancellation of Auction [Docket No.

181], cancelling the Auction scheduled for September 14, 2009 and declaring Vapor Acquisition Corp. as the Successful Bidder (as defined in the Bid Procedures). As a result of the Debtors' and Committees' efforts, the aggregate consideration ultimately received by the Debtors from Vapor Acquisition Corp. under the Sale approved by the Bankruptcy Court was as follows: an estimated \$81 million, comprised of: (a) the assumption of all amounts due under the DIP Facility, (b) assumption of the Restructured Senior Indebtedness and (c) the assumption of Assumed Liabilities including, without limitation, Cure Amounts, the budgeted Administrative Claims as provided in section 1.3(g) of the APA, and Critical Vendor Claims, and (d) the Committee Cash Payment.

The Bankruptcy Court conducted the Sale Hearing on September 15, 2009. On September 18, 2009, the Bankruptcy Court entered the Sale Order [Docket No. 214] approving the Sale to Vapor Acquisition Corp. The Debtors and Vapor Acquisition Corp. completed the closing of the Sale on October 27, 2009.

The Acquired Assets sold to Vapor Acquisition Corp. pursuant to the APA and the Sale Order included all Avoidance Actions. Accordingly, such Avoidance Actions are not Assets of the Debtors or the Estates. Pursuant to the APA and the Sale Order, all Avoidance Actions were unconditionally and irrevocably released by Vapor Acquisition Corp. and its affiliates, representatives, agents, counsel, advisors successors and assigns.

G. Claims Bar Date - Deadline to File Prepetition Proofs of Claim

By a motion filed on November 3, 2009, the Debtors requested that the Bankruptcy Court establish January 25, 2009 as the deadline by which Creditors, including governmental entities, must file Proof(s) of Claim with the Claims Agent on account of prepetition Claims [Docket No. 280]. The Bankruptcy Court granted this motion by an Order entered on November 17, 2009 [Docket No. 298].

H. Change of Debtors' Names

In accordance with the Sale Order and Section 6.9 of the APA, following the claims, the Debtors are required to change their names. By a motion filed on November 3, 2009, the Debtors sought entry of an order changing their names and the caption of the Debtors' jointly, administered cases [Docket No. 279]. On November 30, 2009, the Bankruptcy Court entered an Order [Docket No. 315] granting the Debtors' motion and, *inter alia*, authorizing the Debtors to change their corporate names as follows:

	Old Name	New Name
1.	Stant Parent Corp.	SPC Seller, Inc.
2.	Stant Holding Corp.	SHC Seller, Inc.
3.	Stant Corporation	SC Seller, Inc.
4.	Stant Manufacturing, Inc.	SMI Seller, Inc.
5.	Standard - Thomson Corporation	STC Seller, Inc.
6.	Thomson International Corporation	TLC Seller, Inc.

ARTICLE V. DESCRIPTION OF THE PLAN

A. Introduction

This section summarizes the salient provisions of the Plan, which is annexed to this Disclosure Statement as Exhibit "A". Parties are encouraged to review the Plan in its entirety for a full understanding of its provisions and impact on Creditors and Interest Holders.

General Rules of Classification. As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various Classes according to their right to priority of payments as provided in the Bankruptcy Code. The Plan states whether each Class of Claims or Interests is Impaired or Unimpaired. The Plan provides the treatment each Class will receive under the Plan. In accordance with the requirements of the Bankruptcy Code, Allowed Administrative Expense Claims, Allowed Fee Claims and Allowed Priority Claims are not set forth in Classes.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving distributions

pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, discharged, released or otherwise settled prior to the Effective Date.

Unclassified Claims. Unclassified Claims are Unimpaired by the Plan. Each Holder of an unclassified Claim is conclusively presumed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan. The following are the unclassified Claims: Allowed Administrative Expense Claims, Allowed Fee Claims and Allowed Priority Claims.

Classification of Claims and Interests. The following is the designation of the Classes of Claims and Interests under the Plan:

- (a) Class 1 consist of the DIP Facility Claims.
- (b) Class 2 consist of the Senior Secured Lender Claims.
- (c) Class 3 consist of the Junior Prepetition Note Claims.
- (d) Class 4 consist of the General Unsecured Claims.
- (e) Class 5 consist of Interests of Equity Holders.

Unimpaired Classes of Claims. Each Holder of an Unimpaired Claim is deemed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan. The Unimpaired Classes are Class 1 (DIP Facility Claims), Class 2 (Senior Secured Lender Claims) and Class 3 (Junior Prepetition Note Claims).

Impaired Class of Claims. Holders of Claims in Class 4 (General Unsecured Claims) are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

Impaired Class of Interests. Holders of Class 5 Interests in the Debtors are Impaired under the Plan, shall receive no distribution under the Plan on account of such Interests and are deemed to reject the Plan. Holders of Interests are not entitled to vote to on the Plan.

B. Treatment of Unclassified Claims

The Plan provides for the following treatment of unclassified Claims:

Intercompany Claims. As of the Effective Date, Intercompany Claims shall be extinguished. No distributions on account of Intercompany Claims will be made.

Administrative Consolidation. For purposes of the Plan and for the administrative convenience of the parties, Holders of Claims in each Debtor's case shall receive the identical treatment referenced below and each Unimpaired Class and Impaired Class shall be deemed to automatically apply in each case as if there were separate plans of reorganization filed in each case. Holders of Interests in each case shall be treated as more fully set forth below. The Plan does not provide for the substantive consolidation of the Debtors following the Effective Date, but all Claims shall be deemed filed against the consolidated Debtors and shall be deemed one Claim against or obligation of the Debtors as if they were consolidated and the Holders of such Claims shall receive one distribution from the Debtors' Estates in accordance with the provisions of the Plan.

Administrative Expense Claims and Priority Claims. The legal and equitable rights of the Holders of Administrative Expense Claims and Priority Claims are unaltered by the Plan. All Administrative Expense Claims incurred prior to the APA Closing Date and (a) provided for in the DIP Budget and (b) provided for under sections 503(b) and 1114(e)(2) of the Bankruptcy Code or determined to be an Allowed Administrative Expense Claim by a Final Order that is entitled to priority under sections 507(a)(2) or 507(b) of the Bankruptcy Code, including any Claims allowed pursuant to sections 503(b)(9) or 546(c) of the Bankruptcy Code, for costs or expenses of administration of the Chapter 11 Cases including, without limitation, any actual and necessary expenses of operating the businesses of the Debtors or preserving the Estates incurred after the Petition Date, and any and all fees and expenses of professionals retained in the Chapter 11 Cases Filed under sections 330, 331 or 503 of the Bankruptcy Code, were satisfied by the Debtors, paid or to be paid from the Professional Fee Account, are an obligation of the Purchaser under the APA and the Sale Order, or to be paid on the Effective Date from the Committee Cash Payment. All Allowed Administrative Expense Claims incurred after the APA Closing Date provided for in the Wind-Down Budget shall be satisfied from the

Wind-Down Budget Escrow. Any remaining Allowed Administrative Expense Claims and/or Allowed Priority Claims shall be satisfied from the proceeds of the Committee Cash Payment. The Proponents believe all Priority Claims were assumed and satisfied by the Purchaser pursuant to the APA.

Bar Dates for Administrative Expense Claims. The Confirmation Order will establish an Administrative Expense Claims Bar Date for filing Administrative Expense Claims, except for Claims of the kind specified in paragraph 3.3(b) of the Plan, which date shall be thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Holders of Administrative Expense Claims that are subject to the Administrative Expense Claims Bar Date shall submit requests for payment on or before such Administrative Expense Claims Bar Date, provided, however, that Holders of Administrative Expense Claims based upon a liability incurred by the Debtors in the ordinary course of the Debtors' business who have billed the Debtors seeking payment on account of such Administrative Expense Claims in accordance with the terms and conditions of any agreements governing, instruments evidencing or other documents relating to such transactions, shall not be required to submit a separate request for payment thereof. Any Person that is required to file and serve a request for payment of an Administrative Expense Claim and fails to timely file and serve such request, shall be forever barred, estopped and enjoined from asserting such Claim or participating in distributions under the Plan on account thereof and no objection to such late or unfiled claim shall be necessary. Objections to requests for payment of Administrative Expense Claims (except for Fee Claims) must be filed and served on the Debtors, the Committee and the Disbursing Agent, and their respective counsel, and the party requesting payment of an Administrative Expense Claim, within twenty days (20) days after the Administrative Expense Claims Bar Date or as otherwise fixed by the Bankruptcy Court.

Applications for Professional Fees. All applications by Professionals for compensation and reimbursement of expenses in connection with the Chapter 11 Cases prior to the Effective Date are Administrative Expense Claims and shall be filed with the Bankruptcy

Court within forty-five (45) days after the Effective Date. Any such application not filed within forty-five (45) days after the Effective Date shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof.

U.S. Trustee Fees. All unpaid U.S. Trustee Fees incurred prior to the APA Closing Date shall be timely paid by the Debtors from the Professional Fee Account. All unpaid U.S. Trustee Fees incurred subsequent to the APA Closing Date shall be paid from the Wind-Down Budget Escrow or the Committee Cash Payment, as applicable, in the ordinary course as such U.S. Trustee Fees become due and payable.

C. Treatment of Classified Claims and Interests

The Plan provides for the following treatment of Claims and Interests in the following Classes:

Class 1 (DIP Facility Claims). This Class consists of the Holders of Allowed DIP Facility Claims. Allowed DIP Facility Claims were assumed by the Purchaser under the APA and as set forth in the Sale Order, and are deemed paid in full pursuant to the terms of the APA and the Sale Order. Although the Holders of Allowed Claims in Class 1 receive no property under the Plan, all such Claims are Unimpaired, and, therefore, the Holders of claims in Class 1 are not entitled to vote.

Class 2 (Senior Secured Lender Claims). This Class consists of the Holders of Allowed Senior Secured Lender Claims. Allowed Senior Secured Lender Claims have been assumed by the Purchaser under the APA and as set forth in the Sale Order, and are deemed paid in full pursuant to the terms of the APA and the Sale Order. Although the Holders of Allowed Claims in Class 2 receive no property under the Plan, all such Claims are Unimpaired, and, therefore, the Holders of claims in Class 2 are not entitled to vote.

Class 3 (Junior Prepetition Note Claims). This Class consists of the Holders of Junior Prepetition Note Claims. The Holders of Allowed Junior Prepetition Note Claims have received the Northstar Consideration under the Sale Order in full and final satisfaction of such

Junior Prepetition Note Claims. Holders of Junior Prepetition Note Claims shall receive no distribution under the Plan on account of such Claims. In as much as all Junior Prepetition Note Claims have been satisfied in full; all such Claims are Unimpaired, and therefore the Holders of Claims in Class 3 are not entitled to vote.

Class 4 (General Unsecured Claims). This Class consists of General Unsecured Claims. On the Distribution Date, each holder of an Allowed General Unsecured Claim shall receive their Pro Rata portion of the Net Committee Cash Payment Fund and the Debtors and their Property shall be free and clear of all Class 4 Claims and be deemed released and discharged from all Class 4 Claims. The Holders of Claims in this Class are Impaired and, therefore, entitled to vote.

Class 5 (Interests). This Class consists of all Interests. On the Effective Date, the Interests shall be deemed extinguished, null and void, cancelled and of no force and effect. The Holders of Class 5 Interests shall receive no distributions under the Plan. Accordingly, Holders of Class 5 Interests are deemed to reject the Plan and are, therefore, not entitled to vote.

D. Acceptance or Rejection of the Plan

Classes Entitled to Vote. Only the Holders of Allowed Claims in Class 4 shall be entitled to vote to accept or reject the Plan.

Acceptance by Impaired Classes of Claims. An Impaired Class of Claims shall have accepted the Plan if (a) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the Holders (other than any Holder designated under 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

Cramdown. If an Impaired Class of Claims does not accept the Plan, the Proponents request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Proponents reserve the right to modify the Plan to the extent, if any, that Confirmation

pursuant to section 1129(b) of the Bankruptcy Code requires modification or for any other reason in their discretion.

E. Means for Implementation of the Plan

The following provisions govern implementation of the Plan after the Confirmation Date:

Cancellation of Instruments and Stock. On the Effective Date of the Plan, (i) all Interests in the Debtors; (ii) any and all stock options (including, but not limited to, all stock options granted to the Debtors' employees); (iii) any and all warrants; and (iv) any instrument evidencing or creating any indebtedness or obligation of the Debtors, except such instruments that are reinstated or amended and restated under the Plan, shall be deemed cancelled and extinguished. Additionally, as of the Effective Date, all Interests in the Debtors, and any and all warrants, options, rights or interests with respect to equity interests in the Debtors that have been authorized to be issued but that have not been issued shall be deemed cancelled and extinguished without any further action of any party.

Dissolution of Debtors as Corporate Entities. On the later of the Effective Date of the Plan or the date on which the Disbursing Agent makes all distributions to Holders of Allowed Claims pursuant to the Plan, the Debtors shall be dissolved as corporate entities under the laws of the state of incorporation or formation as applicable to each Debtor without any further action by the Debtors, the Bankruptcy Court, any federal or state governmental unit, or any other person.

Appointment of the Disbursing Agent. On or before the Effective Date, the Debtors and the Committee shall appoint the Disbursing Agent. On or before the Effective Date, the Debtors, the Committee and the Disbursing Agent shall execute the Disbursing Agent Agreement.

Fees and Expenses of the Disbursing Agent. The Disbursing Agent shall be allowed compensation in the amount set forth in the Disbursing Agent Agreement without

further application to or approval of the Bankruptcy Court. The Disbursing Agent's fees and expenses shall be paid from (a) the Wind Down Budget Escrow to the extent provided for in the Wind-Down Budget, and (b) the Committee Cash Payment to the extent not provided for in the Wind-Down Budget. All of the Disbursing Agent's fees and expenses shall be deemed earned and will become due and payable to the Disbursing Agent upon substantial completion of the Disbursing Agent's duties under the Disbursing Agent Agreement and upon fifteen (15) days written notice by the Disbursing Agent to the Debtors and the Committee.

Closing of the Chapter 11 Cases. Upon making all Distributions hereunder, the Disbursing Agent shall file a motion with the Bankruptcy Court for an order closing the Chapter 11 Cases.

F. Provisions Governing Distributions Generally

The Plan provides for Distributions to Creditors to be made as follows.

Claim Objection Deadline. Objections to Claims, other than Administrative Expense Claims, Fee Claims and Claims filed pursuant to paragraph 8.2 of the Plan, shall be served and filed by the Debtors (prior to the Effective Date) or the Disbursing Agent (after the Effective Date) no later than sixty (60) days after the Effective Date, provided, however, this deadline may be extended by the Bankruptcy Court upon motion of the Debtors or the Disbursing Agent, with or without notice or hearing. Notwithstanding the foregoing, and as provided for in the Bankruptcy Court's order establishing the Bar Date, unless the Plan or an order of the Bankruptcy Court specifically provides otherwise, any proof of, or other assertion of a Claim filed after the deadline established for filing Claims of that type shall not entitle the party filing such Claim to receive any distribution under the Plan, unless and until the party filing such Claim obtains the written consent of the Disbursing Agent or the Debtors, as applicable, or obtains an order of the Bankruptcy Court upon notice to the Disbursing Agent and Debtors that permits a distribution to be made with respect to such Claim.

Settlement of Disputed Claims. Objections to Claims may be litigated to judgment or withdrawn, and may be settled by the Debtors (prior to the Effective Date) or the Disbursing Agent (after the Effective Date) with the approval of the Bankruptcy Court, except to the extent such approval is not necessary as provided in the Plan. After the Effective Date, and subject to the terms of the Plan, the Disbursing Agent may settle any Disputed Claim where the result of the settlement or compromise is an Allowed amount of one hundred thousand dollars (\$100,000.00) or less without providing any notice or obtaining an order from the Bankruptcy Court. All proposed settlements of Disputed Claims where the amount to be settled or compromised exceeds one hundred thousand dollars (\$100,000.00) shall be subject to the approval of the Bankruptcy Court after notice and an opportunity for a hearing.

Distributions for Claims Allowed as of the Effective Date. Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, the Disbursing Agent shall make a distribution on account of Allowed Class 4 General Unsecured Claims on the Distribution Date.

Means of Cash Payment. Cash payments made pursuant to the Plan shall be in U.S. funds, by the means, including by check or wire transfer, determined by the Disbursing Agent. Checks issued by the Disbursing Agent in respect of Allowed Claims will be null and void if not cashed within ninety (90) days of the date of their issuance and shall be forfeited to the Estates and deposited in the distribution reserve created pursuant to the Disbursing Agent Agreement.

Delivery of Distributions. Distributions to Holders of Allowed Class 4 Claims shall be made (a) at the addresses set forth in the certified claims register provided by the Claims Agent to the Disbursing Agent; or (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent on or after the Effective Date and within a reasonable time prior to the Distribution Date of date of any subsequent distribution to enable the Disbursing Agent to comply with the notice. Any distributions that are returned to the Disbursing Agent and unclaimed by the Holder within thirty (30) days shall be forfeited to the Estates and re-distributed in accordance with the Plan.

No Distributions Pending Allowance. Notwithstanding any other provision of the Plan, no payments or Distribution by the Disbursing Agent shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

Distributions of Less than Ten Dollars. If a Cash payment otherwise provided for by the Plan with respect to an Allowed Class 4 Claim would be less than ten dollars (\$10.00) (whether in the aggregate or on any payment date provided in the Plan), notwithstanding any contrary provision of the Plan, the Disbursing Agent shall not be required to make such payment and such funds shall be otherwise distributed to Holders of Allowed Class 4 Claims in accordance with the Plan.

Fractional Dollars. Notwithstanding any other provision of the Plan, Cash Distributions of fractions of dollars will not be made; rather, whenever any payment of a fraction of a dollar would be called for, the actual payment made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. To the extent that Cash remains undistributed as a result of the rounding of such fraction to the nearest whole dollar, such Cash shall be deposited in the distribution reserve created pursuant to the Disbursing Agent Agreement.

Withholding and Reporting Requirements. In connection with the Plan and all Distributions thereunder, the Disbursing Agent shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions thereunder shall be subject to any such withholding and reporting requirements. All persons holding Claims shall be required to provide any information necessary to effect the withholding of such taxes. The Disbursing Agent shall be authorized to take any and all actions that may be reasonably necessary or appropriate to comply with such withholding and reporting requirements.

Disputed Distribution. If any dispute arises as to the identity of a Holder of an Allowed Claim who is to receive any Distribution, the Disbursing Agent may, in lieu of making such Distribution to such Holder, make such Distribution into an escrow account until the disposition shall be determined by Final Order of the Bankruptcy Court or by written agreement among the parties to the dispute.

Record Date for Distributions. The Disbursing Agent will have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Class 4 Claim that occurs after the Effective Date, and will be entitled for all purposes to recognize and distribute only to those Holders of Allowed Class 4 Claims who are Holders of such Claims, or participants therein, as set forth on the Claims register maintained by the Claims Agent. The Disbursing Agent shall instead be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on such register. Notwithstanding anything in the Plan to the contrary, the Disbursing Agent may, in its reasonable discretion, recognize the transfer of or the sale of any participation in, any Allowed Class 4 Claim that occurs after the Effective Date.

G. Treatment of Executory Contracts and Unexpired Leases

The Plan provides the following treatment for the Debtors' executory contracts and unexpired leases:

Executory Contracts and Unexpired Leases Deemed Rejected. Any and all of the Debtors' leases or executory contracts that have not been (i) previously assumed by the Debtors or the subject of a pending motion to assume of the Bankruptcy Court pending on the Confirmation Date, (ii) assigned to the Purchaser pursuant to the APA, or (iii) previously rejected or the subject of a pending motion to reject pending on the Confirmation Date, shall be deemed rejected by the Debtors effective as of the Confirmation Date but subject to the occurrence of the Effective Date.

Claims for Rejection Damages. All Proofs of Claim with respect to Claims arising from the rejection of executory contracts or unexpired leases shall, be filed with the

Claims Agent within thirty (30) days after the mailing of the notice of the Effective Date. All Proofs of Claim with respect to Claims arising from the rejection of executory contracts and unexpired leases shall be treated as Class 4 General Unsecured Claims, as applicable, for purposes of distribution pursuant to the Plan, unless and until the Person or Entity asserting such Claim obtains an order of the Bankruptcy Court upon notice to the Debtors, that allows the Claims in another Class under the Plan. Objections to a Proof of Claim with respect to Claims arising from the rejection of executory contracts or unexpired leases shall be served and filed by the Disbursing Agent or the Debtors no later than sixty (60) days after the filing of such Proof of Claim, provided, however, this deadline may be extended by the Bankruptcy Court upon motion of the Debtors or the Disbursing Agent, with or without notice or hearing.

H. Conditions to Confirmation and the Effective Date

The Plan provides for the following conditions to Confirmation and the effectiveness of the Plan:

Conditions to Confirmation of the Plan. The Plan shall not be confirmed unless and until the following conditions have been satisfied in full or waived by the Debtors and the Committee.

(a) The Confirmation Order shall be in form and substance satisfactory to the Debtors and the Committee, which Confirmation Order shall approve all provisions, terms and conditions of the Plan; and

(b) No amendments, modifications, supplements or alterations shall have been made to the Plan or any document delivered in connection therewith, without the express written consent of the Debtors and the Committee (which consent may be granted, withheld, or conditioned in their respective sole discretion).

Conditions to Effectiveness of the Plan. The Plan shall not become effective unless and until each of the following conditions has been satisfied in full or waived by the Debtors and the Committee.

(a) The Bankruptcy Court shall have entered the Confirmation Order and such Confirmation Order shall be in form and substance satisfactory to the Debtors and the Committee.

(b) The Confirmation Order shall have become a Final Order.

Waiver of Conditions to Confirmation or Effective Date. The conditions to Confirmation and the effectiveness of the Plan set forth in paragraph 9.1 and 9.2 of the Plan may be waived, in whole or in part, by the Debtors and the Committee without any notice to any other parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive any condition to the Confirmation Date or the Effective Date may be asserted by the Debtors and the Committee in their sole discretions regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtors or the Committee to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right which may be asserted at any time.

I. Effects of Confirmation

The Plan provides that Confirmation of the Plan will have the following effects:

Legal Binding Effect. The provisions of the Plan shall bind all Holders or Claims and Interests and their respective successors and assigns, whether or not they accept the Plan.

Application for Approval of Settlement. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan constitutes an application for approval of a compromise and settlement of any and all claims, suits and causes of action of the Debtors, the Estates, the Disbursing Agent or their respective successors or assigns, and any Person or Entity claiming a right in a derivative capacity on their behalf in accordance with the terms of the Plan.

Exculpation. Pursuant to the Plan and the Confirmation Order, and to the fullest extent permitted under section 1125(c) of the Bankruptcy Code, none of the Debtors,

the Committee, the Committee's members, and any of their respective predecessors, affiliates, subsidiaries, officers, directors, partners, agents, counsel and advisors, shall have any liability to any Creditor, or Holder of a Claim or Interest, or other Person for any act or omission in connection with or arising out of the administration of the Chapter 11 Cases, including, without limitation, the filing of the Chapter 11 Cases, the prosecution of the Chapter 11 Cases, the negotiation, preparation and pursuit of confirmation of the Plan, or the confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, except for any such liability based on gross negligence, willful misconduct or fraud of such parties as determined by Final Order of the Bankruptcy Court.

Confirmation Injunction. On and after the Effective Date, except to enforce the terms and conditions of the Plan before the Bankruptcy Court and in respect of any liability of the Debtors or Purchaser for any assumption of assumed liabilities including, without limitation, cure amounts, and the budgeted Administrative Expense Claims as provided in section 1.3(g) of the APA in each case, as provided for in the APA, all Persons or Entities who have held, hold or may hold any Claim against or Interest in the Debtors are, with respect to any such Claim or Interest, permanently enjoined from and after the Effective Date from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Debtors or any of their properties; (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means whether directly or indirectly, against the Debtors or any of their properties of any judgment, award, decree or order; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors or any of their properties; (d) asserting any right of setoff, directly or indirectly, against any

obligation due to any of the Debtors; and (e) taking any actions in any place and in any manner whatsoever that do not conform to or comply with the provisions of the Plan.

Releases. Nothing in this Plan discharges, releases, precludes, or enjoins (i) any environmental liability to any governmental unit that any entity would be subject to as the owner or operator of property after the Effective Date or (ii) any liability to the United States on the part of any Person other than the Debtors, provided, however, that nothing contained in the Plan is intended, nor shall anything contained in the Plan be construed, to affect, modify, impair or alter in any manner any releases provided for in the Sale Order.

J. Retention of Jurisdiction

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

(a) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any application or request for payment of any Administrative Expense Claim, and the resolution of any objections to the allowance or priority of Claims;

(b) hear and determine all Professionals' applications for compensation and reimbursement of expenses incurred in the Chapter 11 Cases;

(c) determine any and all adversary proceedings, motions, applications, and contested or litigated matters and consider and act upon the compromise and settlement of any Claim against the Estates;

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

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

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

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

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

(i) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;

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

(k) hear and determine all matters related to the property of the Estates or the Debtors from and after the Effective Date;

(l) hear and determine such other matters as may be provided in the Confirmation Order and as may be authorized under the provisions of the Bankruptcy Code; and

(m) enter a final decree closing the Chapter 11 Cases.

K. Miscellaneous Provisions

The Plan includes the following miscellaneous provisions:

Pre-Confirmation Modification. The Plan may be altered, amended or modified by the Proponents before the Confirmation Date as provided in section 1127 of the Bankruptcy Code.

Post-Confirmation Immaterial Modifications. With the approval of the Bankruptcy Court and on notice to and an opportunity to be heard by the United States Trustee and without notice to Holders of Claims and Interests, the Proponents may, insofar as it does not materially and adversely affect the rights and interests of Holders of Claims, correct any defect, omission or inconsistency in the Plan in such manner and to such extent as may be necessary to expedite consummation of the Plan.

Post-Confirmation Material Modification. On notice to and an opportunity to be heard by the United States Trustee, the Plan may be altered or amended after the Confirmation Date by the Proponents in a manner which, in the opinion of the Bankruptcy Court, materially and adversely affects Holders of Claims, provided that such alteration or modification is made after notice and a hearing and otherwise meets the requirements of section 1127 of the Bankruptcy Code.

Withdrawal or Revocation of the Plan. The Proponents reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Proponents revoke or withdraw the Plan, if Confirmation or the Effective Date does not occur, then, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or unexpired leases affected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in the Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors or any other Person, or (iii) constitute an admission of any sort by the Debtors or any other Person.

Parties Shall Use Best Efforts to Effectuate Plan. The Debtors and the Committee shall use their best efforts to effect the transactions contemplated in the Plan.

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

Allocation of Plan Distributions between Principal and Interest. To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, for federal income tax purposes, be allocated to the principal amount of the Claim first, and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

Rules of Interpretation; Computation of Time. For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document as being in a particular form or containing particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles, and Exhibits, if any, are references to Sections, Articles, and Exhibits of or to the Plan, (d) the words "herein" and "hereto" as used in the Plan refer to the Plan in its entirety rather than to a particular portion of

the Plan, (e) captions and headings to Articles and paragraphs are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (f) the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply. In computing any period of time prescribed or allowed by the Plan, unless otherwise specifically designated in the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

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

Governing Law. Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and Bankruptcy Rules, (a) the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, and (b) governance matters shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of law thereof.

Notices. Any Notice required or permitted to be provided under the Plan shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) reputable overnight courier service, freight prepaid, to be addressed as follows:

If to the Debtors:

Greenberg Traurig, LLP
MetLife Building
200 Park Avenue
New York, New York 10166
Attention: Nancy A. Mitchell, Esq.
Alan J. Brody, Esq.

If to the Committee:

Lowenstein Sandler
65 Livingston Avenue
Livingston, New Jersey 07068
(212) 765-9100
Attention: S. Jason Teele, Esq.
Sharon Levine, Esq.

Saturday, Sunday or Legal Holiday. If 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 the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

Headings. The headings used in the Plan are inserted for convenience only and neither constitute a portion of the Plan nor in any manner affect the provisions of the plan.

Dissolution and Release of the Committee. Upon ten (10) days after the Disbursing Agent makes the final Distribution to Creditors under the Plan, the Committee will dissolve and the members of the Committee shall be released and discharged from their duties.

ARTICLE VI. **CERTAIN RISK FACTORS TO BE CONSIDERED**

Holders of Impaired Claims and Interests against and in the Debtors should read and consider carefully the factors set forth below as well as the other information set forth in this disclosure statement (and the documents delivered together herewith and/or incorporated by reference), prior to voting to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation.

A. Failure to Receive Requisite Accepting Votes

In order for the Plan to be accepted, of those Holders of Claims and Interests who cast ballots, the affirmative vote of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of Allowed Claims and Allowed Interests in each voting class is required. If the requisite votes are not received to accept the Plan, and if the Plan is not confirmed by the Bankruptcy Court pursuant to the so-called "cramdown" provision of section 1129(b) of the Bankruptcy Code, the Debtors may seek to liquidate the Estates in accordance with chapter 7 of the Bankruptcy Code. There can be no assurance that the terms of a liquidation under chapter 7 of the Bankruptcy Code would be similar to or as favorable to Holders of Claims and Interests as

those proposed in the Plan. The Proponents believe that the financial results would not be as favorable to such Holders in a proceeding under chapter 7 of the Bankruptcy Code.

B. Risk of Non-Confirmation of the Plan

Although the Proponents believe that the Plan satisfies all legal requirements necessary for Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will confirm the Plan. There can also be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications would not necessitate re-solicitation of votes to accept or reject the Plan.

C. Risk of Non-Occurrence of the Effective Date

Even if all Classes of Claims and Interests that are entitled to vote accept the Plan, the Plan may not become effective. The Plan sets forth conditions to the occurrence of the Effective Date that could remain unsatisfied.

D. Risk of Appeal of the Confirmation Order

The Confirmation Order may be the subject of an appeal. If the Confirmation Order is vacated on appeal (assuming an appeal could be taken and such appeal would not be rendered moot due to substantial consummation of the Plan prior to prosecution), the Plan would fail.

E. Risk of Additional or Larger Claims

The Disclosure Statement and its attached exhibits necessarily include estimates. The Proponents believe that the estimates presented are reasonable and appropriate under the circumstances. Nevertheless, there is a risk that unforeseen future events may cause one or more of such estimates to be materially inaccurate. Among the potential risks are the risks that additional prepetition or Administrative Expense Claims may be asserted, that Disputed Claims may be resolved at higher amounts than expected or that the resolution of such Claims may require the expenditure of unanticipated professional fees. If one or more of these estimates

proves to be inaccurate, the amount of funds available for Distribution pursuant to the Plan may be reduced.

F. Taxation

Pursuant to the Plan, each Holder of an Allowed Claim or Interest receiving cash or property under the Plan will recognize gain or loss equal to the difference between the amount of any cash and the fair market value of any other property received by such holder and the basis which the holder has in such Allowed Claim or Interest. The character of any recognized gain or loss will depend upon the status of the holder, the nature of the Claim or Interest and the period for which the Claim or Interest was held by the holder. The basis of a holder in any property received under the Plan will be the fair market value of such property on the Effective Date of the Plan, and the holding period in such property received will begin on the Effective Date.

The federal, state and local tax consequences of the Plan are complex and, in some cases, uncertain. In addition, the foregoing summary does not discuss all aspects of federal income taxation that may be relevant to a particular holder of an Allowed Claim or Interest in light of its particular circumstances and income tax situation. Accordingly, each holder of a Claim or Interest is strongly urged to consult with its own tax advisor regarding the federal, state, and local tax consequences of the Plan.

G. Distributions to Holders of Claims

The Plan is based on making Distributions as provided under the priority scheme set forth in the Bankruptcy Code. To this end, the Plan provides that all Allowed Administrative Claims and priority Claims will be paid or satisfied in full prior to the making of Distributions to holders of Allowed Claims in Class 4.

The amount of Cash available for distribution to holders of Allowed Claims in Class 4 will depend upon a number of factors, including, but not limited to, the cost of Disbursing Agent's administration of the estate and distribution of funds. The Debtors and the Committee are unable at this time to estimate with any certainty the ultimate resolution of such

factors, and thus, the amount of available cash that ultimately will be available for Distribution to holders of Allowed Claims in Class 4.

In addition, the payment of a Distribution to each holder of an Allowed Claim in Class 4 will depend upon the Claims reconciliation and resolution process implemented by the Disbursing Agent.

H. Objections to Classification

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests of such class. The Debtors and the Committee believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code.

ARTICLE VII. FEASIBILITY OF THE PLAN

As a condition to Confirmation, section 1129(a)(11) of the Bankruptcy Code requires that the proponents of a plan show that confirmation is not likely to be followed by the liquidation of the debtor or the need for further financial reorganization, unless such liquidation or reorganization is a component of the Plan. The Plan provides for the Debtors' Assets to be liquidated for the benefit of Holders of Claims and Interests in the manner and on the terms set forth in the Plan. Accordingly, the Proponents submit that the requirements of section 1129(a)(11) of the Bankruptcy Code are inapplicable.

ARTICLE VIII. BEST INTERESTS TEST

Notwithstanding acceptance of a chapter 11 plan by each impaired class, to confirm a plan the Bankruptcy Court must determine that the plan is in the best interests of each holder of an impaired claim or interest that has not voted to accept the plan. Accordingly, if an impaired class does not unanimously accept the plan, the best interests test of Bankruptcy Code section 1129(a)(7) requires that the Bankruptcy Court find that the plan provides to each holder

of such claim or interest a recovery on account thereof that has a value at least equal to the amount that such holder would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To estimate the recovery of an impaired holder of a claim or interest under a chapter 7 liquidation, the Bankruptcy Court first determines the aggregate dollar amount that would be available if the chapter 11 case were converted to a chapter 7 case and the assets of the debtor liquidated by a chapter 7 trustee. The liquidation value would consist of the net proceeds of the Committee Cash Payment reduced by the additional increased costs of liquidation and the administrative claims that would arise in a chapter 7 liquidation case but that do not arise in a chapter 11 case.

The additional costs and expenses of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a chapter 7 trustee and compensation for services rendered and reimbursement of disbursements incurred on behalf of such trustee's counsel and other professionals, disposition expenses, litigation costs, and claims arising during the pendency of the chapter 7 liquidation case. The liquidation itself may trigger certain priority claims, which must be paid out of liquidation proceeds before the balance is made available to pay other claims.

The Proponents believe that in a chapter 7 liquidation, Holders of Claims would likely receive a lesser distribution from the Debtors than under the Plan. A copy of a liquidation analysis is attached hereto as Exhibit "D". The Debtors only remaining asset available for distribution to Creditors is the Committee Cash Payment. The administrative costs of a chapter 7 are not within the Wind Down Budget and would be paid from the Committee Cash Payment, with priority over any distributions to the general unsecured Creditors. Therefore, because the Plan calls for the payment of a greater distribution to Holders of Claims and Interests than would be paid in a chapter 7 liquidation, the Proponents believe that the Plan is the more favorable alternative. Accordingly, the Proponents submit that the Plan satisfies the best interests test set forth in section 1129(a)(7) of the Bankruptcy Code.

ARTICLE IX.
TAX CONSEQUENCES

A. Tax Consequences of Confirmation

Circular 230 Disclaimer: To ensure compliance with requirements imposed by the Internal Revenue Service (the "IRS"), the Proponents inform you that any U.S. federal tax advice contained in this Disclosure Statement (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter(s) addressed herein.

Confirmation of the Plan may have federal income tax consequences for the Debtors and Holders of Claims or Interests. The Debtors have not obtained and do not intend to request a ruling from the IRS, nor have the Debtors obtained an opinion of counsel with respect to any tax matters. Any federal income tax matters raised by Confirmation of the Plan are governed by the Internal Revenue Code and the regulations promulgated thereunder. The following is intended to be a summary only and not a substitute for careful tax planning with a tax professional. The federal, state and local tax consequences of the Plan may be complex in some circumstances and, in some cases, uncertain. Accordingly, each Holder of a Claim or Interest is strongly urged to consult with his or her own tax advisor regarding the federal, state, local and foreign tax consequences of the Plan.

1. Tax Consequences to the Debtors.

The Debtors may not recognize income as a result of the discharge of debt pursuant to the Plan because section 108 of the Internal Revenue Code provides that taxpayers in bankruptcy proceedings do not recognize income from the discharge of debt. However, a taxpayer is required to reduce its "tax attributes" by the amount of the debt discharged. Tax attributes are reduced in the following order: (i) net operating losses; (ii) general business credits; (iii) capital loss carryovers; (iv) basis in assets; and (v) foreign tax credits.

2. Tax Consequences to Unsecured Creditors.

An unsecured Creditor that receives only Cash in satisfaction of its Claim may recognize gain or loss, with respect to the principal amount of the Claim, equal to the difference between (i) the Creditor's basis in the Claim (other than the portion of the Claim, if any, attributable to accrued interest), and (ii) the balance of the Cash received after any allocation to accrued interest. The character of the gain or loss as capital gain or loss, or ordinary income or loss, will generally be determined by whether the Claim is a capital asset in the Creditor's hands. A Creditor will also recognize ordinary income or loss in respect of consideration received for accrued interest on the Claim.

3. Disclaimer.

Holders of Claims or Interests should not rely on this Disclosure Statement with respect to the tax consequences of the Plan. They should consult with their own tax counsel or advisor. The discussion of tax consequences in this Disclosure Statement is not intended to be a complete discussion or analysis.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN MATERIAL FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND DEVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF A HOLDER OF A CLAIM OR INTEREST. ANY U.S. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (I) IS NOT INTENDED TO BE USED, AND CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES IMPOSED ON SUCH PERSON AND (II) WAS WRITTEN IN CONNECTION WITH THE MARKETING OR PROMOTION OF THE PLAN. IT IS STRONGLY RECOMMENDED THAT EACH HOLDER OF A CLAIM OR INTEREST CONSULT ITS OWN TAX ADVISOR FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE TO IT UNDER THE PLAN.

**ARTICLE X.
CONCLUSION**

Based on the information in this Disclosure Statement, the Proponents believe that Confirmation of the Plan is in the best interests of the Debtors, the Estates and Holders of Claims against and Interests in the Debtors. Accordingly, the Proponents ask that Creditors and Interest Holders vote in favor of the Plan on the enclosed ballot and return the ballot as described above and on the ballot.

RECOMMENDATION

THE PROPONENTS RECOMMEND THAT YOU VOTE TO "ACCEPT" THE PLAN.

THE PROPONENTS BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ANY OF THE ALTERNATIVES DESCRIBED ABOVE AND THAT THE PLAN IS DESIGNED TO PROVIDE GREATER RECOVERIES THAN THOSE AVAILABLE IN ANY OTHER FORM OF LIQUIDATION. THE PROPONENTS BELIEVE THAT ANY OTHER ALTERNATIVE WOULD CAUSE SIGNIFICANT DELAY AND UNCERTAINTY, AS WELL AS ADDITIONAL ADMINISTRATIVE COSTS.

Respectfully submitted,

SPC SELLER, INC.

By: Marlon J. Bailey
Name: Marlon Bailey
Title: President and CEO

SHC SELLER, INC.

By: Marlon J. Bailey
Name: Marlon Bailey
Title: President and CEO

SC SELLER, INC.

By: Marlon J. Bailey
Name: Marlon Bailey

Title: President and CEO

SMI SELLER, INC.

By: Marlon Bailey
Name: Marlon Bailey
Title: President and CEO

STC SELLER, INC.

By: Marlon Bailey
Name: Marlon Bailey
Title: President and CEO

TIC SELLER, INC.

By: Marlon Bailey
Name: Marlon Bailey
Title: President and CEO

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF SPC SELLER, Inc., et al.**

By: Robert F. Mowers
Name: ROBERT F. MOWERS
Company: JACKSON SPRING & MFG.
Title: GENERAL MANAGER

Dated: May 4, 2010

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