

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In Re:

Case No. 13-20853-PGH
Chapter 11

TLO, LLC,

Debtor.

DEBTOR'S DISCLOSURE STATEMENT

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DEBTOR'S DISCLOSURE STATEMENT

The Debtor provides this Disclosure Statement to all known creditors and equity interest holders of the Debtor in order to disclose the information deemed to be material, important, and necessary for creditors and equity interest holders to arrive at a reasonably informed decision in exercising their right to abstain from voting or to vote for acceptance or rejection of the Debtor's Plan of Liquidation, (hereinafter "the Plan"). A copy of the Plan accompanies this Disclosure Statement.

The Court has set a hearing on confirmation of the Plan for _____ at _____, at U.S. Bankruptcy Court, Room 801, Courtroom A, The Flagler Waterview Building, 1515 North Flagler Drive, West Palm Beach, FL 33401. Creditors may vote on the Plan by filling out and mailing the accompanying ballot form to the Bankruptcy Court. Your Ballot must be filed on or before _____. As a Creditor, your vote is important. In order for a particular class of creditors designated under the Plan to be deemed accepted, of the ballots cast, Creditors that hold as least 2/3 in amount and more than 1/2 in number of the allowed claims of impaired Classes must accept the Plan. However, you are advised that the Debtor may be afforded the right under the Bankruptcy Code to have the Plan confirmed over the objections of dissenting creditors consistent with the limitations set forth in the Bankruptcy Code.

NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS PROPERTY), ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR

ACCEPTANCE OR REJECTION WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE UNITED STATES TRUSTEE FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

The Debtor filed a voluntary Petition for Reorganization Under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. 101 et seq., (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Florida (the "Bankruptcy Court") on May 9, 2013 (the "Filing Date"). The Debtor has continued to operate its business as a Debtor-In-Possession pursuant to § 1108 of the Bankruptcy Code.

You are urged to carefully read the contents of this Disclosure Statement before making your decision to accept or reject the Plan. Particular attention should be directed to the provisions of the Plan affecting or impairing your rights as they presently exist. The terms used herein have the same meaning as in the Plan unless the context hereof requires otherwise.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTOR'S MANAGEMENT, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. NO REPRESENTATIONS, OTHER THAN THOSE SET FORTH HEREIN, CONCERNING THE DEBTOR, (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS PROPERTY), ARE AUTHORIZED BY THE DEBTOR.

ARTICLE I

DEFINITIONS

The Definitions set forth in Article I of the Plan are incorporated herein.

ARTICLE II

PRELIMINARY STATEMENT AND HISTORY AND FINANCIAL CONDITION OF DEBTOR

(1) HISTORY OF DEBTOR

TLO, LLC (“TLO” or the “Company” or the “Debtor”) is a leading data fusion, Big Data Analytics, and information services firm, regarded as a premier provider of highly-accurate risk information for research and investigative needs. Headquartered in Boca Raton, Florida, the Company was formed in March 2009 by Hank Asher, a legendary entrepreneur and pioneer in the data fusion industry.

TLO[®] utilizes the proprietary HADAR[™] Platform, consisting of exclusive matching algorithms and a proprietary Knowledge Engine supercomputer, to fuse public-record and proprietary information, including personal, asset, criminal, employment and business data about individuals and businesses, into comprehensive reports compiled in seconds based on specific search criteria used by its public and private-sector customers. TLO’s technology platform, HADAR[™], allows customers to access requested information online, via batch processing and via communication between Application Programming Interface (“API”) systems. In particular, TLO believes that its technology system produces hard-to-attain or otherwise impossible-to-obtain answers to customer queries through its flagship online product – TLOxp[®]. The Company’s superior technology loads, processes and ultimately fuses large datasets that are

delivered to customers accurately, quickly and cost-effectively. TLO's services allow customers to perform the following tasks:

- i. Locate and analyze people, places, businesses, assets and inter-relationships;
- ii. Perform enhanced due diligence and risk analysis on company officers, directors, customers, suppliers, competitors, volunteers, partnerships and alliances;
- iii. Research potential conflicts of interest and verify legitimacy of clients, counterparties and their relationships with business entities;
- iv. Investigate and analyze asset ownership to identify scams, patterns of fraud, suspicious claims and hidden assets, and to authenticate legitimate claims;
- v. Prevent identity theft, asset divestiture obfuscation, money laundering and terrorist financing;
- vi. Locate witnesses, criminal histories and associates of targeted subjects; and
- vii. Locate missing children, targeted subjects, persons of interest, and wanted persons.

The Company was founded in and commenced commercial operations in 2011. Today, TLO serves over 20,000 commercial entities, and run rate revenue of approximately \$29 million per annum based on July 2013 revenue.

While TLO's current data services are used today primarily by: (i) collection agencies and asset recovery companies; (ii) fraud, legal, private and insurance investigators; and (iii) law enforcement officials and prosecutors, its services have applications in the following markets, which have largely been untapped: legal, other government, financial services and batch processing. Taken together, estimated data services revenue for the markets addressable today by the Company's technology are roughly \$1.6 billion, of which TLO estimates it has a roughly

2% share, given limited sales and marketing efforts to date. This \$1.6 billion market represents the data fusion sector only of the larger Big Data and Data Analytics market, estimated at \$6.3 billion in worldwide revenues in 2012.

In addition, TLO has begun to roll out similar services in the non-regulated sector of the direct-to-consumer industry through strategic channel partnerships.

The Company's powerful technology is utilized by some of the largest global corporations, major financial institutions, insurance carriers, collection agencies and thousands of law enforcement agencies to investigate and research people, locations and companies. Built on an architecture of cutting-edge supercomputers, proprietary linking and assessment algorithms and a massive repository of data that is growing daily, TLO believes that its technology provides the most accurate, actionable information to customers that can be used for due diligence, risk assessment, fraud detection, identity authentication, legislative compliance and debt recovery, among other purposes.

TLO provides public and private-sector customers with leading technology, analytics and hard-to-attain information, all intended to help manage risk, as well as identify business opportunities. The Company's core technology platform, HADARTM, was designed by Mr. Asher, and, the Company believes, is superior to other platforms used in the industry today in terms of matching algorithms, processing speed, and ability to deliver accurate information to the user. The Company's superior technology is supported by industry-leading human capital, including a team of 36 individuals in its technology departments, providing a flexible service offering that can adapt to various product applications. With its team of in-house developers, TLO has also developed a proprietary system that supports all functions of the technology on one platform, including the Company's entire back-office functions, customer service, billing and

account management.

TLO uses data acquired through licensing agreements from approximately 100 vendors and entities to provide the Company non-exclusive and nontransferable licenses of certain data. The vast majority of TLO's data vendor relationships are governed by annual fixed-fee, unlimited data use agreements. The Company heavily leverages fixed-fee or flat rate agreements to ensure that it has the flexibility to limitlessly impose its data fusion methods upon the records within the data repository. TLO retains relationships with industry leading data vendors to safeguard the supply of the raw material from which its products and offerings are built.

Since inception of its commercial offerings to customers, TLO has sold its products and services to over 90,000 unique users, representing over 19,000 unique accounts. During 2012 and the first seven months of 2013, TLO's top 10 accounts collectively represented less than 10% of Company revenue, suggesting broad customer diversification. During July 2013, TLO had over 40,000 unique users access its products and services.

TLO operates within the Big Data and Data Analytics industry. The Company's primary product powered by HADARTM is TLOxp[®], a cutting edge service that is expected to accelerate the growth of the risk management sector of the Big Data industry.

According to Transparency Market Research, the global Big Data market, defined as the collection and analysis of data sets that are so large and complex that they cannot be processed using on-hand database management tools or traditional database processing applications, represented \$6.3 billion in revenues in 2012 and is projected to have a dramatic compound annual growth rate ("CAGR") of 40.5% between 2013 and 2018. This brings the expected market size of the Big Data industry to \$48.3 billion in 2018. Although Big Data is growing globally, the

North America market is the driving force of this new technology, and is expected to maintain over 50% of market share through 2018.

Within the Big Data and Data Analytics industry, there are three primary products: software and services, hardware, and data storage. Software and services is the largest segment of the market, accounting for over 50% of market revenue in 2012. This segment is also the fastest growing, with a projected CAGR from 2012 to 2018 of 45.3%.

The Company believes that key purchasers within the industry are primarily interested in the risk management capabilities of Big Data and Data Analytics companies. These purchasers include banks and financial institutions, insurance, healthcare, government and law enforcement agencies, legal institutions and media and entertainment firms. The financial services sector holds nearly 20% of the Big Data market and is expected to continually drive market growth as the need for risk management software increases.

Part of the macro Big Data industry, TLO identifies its service specifically as data fusion. Data fusion is the primary service product for risk management associated with key purchasers such as banking and financial services companies, collection agencies, law firms, law enforcement agencies, insurance providers, process servers, private investigators, bail bond companies and government agencies. TLO estimates that the market size for its current products and services in the U.S. is approximately \$1.6 billion. Customers within this sector are generating significant growth in demand for data fusion services, and as the market matures it is anticipated that other industries will also generate demand.

Data fusion is also gaining strength as increasingly more of the population connects online. Each online connection by an individual represents a string of data that can be analyzed and used by companies to more easily achieve their stated goals. Firms that have the correct

algorithms to collect and process this data will be at a significant advantage when end-markets fully realize the value of such information.

(2) SUMMARY OF REASONS FOR FILING PETITION

In January 2013, Mr. Asher passed away unexpectedly. Prior to Mr. Asher's death, the Company had purchased key man life insurance on Mr. Asher with a total death benefit of \$40 million.

Shortly after Mr. Asher's death, the Company was notified by the insurance carrier that it was contesting the life insurance policy and did not intend to fund the death benefit. In response, the Company brought an action against the insurance carrier, which is pending. In May 2013, TLO filed a voluntary petition for Chapter 11 reorganization in the U.S. Bankruptcy Court for the Southern District of Florida. Since the date of the filing, in response to liquidity constraints, management has implemented certain key initiatives to reduce operating costs.

Since its Chapter 11 filing, the Company has received DIP financing from the Irrevocable Trusts of its Co-CEOs Desiree Asher and Carly Asher Yoost. As of August 31, 2013, the amount of DIP Financing provided was \$4.0 million, received in two separate installments of \$2.0 million each. In October of 2013, an additional \$1,000,000 of DIP financing was approved. The DIP Loan Agreement, as amended, provides that interest shall be paid quarterly beginning on the date of each loan at an annual rate equal to the lesser of: (i) 9.0%, or (ii) the maximum statutory interest rate permitted by law. It also provides that each installment of the DIP loan shall be due and payable on the earlier of: (i) the date that the Company receives 100% of the proceeds payable on account of the Asher life insurance policy, or (ii) one year from the making of the loan.

(3) SIGNIFICANT EVENTS DURING THE CASE

- The Debtor received authorization from the Bankruptcy Court to retain Furr and Cohen, P.A. as its general counsel and Marcum LLP as its financial advisors. Bayshore Partners was approved as the investment banker for the Debtor.
- An Official Committee of Unsecured Creditors (the “Committee”) was formed. Genovese Joblove & Battista was retained as counsel to the Committee and Glass Ratner was retained as financial advisors to the Committee.
- The Debtor retained special counsel to assert its rights and recover on the \$40 million key man life insurance policy claim for Hank Asher.
- The Debtor negotiated and obtained authorization to use the cash collateral of TI. The most recent order authorizing the use of cash collateral extends the consensual use of cash collateral through January, 2014, unless a sale of the Debtor’s assets is completed prior to that time.
- The Debtor has received authorization for post-petition financing from the irrevocable trusts of Eliza Desiree Asher and Caroline Asher Yoost, the Debtor’s Co-Chief Executive Officers and the daughters of Mr. Asher. To date, a total of \$5 million in post-petition financing has been advanced.
- The Debtor resolved its issues with the Wink Price estate and a settlement was approved by the Bankruptcy Court which resolved all issues with the Wink Price estate and its affiliates. The result of the settlement included, among other things, the extinguishment of approximately \$31,000,000.00 in asserted claims against the estate, and the adjustment of equity interests as set forth in Exhibit 1.6 of the Plan.

- The Debtor received Court authorization to restructure the lease for its business headquarters and to co-locate its data center.
- Through its investment banker, the Debtor received eleven expressions of interests for an acquisition of the Debtor's assets and the Debtor has been negotiating a stalking horse contract in connection with an auction sale of its assets.
- The Debtor has been negotiating a stalking horse contract for the sale of substantially all of its assets (with the exception of the \$40 million Hank Price life insurance policy) with TransUnion Acquisition Corp., an affiliate of TransUnion Holding Corp. In connection with that sale, the Court has entered an order authorizing bidding procedures for a competitive auction sale of the Debtor's assets, which is scheduled for November 20, 2013 and has scheduled a hearing for November 22, 2013 to consider approval of such a sale.

(4) SOURCE OF FINANCIAL INFORMATION

The source of financial information for this Disclosure Statement and Plan is from reports from Debtor's officers, Debtor-In-Possession Reports, and the Debtor's accountants. It has not been audited.

ARTICLE III

DEBTOR'S OPERATION AND STRUCTURE

(1) SYNOPSIS OF OPERATION IN CHAPTER 11

Aside from the key events noted above, the Debtor has utilized the chapter 11 process to streamline its business operations, reduce overhead, increase productivity and increase revenue. Through its investment banker, the Debtor obtained eleven expressions of interest for an

acquisition of the Debtor's assets or a strategic investment in the Debtor. After evaluating all expressions of interest, the Debtor selected the opportunity which it deemed the highest and best offer to maximize creditor recovery and began the process of scheduling an auction sale of the Debtor's assets, with a stalking horse bidder. The distributions to be made under the Plan emanate from the asset sale and from any recovery in respect of the Hank Asher life insurance policy.

(2) EXECUTORY CONTRACTS

Article VI of the Plan entitled "Executory Contracts" indicates that all Executory Contracts and unexpired leases of the Debtor not expressly assumed prior to the confirmation date, or not at the confirmation date the subject of a pending application to assume, shall be deemed to be rejected.

(3) OBJECTIONS TO CLAIMS

Pursuant to the Plan, the Debtor may object to any scheduled claim or Proof of Claim filed against the Debtor. Such an objection shall preclude the consideration of any claims as "allowed" for the purposes of timely distribution in accordance with the Plan. There are no Preferences or voidable transfers which the Debtor can pursue.

The Claims Bar was September 13, 2013. The Debtor has begun the process of evaluating claims and filing claims objections where appropriate.

(4) OFFICERS AND DIRECTORS

After confirmation of the Plan, the Debtor shall retain its existing management structure, subject to appropriate modification after the sale of the Debtor's assets has been completed.

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.1 Administrative Claims Bar Date. All requests for payment of Administrative Claims and applications for payment of Professional Fee Claims shall be filed with the Bankruptcy Court and served upon the Debtor at least ten (10) days before the Confirmation Hearing or by such earlier deadline as may apply to such Administrative Claim pursuant to an earlier order of the Bankruptcy Court. Except as provided herein, any Administrative Claim or Professional Fee Claim for which an application or request for payment is not filed within such time period shall be discharged and forever barred.

4.2 Treatment of Administrative Claims, including Professional Fee Claims. The Holders of Allowed Administrative Claims against the Estate (with the exception of the Professionals, including those employed pursuant to Sections 327, 328 or 1103 of the Code or Persons who seek payment pursuant to Sections 503(b)(3) and (4) of the Code, who will be paid 100% of the amount allowed of such Administrative Claims by the Bankruptcy Court upon application to the Bankruptcy Court prior to the applicable deadline for filing such applications and entry of an order(s) thereon) shall be paid 100% of their Allowed Administrative Claims in Cash, from Available Cash, unless otherwise ordered by the Bankruptcy Court, upon the earlier to occur of: (i) the later of the Effective Date or the date of a Final Order allowing such Administrative Claim; (ii) for Allowed Administrative Claims that represent liabilities incurred by any Debtor in the ordinary course of business after the Petition Date with regard to the Debtor, the date on which each such Claim becomes due in the ordinary course of such Debtor's business and in accordance with the terms and conditions of any agreement relating thereto; or (iii) upon such other dates and terms as may be agreed upon by the Holder of any such Allowed

Administrative Claim and the Debtor or the Liquidating Agent, as the case may be. The Debtor expects that the Co-Chief Executive Officers will each be filing motions for administrative claims for post-petition compensation foregone by each.

4.3 Treatment of Priority Unsecured Non-Tax Claims. Subject to the allowance procedures and deadlines provided herein, on the Effective Date or as soon thereafter as is practicable after the later of the (i) Effective Date, (ii) the date on which such Priority Non-Tax Claim becomes an allowed Priority Non-Tax Claim, and (iii) a date agreed upon by the Debtor and the holder of such Allowed Priority Non-Tax Claim, the Allowed Priority Non-Tax Claimant shall be paid cash equal to the amount of its Allowed Non-Tax Priority Claim.

4.4 Treatment of Priority Tax Claims. Allowed Priority Tax Claims shall be completely and fully satisfied by payment of Cash from the Debtor, on the later of the Effective Date or the Allowance Date.

4.5 Treatment of the DIP Lender Claims. To the extent not otherwise paid in connection with a Court approved sale of the Debtor's Assets, the DIP Lender Claims will be paid an amount equal to such DIP Lender Claims on the Effective Date in full satisfaction of the DIP Lender Claims. The Holders of the DIP Lender Claims shall retain their liens on the Debtor's Assets until such time as the DIP Lender Claims have been paid in full as provided herein..

4.6 Treatment of U. S. Trustee Fees. Notwithstanding any other provisions of the Plan to the contrary, the United States Trustee shall be paid in Cash the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), within ten (10) days of the entry of the Order confirming this Plan ("U.S. Trustee Fees"), for pre-confirmation periods by the Debtor, and the Debtor shall simultaneously provide the United State Trustee an appropriate affidavit indicating the cash

disbursements for the relevant period. In addition, the U.S. Trustee Fees for post-confirmation periods up and including the period in which the Effective Date occurs shall be paid in Cash by the Debtor and the Debtor shall timely provide the United State Trustee with an appropriate affidavit indicating the cash disbursements for the relevant period(s). Lastly, the Debtor shall timely pay the U.S. Trustee Fees for all subsequent post-confirmation periods based upon all post-confirmation disbursements made by the Debtor, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an order by the Bankruptcy Court dismissing this Case or converting this Case to another chapter under the Bankruptcy Code, and the Debtor, shall provide to the United States Trustee upon the payment of each post-confirmation payment an appropriate affidavit indicating all the cash disbursements for the relevant period.

4.7 Treatment of the Class 1 Claim of TI. The Allowed Secured Claim of TI shall be satisfied by TI receiving from the Debtor one or more of the following: (i) the net proceeds of the liquidation of the collateral securing the Allowed Class 1 Secured Claim of TI, including but not limited to, (a) through a sale of such collateral pursuant to section 363 of the Bankruptcy Code or otherwise; (b) realization of the indubitable equivalent of the Allowed Class 1 Secured Claim of TI, including either in the form of Cash equal to the value of such collateral pursuant to section 506(a) of the Bankruptcy Code and/or the return of the collateral securing such Allowed Class 2 Secured Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or (c) satisfaction of such Allowed Class 1 Secured Claim of TI as otherwise authorized by the Bankruptcy Code or agreed to by the Holder of such Allowed Class 1 Secured Claim. Such satisfaction shall occur on the later of the Effective Date or the date the Class 1 Secured Claim of TI is Allowed by a Final Order. To the extent applicable, TI's Allowed Class 1 Secured Claim

shall continue to accrue interest, and to the extent permitted in its loan documents, fees and costs, until it is paid in full or otherwise resolved or satisfied as provided for herein.. In the interim and pending the Allowance of the Class 1 Secured Claim of TI, TI shall retain its liens on the Debtor's Assets. To the extent Unsecured Claim is not funded as set forth herein, any payment to TI hereunder shall be subject to the terms of *the Amended Order Granting Debtor's Motion to Compromise Controversy and Approve Settlement Agreement* [D.E. #242] , and \$1,000,000 should be segregated into the attorney trust account of Furr and Cohen, P.A., from any proposed payment to the Claimant or lesser amount, if necessary, to provide for the guaranteed payment to General Unsecured Claims, Class 6, provided for in such order. Any portion of the Allowed Class 1 Secured Claim that is not satisfied as part of the Allowed Class 1 Secured Claim shall be treated as an Allowed Class 6 Unsecured Claim pursuant to the term of this Plan.

4.8 Treatment of the Class 2 Claim of Dell Financial Services. Dell Financial Services has asserted a Claim in the amount of \$3,396,433.91. The Allowed Secured Claim in this Class 2 shall be satisfied by the Holder thereof receiving from the Estate one or more of the following: (i) the proceeds of the liquidation of the collateral securing such Allowed Class 2 Secured Claim; (ii) the return of the collateral securing such Allowed Class 2 Secured Claim in accordance with 11 U.S.C. §1129(b)(2)(A)(iii); or (iii) the satisfaction of such Allowed Class 2 Secured Claim as otherwise authorized by the Bankruptcy Code or agreed to by the Holder of such Allowed Class 2 Secured Claim. Such satisfaction shall occur on the later of the Effective Date or the date such Class 2 Secured Claim is Allowed by a Final Order. Any portion of the Allowed Class 2 Secured Claim that is not satisfied as part of the Allowed Class 2 Secured Claim shall be treated as an Allowed Class 6 General Unsecured Claim pursuant to the term of this Plan.

4.9 Treatment of the Class 3 Claim of Technical Electric Systems, Inc. Technical Electric Systems, Inc. has asserted a Secured Claim in the amount of \$12,300.00. The Allowed Secured Claim in this Class 3 shall be satisfied by the Holder thereof receiving from the Estate one or more of the following: (i) the proceeds of the liquidation of the collateral securing such Allowed Class 3 Secured Claim; (ii) the return of the collateral securing such Allowed Class 3 Secured Claim in accordance with 11 U.S.C. §1129(b)(2)(A)(iii); or (iii) the satisfaction of such Allowed Class 3 Secured Claim as otherwise authorized by the Bankruptcy Code or agreed to by the Holder of such Allowed Class 3 Secured Claim. Such satisfaction shall occur on the later of the Effective Date or the date such Class 3 Secured Claim is Allowed by a Final Order. Any portion of the Allowed Class 3 Secured Claim that is not satisfied as part of the Allowed Class 3 Secured Claim shall be treated as an Allowed Class 6 General Unsecured Claim pursuant to the term of this Plan.

4.10 Treatment of the Class 4 Claim of the Palm Beach County Tax Collector. Palm Beach County tax Collector has asserted a Secured Claim in the amount of \$67,346.09. The Allowed Secured Claim in this Class 4 shall be satisfied by the Holder thereof receiving from the Estate payment in full of such Allowed Class 4 Secured Claim on the later of the Effective Date or the date such Class 4 Secured Claim is Allowed by a Final Order. In the alternative, the claim will be prorated and paid at the closing.

4.11 Treatment of the Class 5 Claim of Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. has asserted a Secured Claim in the amount of \$89,195.95. The Allowed Secured Claim in this Class 5 shall be satisfied by the Holder thereof receiving from the Estate one or more of the following: (i) the proceeds of the liquidation of the collateral securing such Allowed Class 5 Secured Claim; (ii) the return of the collateral securing such Allowed Class 5 Secured Claim in

accordance with 11 U.S.C. §1129(b)(2)(A)(iii); or (iii) the satisfaction of such Allowed Class 5 Secured Claim as otherwise authorized by the Bankruptcy Code or agreed to by the Holder of such Allowed Class 3 Secured Claim. Such satisfaction shall occur on the later of the Effective Date or the date such Class 5 Secured Claim is Allowed by a Final Order. Any collateral securing the Allowed Class 5 Secured Claim remaining after satisfaction of the Allowed Class 5 Secured Claim shall become Available Cash for all purposes hereunder free and clear of any and all liens, claims and encumbrances of the Holder of the Class 5 Allowed Secured Claim.

4.12 Treatment of the Class 6 General Unsecured Claims. Each Allowed General Unsecured Claim against the Debtor's Estate shall receive, pro rata, a Distribution from the \$1,000,000 carve out provided for under the *Amended Order Granting Debtor's Motion to Compromise Controversy and Approve Settlement Agreement* [D.E. #242]. Thereafter, each Allowed General Unsecured Claim against the Debtor's Estate shall be satisfied by Distributions to the Holder of each such Allowed General Unsecured Claim on a pro rata basis with the Holders of all Allowed General Unsecured Claims in this Class 6. The Distributions to the Holders of Allowed General Unsecured Claims hereunder shall be made on each Distribution Date and shall be made from (i) the Unsecured Reserve, and (ii) the Available Cash on deposit from time to time with the Debtor and/or the Liquidating Agent, as applicable in accordance with the terms of this Plan. No Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class 6 unless and until all Allowed Administrative Claims, all Allowed Post-Confirmation Administrative Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes 1, 2, 3, 4 and 5 have been paid in full, reserved or otherwise resolved, and/or included in or accounted for in the Distribution at issue. Upon payment in full of the principal amount of each Allowed General Unsecured Claim in this Class, the Holders thereof shall be entitled to

Post-Petition Interest on such Allowed General Unsecured Claims.

4.13 Treatment of the Class 7 Equity Interests of Members of the Debtor. Each Holder of an Allowed Equity Interest in the Debtor as of the Effective Date shall receive Distributions on a pro rata basis with the Holders of all such Allowed Equity Interests in this Class 7, provided however that any Distributions to the Holders of Allowed Equity Interests shall be made in accordance with the Debtor's existing corporate documents including, but not limited to, the Amended and Restated Operating Agreement, effective as of November 21, 2012. A copy of that Agreement is attached to the Disclosure Statement as Exhibit "A". The Distributions to the Holders of Allowed Equity Interests hereunder shall be made on each Distribution Date and shall be made from the Cash on deposit from time to time from the Liquidating Agent, provided however, that no Distribution shall be made to Holders of Allowed Equity Interests in this Class 7 unless and until all Allowed Administrative Claims, all Allowed Post-Confirmation Administrative Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes 1 through 6 have been paid in full, reserved or otherwise resolved and/or included in or accounted for in the Distribution at issue. Subject to the right to receive Distributions hereunder, all Equity Interests in the Debtor shall be extinguished and canceled as of the Effective Date.

ARTICLE V

CLAIMANTS AND IMPAIRED INTEREST HOLDERS

Claimants and Equity Interest Holders entitled to vote under the Plan must affirmatively act in order for the Plan to be confirmed by the Court. According to the Debtor's Plan, Classes 1, 2, 3, 4, 5, 6 and 7 are "impaired" classes within the meaning of § 1124 of the Bankruptcy Code,

although such designation is subject to revision upon completion of the sale of the Debtor's assets. These classes, accordingly, must vote to accept the Plan in order for the Plan to be confirmed without a cram down. A Claimant who fails to vote to either accept or reject the Plan will not be included in the calculation regarding acceptance or rejection of the Plan.

A ballot to be completed by the holders of Claims and/or Interests is included herewith. Instructions for completing and returning the ballots are set forth thereon and should be reviewed at length. The Plan will be confirmed by the Bankruptcy Court and made binding upon all Claimants and Equity Interest Holders if (a) with respect to impaired Classes of Claimants, the Plan is accepted by holders of two-thirds (2/3) in amount and more than one-half (1/2) in number of Claims in each such class voting upon the Plan and (b) with respect to classes of Equity Interest Holders, if the Plan is accepted by the holders of at least two-thirds (2/3) in amount of the allowed interests of such class held by holders of such interests. In the event the requisite acceptances are not obtained, the Bankruptcy Court may, nevertheless, confirm the Plan if it finds that the Plan accords fair and equitable treatment to any class rejecting it. Your attention is directed to Section 1129 of the Bankruptcy Code for details regarding the circumstances of such "cram down" provisions.

ARTICLE VI

ANALYSIS OF THE PLAN VS. LIQUIDATION ANALYSIS

All payments as provided for in the Debtor's Plan shall be paid from the sale of the Debtor's assets and the recovery from the Hank Asher Life Insurance Policy.

The Debtor has filed its monthly operating statements since the filing of the bankruptcy petition.

Attached hereto marked Exhibit "B" is a table showing all of the claims of Debtor in each classification.

Management believes that its Plan of Liquidation provides full value for all claims of creditors and is in the best interest of creditors. The Plan provides for an orderly and Court authorized and supervised sale in a competitive bidding process, of the Debtor's assets utilized in its ongoing business with the Debtor retaining all right, title and interest in the Hank Asher Life Insurance Policy and any assets not otherwise sold to the successful buyer.

As with any Plan, an alternative would be a conversion of the Chapter 11 case to a Chapter 7 case and subsequent liquidation of the Debtor by a duly appointed or elected trustee.

In the event of a liquidation under Chapter 7, the following is likely to occur. In particular, an additional tier of administrative expenses entitled to priority over general unsecured claims under § 507(a)(1) of the Bankruptcy Code would be incurred. Such administrative expenses would include Trustee's commissions and fees to the Trustee's accountants, attorneys and other professionals likely to be retained by him for the purposes of liquidating the assets of the Debtor.

The Court has previously set September 13, 2013 as the claims bar date. All indebtedness scheduled by the Debtor as not disputed, contingent or unliquidated or any indebtedness set forth in a properly executed and filed Proof of Claim shall be deemed an Allowed Claim unless the same is objected to, and the objection thereto is sustained by the Court.

ARTICLE VII

RISK ANALYSIS

The Debtor believes there is minimal risk to the creditors if the Plan is confirmed. A sale of the Debtor's operating business assets as a going concern will maximize the return for creditors and the holders of equity interests in the Debtor and is being conducted outside of the Plan. Therefore, there are minimal, if any, sale and operational risks.

ARTICLE VIII

POST-CONFIRMATION REORGANIZED DEBTOR'S STRUCTURE

8.1 Generally. On the Effective Date of the Plan, (i) the Liquidating Assets shall vest in, and be transferred to, the Liquidating TLO under the sole control of the Liquidating Agent, which Liquidating TLO and Liquidating Agent shall constitute, be appointed as and be deemed a representative of the Estate pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code solely for the benefit of all Holders of Allowed Claims and Allowed Equity Interests under the Plan with respect to, among other things, any Litigation Claims, and (ii) Liquidating TLO, by and through the Liquidating Agent, is and shall be authorized and appointed to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, the liquidation of such Liquidating TLO Assets, including Litigation Claims as a representative of the Estate pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code solely for the benefit of all Holders of Allowed Claims and Allowed Equity Interests under the Plan.

NOTWITHSTANDING ANYTHING IN THE PLAN TO THE CONTRARY, THE VESTING IN AND TRANSFER OF THE ASSETS TO LIQUIDATING TLO UNDER THE

EXCLUSIVE CONTROL OF THE LIQUIDATING AGENT SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR IN THE PLAN AND THE CONFIRMATION ORDER.

The Liquidating Agent shall liquidate and monetize the Liquidating TLO Assets in an orderly fashion. The proceeds from the liquidation of the Liquidating TLO Assets shall be deposited into the Collected Cash Accounts maintained by the Liquidating Agent. All Distributions shall be made from the Collected Cash Accounts in accordance with the terms of the Plan. Liquidating TLO will not continue or engage in the conduct of any trade or business, except to the extent necessary to accomplish the liquidation and distribution of the Liquidating TLO Assets and the proceeds thereof under the exclusive control of the Liquidating Agent.

From and after the Effective Date, Liquidating TLO, by, through and under the exclusive control of the Liquidating Agent, shall expeditiously seek to collect, liquidate, sell and/or reduce to Cash all the Liquidating TLO Assets, including, without limitation, through the pursuit of the Litigation Claims. The Plan will be funded with (a) the remaining Available Cash after the Debtor's payment of certain Allowed Claims on the Effective Date as provided in this Plan, and (b) funds added to Cash from and after the Effective Date from, among other things, the liquidation of the Liquidating TLO Assets. In making Distributions under the Plan, the Liquidating Agent will comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities. All Distributions pursuant to the Plan will be subject to all applicable withholding and reporting requirements.

From and after the Effective Date, any and all Persons then acting as directors, officers, members, managers, employees, agents or under the guise of any corporate authority in respect of the Debtor shall be released and discharged from any and all further authority, duties, responsibilities and obligations relating to and arising from the Debtor or the Chapter 11 Case. Except as explicitly set forth in the Exculpation provisions of this Plan below, nothing in this Plan shall release the Debtor's directors, officers, members, managers or under the guise of any corporate authority in respect of the Debtor from Litigation Claims for actions taken prior to the Effective Date.

The Liquidating Agent may require any Creditor with an Allowed Claim or Holder of an Allowed Equity Interest entitled to a Distribution under the Plan to furnish its, his or her employer or taxpayer identification number (the "TIN") assigned by the Internal Revenue Service. Any Distribution under the Plan may be conditioned on the receipt of such TIN. If any such Holder of an Allowed Claim or an Allowed Equity Interest entitled to a Distribution hereunder fails to provide a requested TIN within forty-five (45) days after the request thereof, then such failure shall be deemed to be a waiver of such Holder's interest in any future Distributions, including the right to receive any future Distributions.

8.2 The Liquidating Agent and the Powers and Duties of the Liquidating Agent.

The Liquidating Agent under the Plan shall be _____. The Liquidating Agent shall act in a fiduciary capacity for the Holders of all Allowed Claims and, if applicable, Allowed Equity Interests under the Plan and shall have only those rights, powers and duties conferred to him by the Plan, as well as the rights and powers of a trustee under sections 542 through 552 of the Bankruptcy Code and the duties of a trustee under sections 704(1),(2),(4),(5),(7) and (9) of the Bankruptcy Code. The Liquidating Agent shall maintain a

Collected Cash Account for Liquidating TLO in accordance with the terms of the Plan. Confirmation of the Plan shall constitute and confirm the appointment of the Liquidating Agent for Liquidating TLO, including to (a) exercise the rights, power and authority of the Liquidating Agent under the applicable provisions of the Plan and bankruptcy and non-bankruptcy law, and (b) otherwise implement the Plan, wind up the affairs of the Estate and Liquidating TLO, and close the Chapter 11 Case. In addition, the Reorganized Debtor, by and through the Liquidating Agent, shall be authorized to retain Post Confirmation Professionals in the exercise of his business judgment to represent Liquidating TLO and the Liquidating Agent in performing and implementing the Plan and the Liquidating Agent's duties under the Plan, including to pursue Litigation Claims and in respect of any issue, proceeding, claim or cause of action.

Liquidating TLO, through the Liquidating Agent, shall have the right to prepare, file, assert, commence, prosecute and settle, or continue to prosecute in the case of existing actions, any and all Litigation Claims and shall be substituted as the real party in interest in any such actions commenced by the Debtor and/or the Committee or by or against the Debtor and/or the Committee. The Liquidating Agent shall prosecute or defend, as appropriate, such actions through final judgment, any appeals deemed necessary and appropriate by the Liquidating Agent and the Liquidating Agent shall have the power and authority (A) to enter into such settlements as the Liquidating Agent deems to be in the best interest of the Holders of Allowed Claims and Allowed Equity Interests, subject to Bankruptcy Court approval after notice and a hearing in accordance with Bankruptcy Rule 9019; or (B) subject to Bankruptcy Court approval after notice and a hearing, to abandon, dismiss and/or decide not to prosecute any such Litigation Claims if the Liquidating Agent deems such action to be in the best interest of the Holders of Allowed Claims and Allowed Equity Interests.

In addition and except as otherwise specifically preserved herein, Liquidating TLO, through the Liquidating Agent, will have authority to take all actions necessary to: (a) hold, manage, protect, administer, collect, sell, liquidate, prosecute, transfer, resolve, settle, adjust, invest, distribute, or otherwise dispose of any Liquidating TLO Assets; (b) reconcile Claims and contest objectionable Claims and Disputed Claims; (c) make all Distributions to be funded under the Plan; (d) pay all necessary expenses incurred in connection with the duties and responsibilities of the Liquidating Agent under the Plan, and to borrow funds if and to the extent necessary to do so; (e) administer, implement and enforce all provisions of the Plan; (f) file tax returns and make other related corporate filings related to the Debtor; (g) administer the Plan and the Liquidating TLO Assets; (h) abandon any of the Liquidating TLO Assets, (i) to invest Cash in accordance with Section 345 of the Bankruptcy Code or otherwise as permitted by order of the Bankruptcy Court, (j) to purchase and carry all insurance policies and pay all premiums and costs deemed necessary and advisable, and (k) undertake such other responsibilities as are reasonable and appropriate in connection with the Plan.

In addition and subject to the terms of the Plan, the Liquidating Agent shall succeed to all such powers as would have been applicable to the Debtor's officers, directors, members and managers prior to the Effective Date.

The Liquidating Agent shall post a bond in favor of Liquidating TLO in an amount equal to the greater of: (i) \$10,000 or; (ii) 110% of the book value of the Liquidating TLO Assets, provided however that the book value of Litigation Claims for purposes of the bond shall be zero. The cost of such bond is payable from the Liquidating Assets. After making each successive Distribution provided for under the Plan, the Liquidating Agent shall have the right to

seek a refund of the bond premium based upon the diminution of the Liquidating TLO Assets resulting from each such Distribution.

The Liquidating Agent may resign at any time provided; however, that the Liquidating Agent shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement Liquidating Agent be appointed in accordance herewith, which motion shall be on notice to the twenty (20) largest unsecured creditors with Allowed Claims, the Oversight Committee and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Liquidating Agent for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Liquidating Agent becomes incapable of acting as the Liquidating Agent as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Liquidating Agent, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of the Bankruptcy Court. In the event the Liquidating Agent resigns or is removed, the successor Liquidating Agent shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code.

8.3 The Oversight Committee and the Powers and Duties of the Oversight Committee.

Upon the Effective Date, the Oversight Committee shall be formed. The Oversight Committee shall consist of at least three (3) members to be selected prior to the Effective Date

by the Committee, and shall consist of at least two (2) members of the existing Committee; provided, however, that no such member shall be the subject of existing or known potential Litigation Claims. The Oversight Committee shall be entitled to engage counsel to represent its interests, the fees and expenses of which will be paid by the Liquidating Agent as Post Confirmation Administrative Claims. The Liquidating Agent shall periodically report to the Oversight Committee the progress being made by the Liquidating Agent in respect of the Liquidating Agent's powers and duties set forth herein. The Liquidating Agent shall consult with the Oversight Committee in respect of any material decisions concerning the Liquidating Agent. The Oversight Committee shall be deemed a party in interest with standing to be heard on any matter involving the Liquidating TLO Assets. The Oversight Committee and its members shall be fiduciaries of, and shall have fiduciary duties to the holders of Allowed Claims in the same manner as the Liquidating Agent. The duties of the Oversight Committee shall terminate upon the payment in full of all Allowed Unsecured Claims in accordance with the Plan. The members of the Oversight Committee shall serve without compensation. The powers and duties of the Oversight Committee shall be limited to those specifically set forth in the Plan.

A majority of the members of the Oversight Committee shall constitute a quorum for the transaction of business at any meeting of the Oversight Committee, with a majority of those present at any meeting being required to take any action by the Oversight Committee. The Oversight Committee is authorized to adopt other and further by-laws for the governance of the Oversight Committee not inconsistent with the provisions hereof. .

In the event of a vacancy on the Oversight Committee (whether by removal, death or resignation) a new member shall be appointed to fill such position by the remaining members of

the Oversight Committee, provided however that no such new member shall be the subject of existing or potential Litigation Claims. In the event the Oversight Committee is not comprised of three or more persons, then the Oversight Committee shall terminate and the remaining members thereof shall be relieved of any further responsibilities hereunder.

8.4 Fees of the Liquidating Agent.

The Liquidating Agent shall be compensated on an hourly basis for his services as Liquidating Agent hereunder. Liquidating TLO, through the Liquidating Agent, may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Debtor and/or the Committee during the Chapter 11 Case, to represent him in connection with his duties under the Plan, including as set forth above (the “Post Confirmation Professionals”). The Liquidating Agent shall consult with and consider the recommendations of the Oversight Committee concerning the retention of Post Confirmation Professionals, and the terms of their engagement. Notwithstanding the foregoing, Post Confirmation Professionals shall not be precluded from representing the Liquidating Agent to the extent that certain of their Administrative Claims remain unpaid from the Estate. Any fees and expenses of such Post Confirmation Professionals, including any professionals engaged by the Oversight Committee pursuant to the terms hereof, shall constitute Post Confirmation Administrative Claims and shall be paid from Cash in accordance herewith so long as the Liquidating Agent is current with filing the required reports with the Office of the United States Trustee and payment of fees to the Office of the United States Trustee. The Liquidating Agent and the Post Confirmation Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis, but shall file fee applications no less frequently than every 120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the

amounts paid on a monthly basis. A Post Confirmation Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every 120 days shall preclude such Post Confirmation Professional from being paid monthly as provided herein until an interim fee application has been filed and heard by the Bankruptcy Court. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Claims of the Liquidating Agent and the Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

Liquidating TLO, through the Liquidating Agent, may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out its functions and duties, store the books and records of the Debtor and compensate such staff and pay for such equipment and premises from the Liquidating TLO Assets.

8.5 Indemnity of Liquidating Agent and Members of the Oversight Committee.

Liquidating TLO shall indemnify and hold the Liquidating Agent and the members of the Oversight Committee harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from their respective gross negligence, self-dealing, breach of fiduciary duty or willful misconduct.

8.6 Miscellaneous.

Notwithstanding anything to the contrary in the Bankruptcy Rules providing for earlier closure of this Chapter 11 Case, when all Disputed Claims against the Estate have become

Allowed Claims or have been disallowed by Final Order, and all remaining Liquidating TLO Assets have been liquidated and converted into Cash (other than those Liquidating TLO Assets abandoned), and such Cash has been distributed in accordance with the Plan, or at such earlier time as the Liquidating Agent deems appropriate, the Liquidating Agent shall file a final accounting with the Bankruptcy Court, together with a final report, and shall seek authority from the Bankruptcy Court to close this Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules. The Liquidating Agent shall serve until such time as the entry of a Final Decree closing this Chapter 11 Case, at which time the Liquidating Agent, the members of the Oversight Committee (unless sooner dissolved pursuant to the terms hereof) and the Post Confirmation Professionals engaged by them shall be discharged and shall have no further responsibilities under the Plan or otherwise in respect of this Chapter 11 Case.

8.7 Treatment of Claims and Injunctions.

Except as provided in the Plan or the Confirmation Order with respect to the rights of, and treatment afforded the Holders of Allowed Claims and Allowed Equity Interests, as of the Effective Date, all Persons who have held, hold or may hold Claims, rights, causes of action, liabilities or any equity Interests with respect to the Debtor or the Assets based upon any act or omission, transaction or other activity of any kind or nature that occurred or arose prior to the Effective Date, regardless of the filing, lack of filing, allowance or disallowance of such a Claim or Interest and regardless of whether such Person has voted to accept the Plan and any successors, assigns or representatives of the foregoing, will be precluded and permanently enjoined on and after the Effective Date from, on account of such Claims, rights, causes of action, liabilities or any equity Interests: (1) commencing or continuing in any manner any action or other proceedings against Liquidating TLO, the Liquidating Agent or the Liquidating

TLO Assets; (2) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against Liquidating TLO, the Liquidating Agent or the Liquidating TLO Assets; (3) creating, perfecting or enforcing any lien or encumbrance against Liquidating TLO, the Liquidating Agent or the Liquidating TLO Assets; (4) asserting against Liquidating TLO, the Liquidating Agent or the Liquidating TLO Assets, a setoff, right or claim of subordination or recoupment of any kind against any debt, liability or obligation due to the Debtor; and (5) commencing or continuing any action, in any manner, in any place that does not comply with or that is inconsistent with the provisions of the Plan.

8.8 No Res Judicata Effect.

Notwithstanding anything to the contrary in the Plan or in the Disclosure Statement, the provisions of the Disclosure Statement and the Plan that permits Liquidating TLO, through the Liquidating Agent, to enter into settlements and compromises of any Litigation Claims shall not have, and are not intended to have, any res judicata or collateral estoppel effect with respect to any Litigation Claims that are not otherwise treated under the Plan and shall not be deemed a bar to asserting such Litigation Claims regardless of whether or to what extent such Litigation Claims are specifically described in the Plan or Disclosure Statement relating hereto. Unless any of the Litigation Claims are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by Final Order of the Bankruptcy Court, all such Litigation Claims are expressly reserved and preserved for later adjudication and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Litigation Claims upon or after Confirmation or consummation of the Plan.

Furthermore, notwithstanding any provision or interpretation to the contrary, nothing in the Plan or the Confirmation Order, including the entry thereof, shall be deemed to constitute a release, waiver, impediment, relinquishment or bar, in whole or in part, of or to any recovery rights or any other claim, right or cause of action possessed by the Debtor prior to the Effective Date. Liquidating TLO, through the Liquidating Agent, shall have the authority to settle claims and litigation as provided in and in accordance with the Plan, provided that all such settlements shall be subject to the settlement standards imposed by Bankruptcy Rule 9019 and the standards set forth in In re Justice Oaks II, Ltd., 898 F. 2d 1544, 1549 (11th Cir. 1990).

8.9 Dissolution of Committee.

Upon the Effective Date, the Committee shall be deemed dissolved, except with respect to applications for Administrative Claims of Professionals for the Committee. Further, upon the Effective Date, the members of the Committee shall be released and discharged from all rights, duties and liabilities arising from, or related to, the Chapter 11 Cases.

8.10 Exculpation

The Debtor and its respective officers, members and managers, the Committee and its members, the Professionals for the Debtor and the Committee (acting in such capacity) (collectively, the “Exculpated Parties”) shall neither have nor incur any liability whatsoever to any Person or Entity for any act taken or omitted to be taken in good faith in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Plan or the Chapter 11 Case, in each case for the period on and

after the Petition Date; provided, however, that this exculpation from liability provision shall not be applicable to any liability found by a court of competent jurisdiction to have resulted from fraud or the willful misconduct or gross negligence of any such party. With respect to Professionals, the foregoing release provision shall also include claims of professional negligence arising from the services provided by such Professionals during the Chapter 11 Case. Any such claims shall be governed by the standard of care otherwise applicable to the standard of negligence claims outside of bankruptcy. The Confirmation Order shall enjoin the prosecution by any Person or Entity, whether directly, derivatively or otherwise, of any such claim, obligation, suit, judgment, damage, loss, right, remedy, cause of action, charge, cost, debt, indebtedness, or liability which arose or accrued during such period or was or could have been asserted against any of the Exculpated Parties, except as otherwise provided in the Plan or in the Confirmation Order. Each of the Exculpated Parties shall have the right to independently seek enforcement of this provision. All such Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities hereunder and under the Bankruptcy Code. Notwithstanding anything herein to the contrary, the exculpation and limitation of liability provided for herein shall not apply to any acts of omissions that occurred prior to the Petition Date. The rights granted under this section are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Exculpated Parties have or obtain pursuant to any provision of the Bankruptcy Code or other applicable law. This exculpation from liability provision is an integral part of the Plan and is essential to its implementation. Notwithstanding anything to the contrary contained herein, the provisions of this section shall not release any of the Litigation Claims.

8.11 General Injunction.

Pursuant to Sections 105, 1123, 1129 and 1141 of the Bankruptcy Code, in order to preserve and implement the various transactions contemplated by and provided for in the Plan, as of the Effective Date, except as otherwise expressly provided in the Plan or in the Confirmation Order, all Persons that have held, currently hold or may hold a Claim or Equity Interest that is discharged or terminated pursuant to the terms of the Plan are and shall be permanently enjoined and forever barred to the fullest extent permitted by law from taking any of the following actions on account of any such discharged or terminated Claims or Equity Interests, other than actions brought to enforce any rights or obligations under the Plan: (a) commencing or continuing in any manner any action or other proceeding against the Debtor or Liquidating TLO or their respective Assets; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor, or Liquidating TLO, or their respective Assets; (c) creating, perfecting or enforcing any Lien or encumbrance against the Debtor, or Liquidating TLO, or their respective Assets; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor or Liquidating TLO; (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order; or (f) interfering with or in any manner whatsoever disturbing the rights and remedies of the Debtor or Liquidating TLO under the Plan and the other documents executed in connection therewith. The Debtor and Liquidating TLO shall have the right to independently seek enforcement of this general injunction provision. This general injunction provision is an integral part of the Plan and is essential to its implementation. Notwithstanding anything to the contrary contained herein, the provisions of this section

shall not release any of the Litigation Claims.

8.12 No Creditor or other party should vote for the Plan or otherwise rely on the Confirmation of the Plan or the entry of the Confirmation Order in order to obtain, or on the belief that it will obtain, any defense to any Litigation Claim. No Creditor or other party should act or refrain from acting on the belief that it will obtain any defense to any Cause of Action. ADDITIONALLY, THE PLAN DOES NOT, AND IS NOT INTENDED TO, RELEASE ANY LITIGATION CLAIM OR OBJECTIONS TO CLAIMS, AND ALL SUCH RIGHTS ARE SPECIFICALLY RESERVED IN FAVOR OF ANY ENTITY EXISTING AFTER THE ENTRY OF A CONFIRMATION ORDER BY THE BANKRUPTCY COURT. Creditors are advised that legal rights, claims and rights of action the Debtor may have against them, if they exist, are retained under the Plan for prosecution unless a specific order of the Bankruptcy Court authorizes the Debtor to release such claims. As such, Creditors are cautioned not to rely on (i) the absence of the listing of any legal right, claim or right of action against a particular Creditor in the Disclosure Statement, the Plan, or the Schedules, or (ii) the absence of litigation or demand prior to the Effective Date of the Plan as any indication that the Debtor or entity existing after the entry of a Confirmation Order entered by the Bankruptcy Court do not possess or do not intend to prosecute a particular claim or Litigation Claim if a particular Creditor votes to accept the Plan. It is the expressed intention of the Plan to preserve rights, objections to Claims, and rights of action of the Debtor, whether now known or unknown, for the benefit of entity existing after the entry of a Confirmation Order. A Cause of Action shall not, under any circumstances, be waived as a result of the failure of the Debtor to describe such Litigation Claim with specificity in the Plan or in the Disclosure Statement; nor shall the entity existing after the entry of a Confirmation Order, as a result of such failure, be estopped or precluded under any theory

from pursuing any such Cause of Action. Nothing in the Plan operates as a release of any Cause of Action.

8.13 Any checks mailed by the Disbursing Agent for the initial payment to a particular creditor which remains not cleared forty-five (45) days after mailing, shall constitute unclaimed funds which shall become the Debtor's property.

ARTICLE IX

CONFIRMATION BY CRAM DOWN

The Debtor reserves the right, in the event that impaired classes reject the Plan, to seek confirmation of the Plan if the Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to each dissenting class.

The Plan is deemed fair and equitable if it provides (i) that each holder of a Secured Claim retains its lien and receives deferred cash payments totaling at least the allowed amount of its claim, of a value, as of the effective date of the Plan, of at least the value of its secured interest in the property subject to his lien, and (ii) that each holder of an unsecured claim receives property of a value equal to the allowed amount of its claim, or no holder of a junior claim receives or retains any property.

ARTICLE X

MISCELLANEOUS PROVISIONS

A. Notwithstanding any other provisions of the Plan, any claim which is scheduled as disputed, contingent, or unliquidated or which is objected to in whole or in part on or before the date for distribution on account of such claim shall not be paid in accordance with the provisions

of the Plan until such claim has become an Allowed Claim by a Final Order. If allowed, the claim shall be paid on the same terms as if there had been no dispute.

B. At any time before the Confirmation Date, the Debtor may modify the Plan, but may not modify the Plan so that the Plan, as modified, fails to meet the requirements of § 1122 and § 1123 of the Bankruptcy Code. After the Debtor files a modification with the Bankruptcy Court, the Plan, as modified, shall become the Amended Plan.

C. At any time after the Confirmation Date, and before substantial consummation of the Plan, the Debtor may modify the Plan with permission of the Court so that the Plan, as modified, meets the requirements of § 1122 and §1123 of the Bankruptcy Code. The Plan, as modified under this paragraph, shall become the Amended Plan.

D. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, and so long as it does not materially and adversely affect the interest of creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Order of Confirmation, in such manner as may be necessary to carry out the purposes and effect of the Plan.

ARTICLE XI

CONCLUSION

The Debtor believes that the distributions contemplated in its Plan are fair and afford all Claimants and Interest Holders equitable treatment. This is a Waterfall Plan which strictly distributes the Debtor's assets in compliance with the priorities of the Bankruptcy Code.

ACCORDINGLY, THE DEBTOR RECOMMENDS THAT ALL CLAIMANTS AND INTEREST HOLDERS VOTE TO ACCEPT THE PLAN.

DATED: October 31, 2013.

TLO, LLC

By: /s/E. Desiree Asher
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