

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
Trainor Glass Company,)	Case No. 12-09458
d/b/a Trainor Modular Walls,)	
Trainor Solar, and Trainor Florida,)	Honorable Carol A. Doyle
)	
Debtor.)	

**DISCLOSURE STATEMENT WITH RESPECT TO
THE SECOND AMENDED JOINT PLAN OF LIQUIDATION OF TRAINOR GLASS COMPANY**

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Dated: November 13, 2013

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INTRODUCTION

The Official Committee of Unsecured Creditors (the “*Committee*”) and Trainor Glass Company (the “*Debtor*” and, together with the Committee, the “*Plan Proponents*”) submit this disclosure statement (the “*Disclosure Statement*”) to holders of Claims against and Interests in the Debtor in connection with the solicitation of acceptances of the Second Amended Joint Plan of Liquidation Dated November 13, 2013, as the same may be amended (the “*Joint Plan*”). Unless otherwise defined herein, all capitalized terms contained herein have the respective meanings assigned to them in the Joint Plan.

This Disclosure Statement describes the key aspects of the Joint Plan, the Debtor’s chapter 11 case (the “*Case*”), the Debtor’s liquidation and wind-down and the formation and operation of a Trainor Liquidating Trust that will be charged with: (i) liquidating the Debtor’s remaining assets; (ii) pursuing claims and Causes of Action on behalf of the Debtor’s Creditors; (iii) analyzing and reconciling Claims that have been filed against the Debtor’s Estate; and (iv) making distributions on account of Allowed Claims in accordance with the Joint Plan and the Liquidating Trust Agreement executed pursuant to the Joint Plan. For a complete understanding of the Joint Plan, you should read the Disclosure Statement, the Joint Plan and the exhibits and schedules thereto, in their entirety.

The Plan Proponents believe that confirmation of the Joint Plan is in the best interests of all parties, including the Debtor’s Creditors and Estate. Accordingly, the Plan Proponents urge each Creditor that is Impaired hereunder, and entitled to vote with respect to the Joint Plan, to vote to accept the Joint Plan. Detailed voting instructions are set forth in section III.A. of this Disclosure Statement. To be counted, a ballot containing your vote to accept or to reject the Joint Plan must be received by no later than 5:00 p.m. (Eastern Standard Time) on December 13, 2013.

The Joint Plan provides for the liquidation of the Debtor's assets in a manner designed to maximize recoveries to all Creditors. The Joint Plan contemplates the formation of the Trainor Liquidating Trust, into which all of the Debtor's remaining property, including Causes of Action, will be transferred. The Trainor Liquidating Trust will be charged with liquidating such assets and paying Allowed Claims pursuant to the Joint Plan. The Debtor's existing Equity Interests will be cancelled under the Joint Plan, and the Debtor's Equity Security Holders shall receive no distributions on account of their existing Interests in the Debtor.

NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED BY THE PLAN PROPONENTS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE THAT ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION. ANY NON-COMMITTEE OR NON-DEBTOR REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE COMMITTEE OR THE DEBTOR, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT. THE PLAN PROPONENTS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN TAKEN TO MAKE SURE IT FAIRLY REPRESENTS THE CURRENT POSITION OF THE DEBTOR.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE JOINT PLAN, BUT THE PLAN ITSELF QUALIFIES ALL SUMMARIES. IF ANY INCONSISTENCY

EXISTS BETWEEN THE JOINT PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE JOINT PLAN ARE CONTROLLING. SUMMARIES OF CERTAIN PROVISIONS OF AGREEMENTS REFERRED TO IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE, AND ARE SUBJECT TO AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENTS.

SECTION 1125 OF THE BANKRUPTCY CODE REQUIRES THAT THERE BE A POST-PETITION DISCLOSURE IN THE FORM OF A DISCLOSURE STATEMENT THAT PROVIDES “ADEQUATE INFORMATION” TO CREDITORS BEFORE ANYONE MAY SOLICIT ACCEPTANCES OF A CHAPTER 11 PLAN. THIS DISCLOSURE STATEMENT IS PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE SO AS TO PROVIDE “ADEQUATE INFORMATION” TO THE CREDITORS IN THIS CASE. CREDITORS ARE URGED TO CONSULT WITH THEIR OWN INDIVIDUAL COUNSEL OR EACH OTHER AND TO REVIEW ALL OF THE RECORDS HEREIN IN ORDER TO FULLY UNDERSTAND THE DISCLOSURES MADE, ANY PLANS FILED HEREIN AND ANY OTHER PERTINENT INFORMATION IN THIS CASE. ANY PLAN WILL BE COMPLEX, ESPECIALLY SINCE IT REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT, AND ANY INTELLIGENT JUDGMENT CONCERNING ANY PROPOSED PLAN CANNOT BE MADE WITHOUT FULLY UNDERSTANDING THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE FULL COMPLEXITIES OF ANY PLAN PROPOSED HEREIN. THIS DISCLOSURE STATEMENT IS NOT INTENDED TO TAKE THE PLACE OF THE JOINT PLAN. EACH CREDITOR IS URGED TO STUDY THE JOINT PLAN IN FULL AND TO CONSULT THEIR COUNSEL WITH RESPECT TO THE JOINT PLAN, ITS TAX IMPLICATION(S) AND ITS EFFECT ON HIS, HER OR ITS RIGHTS.

Any Creditor having questions regarding the Joint Plan or the Disclosure Statement may contact counsel for any of the Plan Proponents:

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The cost of distributing the Joint Plan and Disclosure Statement as well as the costs, if any, of soliciting acceptances, will be paid from property of the Estate, as defined in the Joint Plan and as allowed by the Bankruptcy Court. The Professional Fees of the Debtor's counsel and the Committee's counsel are not contingent upon the acceptance of the Joint Plan, and are payable as a cost of administration, upon Bankruptcy Court approval.

I. SUMMARY OF THE JOINT PLAN

The following is an overview of certain material provisions of the Joint Plan, which is attached hereto as **Exhibit A**. The following summaries of the material provisions of the Joint Plan do not purport to be complete and are qualified in their entirety by reference to the relevant provisions of the Joint Plan, including all exhibits thereto. *Any capitalized terms referenced herein shall have the definitions ascribed to them in the Joint Plan.*

General Overview of the Joint Plan

Joint Plan	The Debtor's and Official Committee of Unsecured Creditors' Joint Plan of Liquidation
Plan Proponents	The Committee and the Debtor. The Committee consists of the following holders of General Unsecured Claims: (i) International Painters and Allied Trades Industry Pension Fund (Committee Chair); (ii) Knowles Door Check Co., Inc.; and (iii) Oldcastle Building Envelope.
General Purpose	The Joint Plan contemplates the transfer of all of the Debtor's remaining assets to the Trainor Liquidating Trust, including Causes of Action, for the benefit of holders of Claims. The holders of the Allowed Administrative Claims, the First Midwest Diminution Claim, Allowed Priority Tax Claims, Allowed Class 1 (A) (First Midwest Secured Claim) and Class 1(B) (Other Secured Claims); Allowed Class 2 (Priority Claims), Allowed Class 3 (General Unsecured Claims), and Class 4 (WARN Act Claims) shall share in the proceeds from the Trainor Liquidating Trust, but only to the extent provided in the Joint Plan. The provisions of the Trainor Liquidating Trust and the Joint Plan shall be implemented under the direction of the Liquidating Trustee, who shall be designated prior to the Joint Hearing, and with the oversight of the Oversight Committee.

Summary of Classes and Claims

Unclassified Claims	
Administrative Claims	<p>Administrative Claims consist of: (i) Allowed Professional Fee Claims; (ii) Allowed Other Administrative Expense Claims; and (iii) the First Midwest Diminution Claim.</p> <p>(i) Allowed Professional Fee Claims consist of Allowed Administrative Claims of any Professional Person provided, however, that Payment of such claims shall be subject to Article VII of the Joint Plan. The Plan Proponents are not able to estimate the amount of</p>

	<p>unpaid Professional Fee Claims as of the Confirmation Date.</p> <p>(ii) Allowed Other Administrative Expense Claims consist of Allowed Administrative Claims of parties other than Professional Persons, including such Agreed Administrative Claims as may be Allowed. Proofs of Claim alleging administrative priority totaling \$99,519 have been filed. Edwin J. Trainor (Debtor's vice president) has reserved the right to assert an administrative claim for no less than \$250,000 based on services rendered to the Debtor during the chapter 11 case.</p> <p>(iii) The First Midwest Diminution Claim shall be an allowed claim for diminution in its collateral pursuant to section 507(b) of the Bankruptcy Code, Section 4(c) of the Final Cash Collateral Order, and the Global Settlement Agreement, in an amount equal to \$975,000. The First Midwest Diminution Claim shall have priority over all other allowed priority claims, except for allowed but unpaid claims under section 507(a)(2) of the Bankruptcy Code including, without limitation, claims made against the Committee Fee Reserve or Debtor Fee Reserve; provided that, notwithstanding the above, the First Midwest Diminution Claim shall be senior in priority to any Committee Excess Fee Claims and Debtor Excess Fee Claims.</p> <p>The holders of Allowed Administrative Claims will be paid in full from the Trainor Liquidating Trust Assets in accordance with the Joint Plan and Liquidating Trust Agreement.</p>
Priority Tax Claims	<p>Priority Tax Claims consist of Unsecured Claims of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.</p> <p>Priority Tax Claims are required to be unclassified pursuant to section 1123(a)(1) of the Bankruptcy Code but shall be treated and paid as Class 2 Claims under the Joint Plan.</p> <p>Based on a preliminary analysis, the Plan Proponents estimate that priority tax claims may total approximately as much as \$860,000.</p>

Classified Claims	
<p>Secured Claims (Class 1)</p>	<p>Secured Claims (Classes 1(A) and 1(B)) consist of The First Midwest Secured Claim (Class 1(A)) and Other Secured Claims (Class 1(B)).</p> <p>The First Midwest Secured Claim consists of the First Midwest Claim secured by a perfected security interest on all assets of the Estate, except for Avoidance Activities. The First Midwest Secured Claim shall continue to be satisfied by the Encumbered Assets including, but not limited to: (a) the net proceeds of the sale of the Debtor's real and personal property during the Case; (b) the collection of the Debtor's accounts receivable; and (c) the sale, collection or disposition of any other Assets of the Estate (except for Avoidance Actions) regardless of whether the proceeds are realized (i) in the Bankruptcy Case, (ii) by the Liquidating Trustee, or (iii) by any other means including, but not limited to, relief from the automatic stay or agreement of the Liquidating Trustee to allow First Midwest to realize upon the Encumbered Assets.</p> <p>The First Midwest Secured Claim is Impaired under the Joint Plan.</p> <p>Other Secured Claims (Class 1(B)) consists of all claims of a creditor (other than First Midwest) secured by a lien on property of the Estate, or a Claim subject to set off under section 553 of the Bankruptcy Code, to the extent of the value of such Creditor's interest in property of the Estate, or to the extent of the amount subject to set off, as the case may be. Each Other Secured Claim shall be satisfied by the surrender of any collateral or proceeds of such collateral securing such claim.</p> <p>Other Secured Claims are Impaired under the Joint Plan.</p>
<p>Priority Claims (Class 2)</p>	<p>Priority Claims (Class 2) consist of the allowed unsecured priority claims held by Persons pursuant to section 507(a) of the Bankruptcy Code, other than claims arising under sections 507(a)(2), (3), and (8) of the Bankruptcy Code; provided, however, that Priority Tax Claims allowed pursuant to section 507(a)(8) of the Bankruptcy Code shall receive distributions as Class 2 Claims under the Joint Plan.</p> <p>Priority Claims are impaired under the Joint Plan. The holders of Allowed Priority Claims will receive their share of the Trainor Liquidating Trust Assets pursuant to the waterfall specified in Section 6.2 of the Joint Plan and in accordance with the Liquidating Trust Agreement, which shall be distributed within Class 2 in accordance with the priorities established within section 507(a) of the Bankruptcy Code.</p> <p>Based on a preliminary analysis, the Plan Proponents estimate that Priority Tax Claims may total up to \$860,000 and non-tax priority claims may total between \$1.16 million and \$4.65 million. The upper figure includes approximately \$3.5 million in an asserted WARN Act Class Claim (Class 4), which if allowed, will be entitled to priority status under 507(a)(4) and (5) for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim. The Plan Proponents continue the process of reconciling all alleged Priority Claims.</p>

<p>General Unsecured Claims (Class 3)</p>	<p>General Unsecured Claims (Class 3) consist of any Unsecured Claim, arising prior to the Petition Date, that is not a Professional Fee Claim, Other Administrative Expense Claim, First Midwest Diminution Claim, Priority Tax Claim, Class 1 Claim, Class 2 Claim (Priority Claim), or Class 4 Claim (WARN Act Claims).</p> <p>General Unsecured Claims are Impaired under the Joint Plan. The holders of Allowed General Unsecured Claims will receive their Pro Rata share of Trainor Liquidating Trust Assets pursuant to the waterfall specified in Section 6.2 of the Joint Plan and in accordance with the Liquidating Trust Agreement.</p> <p>At this time, the Plan Proponents are unable to determine the amounts that will be distributed to holders of General Unsecured Claims or whether there will be any such distribution. As of August 12, 2013, General Unsecured Claims totaling approximately \$459,772,738 have been filed by Creditors in this case, including numerous claims filed after the Bar Date.</p>
<p>WARN Act Claims (Class 4)</p>	<p>WARN Act Class Claim (Class 4) consists of a class action claim for compensation for alleged violations of the Worker Adjustment and Retraining Notification Act. If allowed, the WARN Act Class Claim shall receive the same treatment as Class 2 and will be deemed entitled to priority under 507(a)(4) and (5) of the Code for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim. The WARN Act Class estimates that its Claim equals approximately \$3.5M as a 507(a)(4) and (5) priority claim, if allowed. At present, no objection is lodged to the WARN Act Class Claim and the Plan Proponents reserve all rights with respect to such claims. The WARN Act Class disputes the existence of any viable defense to the WARN Act Class Claim.</p>
<p>Equity Interests</p>	<p>Equity Interests (Class 5) consist of the interests held by Equity Security Holders, which include: (i) shares of stock in the Debtor; or (ii) warrants or rights, other than rights to convert, purchase, sell or subscribe to any shares of stock of the Debtor. The holders of Equity Interests will receive no distribution under the Joint Plan, and all Equity Securities will be cancelled on the Effective Date. Equity Interests are impaired under the Joint Plan.</p>

Implementation of Joint Plan

<p>Funding</p>	<p>The Joint Plan will be funded by the orderly liquidation of all remaining property of the Estate (including recoveries from Avoidance Actions). Distributions will be made from the Trainor Liquidating Trust after the Effective Date or as soon as reasonably practicable thereafter pursuant to the terms of the Joint Plan and the Liquidating Trust Agreement.</p>
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<p>Effective Date</p>	<p>The following are conditions precedent to the occurrence of the Effective Date: (i) the Confirmation Order confirming the Joint Plan, as such Joint Plan may have been modified, shall have been entered by the Bankruptcy Court and be in full force and effect and shall not have been vacated, amended, modified or stayed, and if it is the subject of any appeal, reconsideration or other review, no stay of the Confirmation Order shall be in effect; (ii) the Liquidating Trust Agreement, in form and substance satisfactory to the Plan Proponents and First Midwest, shall be executed and delivered, and all conditions precedent to the effectiveness thereof shall have been satisfied; and (iii) all other documents or agreements necessary to consummate the Joint Plan shall have been delivered or effectuated. The Plan Proponents or the Liquidating Trustee, as the case may be and with the consent of First Midwest, may waive any of the foregoing conditions precedent at any time.</p> <p>The Effective Date shall mean a date not later than the 15th day after the Confirmation Date unless extended by the Plan Proponents with the consent of First Midwest; provided, however, that if a stay of the Confirmation Order is in effect on such day, then the Effective Date shall be the first day thereafter on which, if the Confirmation Order has not been vacated, no stay of the Confirmation Order is in effect.</p>
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II. VOTING AND CONFIRMATION PROCEDURES

Under the Bankruptcy Code, classes of claims that are unimpaired under a chapter 11 plan are deemed to have accepted the plan and are not entitled to vote to accept or reject the plan. Classes of claims and interests that are not entitled to receive any distribution on account of their claims or interests are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan.

Under the terms of the Joint Plan, the holders of Claims in Class 1(A) (First Midwest Secured Claim), Class 1(B) (Other Secured Claims), Class 2 (Priority Claims), Class 3 (General Unsecured Claims) and Class 4 (WARN Act Claims) are Impaired and are entitled to vote to accept or reject the Joint Plan.

Votes on the Joint Plan are not being solicited from holders of Equity Securities (Class 5). Holders of Equity Securities will receive no distribution under the Joint Plan and, therefore, are deemed to have rejected the Joint Plan and are not entitled to vote to accept or reject the Joint Plan.

A. Voting Procedures

If you are entitled to vote to accept or reject the Joint Plan, a ballot is enclosed for the purpose of voting on the Joint Plan. Please carefully follow the instructions set forth in the ballot and vote and return your ballot(s) to:

IF BY FIRST CLASS MAIL:

Trainor Glass Ballot Processing
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, PO Box 5014
New York, NY 10150-5014

IF BY HAND OR OVERNIGHT COURIER:

Trainor Glass Ballot Processing
c/o Epiq Bankruptcy Solutions, LLC
717 Third Avenue, 3rd Floor
New York, NY 10017

TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE JOINT PLAN MUST BE RECEIVED NO LATER THAN 5:00 P.M. (EASTERN STANDARD TIME) ON DECEMBER 13, 2013 (THE “VOTING DEADLINE”).

ANY BALLOT WHICH IS EXECUTED BUT DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE JOINT PLAN, OR WHICH BOTH THE ACCEPTANCE AND REJECTION BOX IS CHECKED, WILL BE DEEMED TO BE AN ACCEPTANCE OF THE JOINT PLAN. ANY BALLOT THAT IS EITHER UNRETURNED BY THE VOTING DEADLINE OR IS RETURNED BUT NOT EXECUTED WILL BE CONSIDERED NULL AND VOID AND WILL NOT BE COUNTED.

If you are a holder of a Claim entitled to vote on the Joint Plan and did not receive a ballot, received a damaged ballot or lost your ballot, or if you have any questions concerning the

Disclosure Statement, the Joint Plan or the procedures for voting on the Joint Plan, please call counsel for the Committee, Sugar Felsenthal Grais & Hammer LLP, Attention: Aaron L. Hammer, Esq., 312-704-9400 or Mark S. Melickian, Esq., 312-704-9400, or counsel for the Debtor, Arnstein & Lehr LLP, Attention: Michael L. Gesas, Esq., 312-876-7100 or David A. Golin, Esq., 312-876-7100.

B. Hearing on Confirmation of Joint Plan

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing to determine whether the Joint Plan meets the requirements for confirmation established by section 1129 of the Bankruptcy Code. Any party-in-interest may object to confirmation of the Joint Plan. The Bankruptcy Court has scheduled a hearing with respect to the confirmation of the Joint Plan for December 18, 2013, commencing at 11:15 a.m. prevailing Central Standard Time (the “*Confirmation Hearing*”). Notice of the Confirmation Hearing has been, or will be, provided to all holders of Claims and Interests and other parties-in-interest (the “*Confirmation Notice*”).

Objections, if any, to confirmation of the Joint Plan must: (i) be in writing; (ii) state the name and address of the objecting party and the nature of the Claim or Interest of such party; (iii) state with particularity the basis and nature of any objection; and (iv) in accordance with Bankruptcy Rule 3020(b)(1), be filed, together with proof of service, with the Bankruptcy Court and served on the following parties so that the Objection is received no later than 5:00 p.m. (prevailing Central Time) on December 16, 2013 (the “*Objection Deadline*”), or such other date established by the Plan Proponents: (a) counsel to the Debtor, Arnstein & Lehr LLP, 120 S. Riverside Plaza, Ste. 1200, Chicago, Illinois 60606 (Attn: Michael L. Gesas, Esq.); (b) counsel to the Committee, Sugar Felsenthal Grais & Hammer LLP, 30 N. LaSalle Street, Suite 3000, Chicago, Illinois 60602 (Attn: Aaron L. Hammer, Esq.); (c) counsel to First Midwest Bank, Foley

& Lardner LLP, 321 N. Clark Street, Suite 2800, Chicago, IL 60610 (Attn: Geoffrey Goodman, Esq.); and (d) Office of the United States Trustee, 30 South Dearborn Street, 8th Floor, Chicago, IL 60603 (Attn: Kathryn Gleason, Esq.). **UNLESS AN OBJECTION TO PLAN CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

III. BACKGROUND ON THE DEBTOR

A. Description and History of the Debtor's Businesses

The Debtor is an Illinois corporation that was founded in 1953 by Robert J. Trainor Sr. to pursue a residential glass business in Chicago, Illinois. The Debtor's business model was focused on quality fabrication, design, engineering, and installation of glass products and framing systems in virtually every architectural application, including (a) new construction, (b) green-building solutions, (c) building rehabilitation, (d) storefronts and entrances, (e) tenant interiors, and (f) custom-specialty work and expanded to include both commercial and residential customers. The Debtor was consistently recognized as a national leader in its industry in both revenue and quality.

After inception, the Debtor expanded from its base in Chicago and at one time had operations in (a) Phoenix, Arizona, (b) Denver, Colorado, (c) Jacksonville Beach, Florida, (d) Riviera Beach, Florida, (e) Atlanta, Georgia, (f) Alsip, Illinois, (g) Michigan City, Indiana, (h) South Bend, Indiana, (i) Baltimore, Maryland, (j) Detroit, Michigan, (k) Las Vegas, Nevada, (l) Kearny, New Jersey, (m) Charlotte, North Carolina, (n) Austin, Texas, (o) Ogden, Utah, and (p) Farmers Branch, Texas.

B. The Pre-Petition Secured Indebtedness

Prior to the Petition Date, First Midwest Bank (“*First Midwest*” or the “*Prepetition Lender*”) made certain loans and other financial accommodations (the “*Prepetition Loans*”) to the Debtor, including a revolving line of credit, term loans, letters of credit and equipment finance loans pursuant to that certain Business Loan Agreement (Asset Based) dated as of August 27, 2004 by and between the Debtor and First Midwest, as amended, modified and supplemented from time to time (the “*Prepetition Credit Agreement*”).

In connection with the Prepetition Credit Agreement, the Debtor executed various promissory notes, security agreements and other ancillary documentation (collectively, with the Prepetition Credit Agreement, the “*Prepetition Loan Documents*”). Pursuant to the Prepetition Loan Documents, the Debtor granted a first-priority lien and security interest in substantially all of its assets (the “*Pre-Petition Collateral*”) to First Midwest to secure the repayment of the Prepetition Loans. As of the Petition Date, the indebtedness under the Prepetition Loan Documents was not less than \$34,059,905.29.

Certain of the Debtor’s obligations under the Prepetition Loan Documents were guaranteed by Shore Enterprises, Inc., Shore Properties, Inc., William Trainor, Edwin J. Trainor, Thomas D. Trainor, and Robert J. Trainor, Jr.

United Central Bank holds a participation interest in the Prepetition Loans. Its claim and security interest is asserted through the First Midwest Secured Claim and the First Midwest Deficiency claim.

C. Events Leading to the Debtor’s Filing for Chapter 11 Relief

The documented slowdown in the national economy, which began in early 2008, impacted the commercial construction industry by significantly increasing material pricing and competition among glass contractors. By 2010, the Debtor found itself with significantly

reduced liquidity and financial losses which caused the Debtor to close many of its plants, sell equipment, and reduce workforce. During the period June 2011 - December 31, 2011, the Debtor closed thirteen facilities, resulting in significant additional losses. On February 21, 2012, after being unable to secure additional financing necessary to continue operating, the Debtor ceased business operations and terminated all employees. At that time, the Debtor operated nine facilities and had approximately 508 employees (148 union and 360 non-union) in 14 states.

IV. THE CHAPTER 11 CASE¹

As a consequence of the Debtor's commencement of the Case, all actions and proceedings against the Debtor and all acts to obtain property from the Debtor were stayed under section 362 of the Bankruptcy Code. Throughout the Case, the Debtor continued to operate its business and manage its properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

A. Relevant Chapter 11 Filings

1. Retention of Professionals. The Debtor filed applications requesting approval by the Bankruptcy Court of the Debtor's retention of various professional firms , including: (i) Arnstein & Lehr LLP, as bankruptcy counsel; (ii) High Ridge Partners, Inc., as financial consultants; (iii) Thomas, Feldman & Wilshusen, LLC, as local Texas counsel; (iv) Toney Capital Holdings, LLC d/b/a National Liquidators/National Yacht Sales, as auctioneer; (v) Branford Auctions LLC, as auctioneer; (vi) The Police Law Group, as local Michigan counsel; (vii) Kasimer & Annino, P.C., as local Virginia counsel; (viii) the law firm of William M. Black,

¹ Section IV of the Disclosure Statement is only a summary of the Debtor's Case. For a full list of motions and pleadings filed, the Plan Proponents refer parties-in-interest to the docket of the Debtor's jointly-administered Case, which can be accessed through the Bankruptcy Court's PACER system (account required) at ecf.ilnb.uscourts.gov.

Jr., as local North Carolina counsel; (ix) Arnold & Arnold, LLP, as local Colorado counsel; (x) Taylor & Martin, Inc., as auctioneer; (xi) University Management Associates & Consultants Corp., as Collectors of Certain Accounts Receivable; (xii) Hilco Fixed Asset Recovery, LLC, as liquidator of office equipment; (xiii) Cole, Martin & Co., Ltd., as accountant; and (xiv) Thompson Hine LLP, as local Maryland counsel. The Bankruptcy Court entered orders approving the retention of these professionals.

2. Schedules and Statements. The Debtor's Schedules of Assets and Liabilities and Statement of Financial Affairs were submitted and filed with the Bankruptcy Court on April 17, 2012 (the "*Schedules and Statements*"). The meeting of creditors under section 341(a) of the Bankruptcy Code was held on April 24, 2012 in Chicago, Illinois, at which representatives of the Debtor were questioned by creditors, creditors' representatives and a representative from the Office of the United States Trustee. Creditors are expressly referred to the Debtor's Schedules and Statements, on file in these proceedings, for the purpose of becoming fully informed as to the assets, liabilities and financial affairs of the Debtor as of the Petition Date. The Debtor reserves the right to amend its Schedules and Statements as appropriate and necessary.

3. Motion To Use Cash Collateral and Obtain Post-Petition Financing. On April 12, 2012, the Bankruptcy Court authorized the Debtor's to use First Midwest's cash collateral and, if necessary, obtain post-petition financing pursuant to the *Final Order Authorizing Debtor to: (A) Use Cash Collateral; (B) Incur Postpetition Debt; and (C) Grant Adequate Protection and Provide Security and Other Relief to First Midwest Bank* (the "*Cash Collateral/DIP Financing Order*"). Pursuant to the Cash Collateral/DIP Financing Order, as extended from time to time, the Debtor has continued to use cash collateral to fund post-petition

operations in return for post-petition priority replacement liens. The Debtor has not needed to obtain post-petition financing.

4. WARN Act Claims. On or about March 21, 2012, a class action adversary proceeding complaint (the “*WARN Act Complaint*”) was filed against the Debtor by Katherine McNeel on her own behalf and on behalf of other similarly situated former employees (collectively, the “*WARN Act Class*”) seeking damages under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. sec. 2101 et seq. (the “*WARN Act*”). The WARN Act Class alleged that the Debtor terminated them as part of a plant closing without providing the advance written notice required by the WARN Act. As a consequence, the WARN Act Class sought to recover their unpaid wages and ERISA benefits for 60 days.

On May 11, 2012, the Plan Proponents filed a Joint Motion to Dismiss Plaintiff’s Class Action Adversary Proceeding Complaint contending that the WARN Act Class claim is a pre-petition claim that is properly addressed in the claims administration process. On June 12, 2012, the Court entered an order dismissing the WARN Act Complaint without prejudice.

Shortly thereafter, McNeel re-filed the WARN Act Class claim as a class proof of claim and the WARN Act Class was subsequently certified by this Court.¹ The WARN Act Class estimates its Claim to total approximately \$3.5 million, which, if allowed, would consist of 507(a)(4) and (5) priority under the Code for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim. At present, no objection is lodged to the WARN Act Class Claim and the Plan Proponents reserve all rights with respect to such claims. The WARN Act Class disputes the existence of any viable defense to the WARN Act Class Claim.

¹ The class claim is filed by lead class claimant Katherine J. McNeel and docketed as claim number 376.

5. Motions to Reject Executory Contracts. Throughout the Case the Debtor has exercised its statutory powers under section 365 of the Bankruptcy Code, and its business judgment, in order to reject numerous real property leases and executory contracts. For the most part, such leases and contracts benefited commercial properties and operations in various locations that shut down, other than liquidation activities, when the Debtor entered bankruptcy. In carrying out its liquidation under chapter 11, the Debtor deemed such leases and contracts burdensome to maintain, and accordingly, the Debtor obtained court orders rejecting such leases and contracts.

6. Motions to Sell the Debtor's Assets. Throughout the Case, the Debtor filed several motions to authorize the sale of assets. Through several auctions and sale transactions, the Debtor has sold a majority of the Estates' assets.

On April 26, 2012, the Debtor filed a *Motion of the Debtor for an Order Approving and Authorizing the Sale of Certain Assets Located in Denver, Colorado on Shortened Notice*. The motion contemplated the sale of certain personal property, principally comprised of tools, for \$52,300.00. The Court entered an order granting the motion on May 3, 2012.

On May 1, 2012, the Debtor filed a *Motion of the Debtor for an Order Approving and Authorizing the Sale of Certain Assets Located in Phoenix, Arizona on Shortened and Limited Notice*. The motion contemplated the sale of certain personal property, principally comprised of tools, for \$55,000.00. The Court entered an order granting the motion on May 10, 2012.

On May 9, 2012, the Debtor filed a *Motion for Authority to (I) Employ National Liquidators to Liquidate Fishing Boat by Auction; and (II) Sell Boat to Highest and Best Bidder at Auction*. The Court entered an order granting the motion on May 15, 2012.

On May 11, 2012, the Debtor filed a *Motion for Entry of an Order Approving and Authorizing Sale of Substantially All of the Debtor's Assets Located in Florida, North Carolina, Virginia and Texas, upon Subsequent Hearing on Shortened and Limited Notice, and for Other Relief*. The motion contemplated the sale of certain personal property through auction to Harmon, Inc. ("*Harmon*") for the aggregate price of \$3,114,345.00, less certain adjustments for missing equipment. The Court entered an order granting the motion on May 29, 2012.

7. Sureties. At the time of its chapter 11 filing, the Debtor was involved as a subcontractor in various construction projects for which Bond Safeguard Insurance Company ("*Bond Safeguard*"), Lexon Insurance Company ("*Lexon*"), Fidelity and Deposit Company of Maryland ("*Fidelity*"), Colonial American Insurance Company ("*Colonial*"), and their affiliates and subsidiaries (collectively, the "*Sureties*") issued payment and performance bonds. As a result of the Debtor's inability to complete its work on certain of such bonded projects and/or pay its suppliers and subcontractors, the obligees on the bonds demanded that the applicable Sureties complete the work and/or pay the suppliers and the subcontractors.

The Debtor filed adversary complaints against Bond Safeguard and Lexon (Adv. No. 13-209) and, separately, Fidelity (Adv. No. 13-598) seeking, among other things, recovery of preferential transfers under Section 547 of the Bankruptcy Code totaling in excess of \$4.6 million. The defendant Sureties have raised various defenses and counterclaims to such preference liability, including a third party claim against First Midwest, in which they raise arguments that, if successful, would have the effect of granting Bond Safeguard and Lexon superior rights and claims to at least some of the proceeds of the contracts and/or subcontracts for which they have provided payment and performance bonds to the Debtor, at least to the extent such payments have arisen after issuance of the bonds. Bond Safeguard and Lexon have also argued that their alleged

superior rights to contract proceeds on bonded jobs preclude any chance to recover preferential transfers from the Debtor's subcontractors and materialmen who were paid on those bonded jobs within ninety days prior to the Petition Date.

The issues raised in these adversary proceedings against the defendant Sureties (the "*Surety Litigations*") remain before the bankruptcy court for resolution. If the bonding companies are successful in litigating their claims, it may have the effect of diminishing the recovery to First Midwest and to the other creditors under the Joint Plan. The Plan Proponents and First Midwest have continued a dialogue with the sureties in an attempt to reach a consensual resolution.

8. Global Settlement Agreement. Since the formation of the Committee on March 27, 2012, the Committee through its professionals took an active role in the negotiation of the Global Settlement Agreement between the Committee, First Midwest and the Debtor. The Global Settlement Agreement, approved by the Court on April 3, 2013 [dkt 895], resolves all outstanding disputes between First Midwest, the Committee and the Debtor regarding the extent and validity of First Midwest's lien rights and provides a mechanism, through a liquidating trust agreement, for the efficient liquidation of First Midwest's remaining collateral. The Global Settlement Agreement also provides a limitation on the extent of First Midwest's diminution claims arising from the Debtor's post-petition use of First Midwest's cash collateral and contains a formula and mechanism for the division of the remaining proceeds arising from the liquidation of the causes of action belonging to the Bankruptcy Estate. That formula and mechanism provides an opportunity for the Estate and its creditors, other than First Midwest, to receive a meaningful dividend.

All creditors and interested parties are urged to review the Global Settlement Agreement in its entirety for a complete understanding of the terms and import of such Agreement. The order approving the Global Settlement Agreement is attached hereto as **Exhibit B**.

B. Committee Participation in the Case

Pursuant to section 1102(a) of the Bankruptcy Code, on March 27, 2012, the U.S. Trustee appointed the Committee, which is comprised of the following Creditors: Oldcastle Building Envelope; Knowles Door Check Co., Inc.; and, International Painters and Allied Trades Industry Pension Fund. The Committee retained Protiviti, Inc. as its financial advisor.

Since the appointment of the Committee, the Committee has taken an active role in the Debtor's Case. Consistent with its duties under section 1103 of the Bankruptcy Code, the Committee: (i) consulted with the Debtor on the administration of the Case; (ii) investigated the acts, conduct, assets, liabilities and financial condition of the Debtor, the operation of their businesses and matters relevant to the Case; (iii) secured a significant settlement for the General Unsecured Creditors from First Midwest that creates a possibility that General Unsecured Creditors will receive a meaningful distribution in this case (as described above); (iv) with the Debtor's consent and court approval, filed suit against numerous parties to recover preferential and/or fraudulent transfers; and (v) taken a key role in the negotiation, formulation, and drafting of the Joint Plan and this Disclosure Statement.

V. FINANCIAL INFORMATION

A. Assets

The Plan Proponents believe that the following assets, each of which will be transferred to the Trainor Liquidating Trust on the Effective Date, will be available to fund distributions to Creditors in accordance with the Joint Plan and the Liquidating Trust Agreement:

1. Cash Held by the Debtor. As of September 30, 2013, the Debtor holds Cash in the approximate amount of \$959,484, inclusive of amounts held in escrows and reserves.

2. Assets Subject to First Midwest's Lien. The Debtor's remaining assets include, among other things, various litigation assets and causes of action. First Midwest Bank asserts a first-priority security interest in these assets pursuant to the Security Agreement.

3. Avoidance Actions against Non-Insiders. After investigation and analysis, the Committee filed Avoidance Actions against approximately 145 non-insider recipients of preferential transfers made in the ninety (90) days prior to the commencement of this case under section 547(b) of the Bankruptcy Code, seeking to recover approximately \$14 million in transfers made within ninety (90) days prior to the Petition Date as preferential transfers. The recoveries from such preference claims will be distributed pursuant to the Joint Plan and the Liquidating Trust Agreement.

4. Claims against Insiders. Under certain circumstances, and subject to a number of defenses, certain transfers to "insiders" (as defined in section 101(31) of the Bankruptcy Code) made up to one (1) year prior to the Petition Date may be recoverable as preferential transfers pursuant to section 547 of the Bankruptcy Code. Similarly, under certain circumstances, and subject to a number of defenses, certain transfers to insiders made up to two (2) years (or longer, depending on the applicable state law) prior to the Petition Date may be recoverable as fraudulent transfers pursuant to sections 544 and 548 of the Bankruptcy Code. The Debtor's Statement of Financial Affairs indicates that at least \$11,040,044.34 in transfers were made to approximately twenty-five (25) insiders of the Debtor in the year prior to the Petition Date.² Of that total, \$241,351.68 were made to Edwin J. Trainor and \$478,979.38 were made to Thomas D.

² See Statement of Financial Affairs [dkt. 106], Form 7, Questions 3c, 23.

Trainor, each of whom are proposed to be released by the Debtor under the Joint Plan. With respect to the balance of the unreleased claims against insiders, the Committee continues to investigate (and the Liquidating Trustee may further investigate) the facts and circumstances surrounding such payments, but no conclusions have been reached about the viability of bringing such actions against any insiders, the liability of any insider for such claims, or the collectability of such actions if liability is proved.

B. Liabilities

The Plan Proponents believe that, as of the Confirmation Date of the Joint Plan, the Debtor will have the following liabilities:

1. Administrative Claims

a. Debtor's and Committee's Professionals. The Plan Proponents' Professionals will have an unknown amount of accrued but unpaid Professional Fee Claims as of the Confirmation Date. The waterfall governing payment of the Debtor's and Committee's Professional Fee Claims is set forth in Section 6.2 of the Joint Plan.

b. Allowed Other Administrative Expense Claims. The Plan Proponents estimate that unpaid Allowed Other Administrative Expense Claims in an amount no more than approximately \$320,000 will become due and payable by the Trainor Liquidating Trust. This includes docketed claims lodged against the estate,³ the anticipated total fees and expenses of Epiq Bankruptcy Solutions LLC (the Debtor's balloting agent), and a potential claim that may be lodged by Ed Trainor, the Debtor's vice-president, who has informed the Plan Proponents that he

³ Five parties have filed claims asserting administrative status that remain lodged against the estate as of November 7, 2013. These claims total \$99,519. Of these claims, approximately \$83,000 are tax claims that the Plan Proponents believe are properly categorized as priority claims payable pursuant to section 507(a)(8) of the Bankruptcy Code to the extent Allowed. These claims remain under examination and the Allowed amount of such claims may be less following reconciliation.

reserves the right to assert an administrative claim against the estate for services rendered in an amount not less than \$250,000.

c. First Midwest Diminution Claim. Pursuant to the Joint Plan and the Global Settlement Agreement embodied in the Joint Plan, this claim is limited to the sum of \$975,000 and shall be entitled to priority as set forth in Section 3.1 of the Joint Plan and par. H of the Global Settlement Agreement. The waterfall governing payment of the First Midwest Diminution Claim is set forth in Section 6.2 of the Joint Plan.

2. Priority Claims

a. Priority Tax Claims (Unclassified under Joint Plan). Based on a preliminary analysis, the Plan Proponents estimate that the priority tax claims total in the aggregate approximately \$660,000 to \$860,000. These figures remain subject to further reconciliation of filed and/or scheduled claims.

b. Class 2 Priority Claims. Based on a preliminary analysis, the Plan Proponents estimate that the aggregate non-tax priority claims, as specified in Sections 507(a)(1), (4), (5), (6), (7), (9) or (10) of the Code may total between \$1.16 million and \$4.66 million. The upper figure includes approximately \$3.5 million in an asserted WARN Act Class Claim (Class 4), which if allowed, will be entitled to priority status under 507(a)(4) and (5) for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim. The Plan Proponents continue the process of reconciling all alleged Priority Claims.

3. Secured Claims (Classes 1(A) and 1(B)). The First Midwest Secured Claim will continue to be satisfied by the Encumbered Assets pursuant to the Global Settlement Agreement and subject to Section 7.1(B) of the Joint Plan. Other Secured Claims shall be

satisfied from the proceeds of collateral securing such claims, or by the surrender of such collateral to the holders of such claims in full satisfaction of such claims.

4. General Unsecured Claims (Class 3). Approximately \$460 million in General Unsecured Claims are presently lodged against the estate, according to the claims register kept by the clerk of court. Such claims remain subject to a claims reconciliation process that may substantially reduce the Allowed aggregate of claims in this category. The First Midwest Deficiency Claim shall be treated as an Allowed Class 3 General Unsecured Claim.

5. WARN Act Claims (Class 4). The WARN Act Class Claim asserted by the WARN Act Class seeks compensation for alleged violations of the WARN Act and, if allowed, shall receive the same treatment as Class 2 and will be deemed entitled to priority status under 507(a)(4) and (5) for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim.

6. Equity Interests (Class 5). This class of Interests consists of the Debtor's Equity Security Holders.

VI. JOINT PLAN OF REORGANIZATION

A. Objectives of the Joint Plan

The primary objectives of the Joint Plan are to: (i) transfer the Debtor's remaining assets to a Trainor Liquidating Trust charged with liquidating them, reconciling Claims, prosecuting Causes of Action for the benefit of Creditors and making distributions to Creditors; and (ii) maximize value to all Creditor groups on a fair and equitable basis under the priorities established by the Bankruptcy Code, applicable law and the Joint Plan.

The Plan Proponents believe that the Joint Plan provides holders of Allowed Claims with a substantially greater recovery than the recovery they would receive without approval of the Joint Plan, or upon conversion of this case to a chapter 7 liquidation.

The statements contained in this Disclosure Statement include summaries of the provisions contained in the Joint Plan and in documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Joint Plan or documents referred to therein, and reference is made to the Joint Plan and to such documents (in particular, to the Global Settlement Agreement) for the full and complete statements of such terms and provisions.

The Joint Plan itself and the documents referred to therein control the actual treatment of Claims against and Interests in the Debtor, and will be binding upon all holders of Claims against and Interests in the Debtor upon the Confirmation Date. In the event of any conflict between this Disclosure Statement, on the one hand, and the Joint Plan or any other operative document, on the other hand, the terms of the Joint Plan and such other operative documents, including, without limitation, the Global Settlement Agreement and Liquidating Trust Agreement, are controlling.

B. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, the debtor is authorized to reorganize its business for the benefit of itself, its creditors and its interest holders. Another goal of chapter 11 is to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets.

In addition, chapter 11 may be used to effectuate an orderly liquidation of a debtor's business and assets. In contrast to a chapter 7 liquidation, in which a trustee is appointed to conduct the liquidation and wind down of the estate, in a chapter 11 liquidation, the debtor or its designee (such as the Liquidating Trustee) remains in possession of the estate.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code

contemplates that a debtor, through its pre-bankruptcy management, will continue to operate its business in the ordinary course and remain in possession of its property during the case and while it seeks to negotiate and implement a plan. Any activities that are not within the ordinary course of the debtor's business must be approved by the bankruptcy court before they are undertaken.

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

C. The Division of Claims and Their Treatment Under the Joint Plan

The Joint Plan provides for the division of claims and interests based upon the manner in which the claim arose.

1. Allowed Administrative Claims shall include Allowed Administrative Claims of Professional Persons, Allowed Administrative Claims of parties other than Professional Persons, including such Agreed Administrative Claims as may be Allowed, and the First Midwest Diminution Claim.

a. Allowed Professional Fee Claims (to the extent not paid from amounts carved out of First Midwest's collateral), Allowed Other Administrative Expense Claims,

and the First Midwest Diminution Claim shall be paid in accordance with the Liquidating Trust Agreement and the Joint Plan.

b. Distributions of the Net Proceeds from the Trainor Liquidating Trust shall be made by the Liquidating Trustee in accordance with the Joint Plan and the Liquidating Trust Agreement to the holders of Allowed Professional Fee Claims, Allowed Other Administrative Expense Claims, and the First Midwest Diminution Claim from time to time on dates determined by the Liquidating Trustee, following consultation with, and approval by, the Oversight Committee, within a reasonable time after the creation of appropriate reserves as determined by the Liquidating Trustee in an amount that would be sufficient to: (i) make a distribution on account of Disputed Claims that are Professional Fee Claims or Other Administrative Expense Claims; and (ii) pay the Trustee's Expenses in full.

c. No Professional Fee Claims will be paid prior to such Claims becoming Allowed Professional Fee Claims as defined and set forth in the Joint Plan, but all Professional Fee Claims shall be paid within twenty (20) days of becoming Allowed Professional Fee Claims, provided that the Trainor Liquidating Trust has sufficient Cash to make such distribution(s).

d. Payment of all Professional Fee Claims shall remain subject to the limitations and provisions contained in paragraphs D, E and H of the Global Settlement Agreement, except as otherwise agreed to by the Debtor, the Committee and First Midwest, the parties to the Global Settlement Agreement.

2. Priority Tax Claims (Unclassified) shall include the Allowed unsecured Priority Tax Claims. Allowed Priority Tax Claims shall be paid in accordance with the Liquidating Trust Agreement and the Joint Plan and treated, for distribution purposes, as Class 2 Claims. Distributions of the Net Proceeds from the Trainor Liquidating Trust shall be made by the Liquidating Trustee in accordance with the Liquidating Trust Agreement and the Joint Plan to the holders of Allowed Priority Tax Claims from time to time on dates determined by the Liquidating Trustee, following consultation with, and approval by, the Oversight Committee, within a reasonable time after the creation of appropriate reserves as determined by the Liquidating Trustee in an amount that would be sufficient to: (i) satisfy all requirements of the Joint Plan; (ii) make a distribution on account of Disputed Claims that are Priority Tax Claims or Priority Claims; and (iii) pay the Liquidating Trustee's Expenses in full.

3. Class 1(A) Claims shall consist of the First Midwest Secured Claim, which shall be paid in accordance with the Liquidating Trust Agreement and the Joint Plan. Upon payment to First Midwest of all proceeds of the Encumbered Assets (subject to Section 7.1(B) of the Joint Plan) except as described below), all further distributions to First Midwest of Net Proceeds from the Trainor Liquidating Trust shall be subject to the waterfall contained in Article VI of the Joint Plan.

4. Class 1(B) Claims shall consist of any Allowed Other Secured Claims which claims are fully secured to the extent of the value in the underlying collateral securing such claims. For convenience of identification, the Joint Plan classifies Class 1(B) Claims in a single class. The Liquidating Trustee shall pay one hundred percent (100%) of Allowed Class 1(B) Claims in Cash as soon as practicable following the Effective Date, or liquidate and sell the collateral securing such Allowed Class 1(B) Claims, and distribute any and all proceeds to the

Class 1(B) Claimants, in full satisfaction of such secured Claims. Upon payment in full of all sums due, the holders of Class 1(B) Claims shall release, and shall be deemed to have released, their Liens upon property of the Debtor's Estate. Evidence of such release shall be provided to the Liquidating Trustee and filed with the Bankruptcy Court.

5. Class 2 Priority Claims shall consist of all Allowed ~~Priority~~ Claims. Allowed Class 2 Priority Claims shall be paid in accordance with the Liquidating Trust Agreement and the Joint Plan, and distributed with Class 2 in the order of priority established by section 507(a) of the Bankruptcy Code. Distributions of the Net Proceeds from the Trainor Liquidating Trust shall be made by the Liquidating Trustee in accordance with the Joint Plan and the Liquidating Trust Agreement to the holders of Allowed Priority Claims from time to time on dates determined by the Liquidating Trustee, following consultation with, and approval by, the Oversight Committee, within a reasonable time after the creation of appropriate reserves as determined by the Liquidating Trustee in an amount that would be sufficient to: (i) satisfy all claims entitled to priority over Class 2 claims pursuant to the Joint Plan in full; (ii) make a distribution on account of Disputed Claims that are Priority Claims or Priority Tax Claims; and (iii) pay the Liquidating Trustee's Expenses in full.

6. Class 3 Claims shall consist of the Allowed Claims of general unsecured Creditors, including the First Midwest Deficiency Claim, which shall be treated in all aspects as a Class 3 Claim. Allowed Class 3 Claims shall be paid Pro Rata in accordance with the Liquidating Trust Agreement and the Joint Plan. Distributions of the Net Proceeds from the Trainor Liquidating Trust shall be made by the Liquidating Trustee in accordance with the Liquidating Trust Agreement to the holders of Allowed Class 3 General Unsecured Claims from time to time on dates determined by the Liquidating Trustee, following consultation with, and approval by, the

Oversight Committee, within a reasonable time after the creation of appropriate reserves as determined by the Liquidating Trustee in an amount that would be sufficient to pay all claims and classes entitled to priority over Class 3 Claims in full.

7. Class 4 WARN Act Claim, to the extent allowed, shall receive the same treatment as Class 2 and will be deemed entitled to priority status under 507(a)(4) and (5) for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim.

8. Class 5 Equity Interests shall consist of the Interests of Equity Security Holders. Holders of Class 5 Interests shall not receive a distribution under the Joint Plan. Upon the Confirmation Date of the Joint Plan, all Equity Securities in the Debtor will be cancelled.

D. Means of Implementation of the Joint Plan

1. Vesting of Assets. Upon the Effective Date, all assets of the Debtor and its Estate, including all Encumbered Assets, shall be transferred to and vest in the Trainor Liquidating Trust and be deemed contributed thereto, subject to the terms of the Joint Plan and the Liquidating Trust Agreement. The assets include, without limitation, all Cash in the possession of the Debtor, all Causes of Action, all rights of the Debtor under the Joint Plan, the Confirmation Order and all other orders entered by the Bankruptcy Court in this case on or prior to the Confirmation Date, and all books and records related to the Estate. The assets shall also include all remaining real property and personal property of the Debtor. For the avoidance of doubt, all property held for distribution pursuant to the Joint Plan shall be held by the Trainor Liquidating Trust solely in trust for the holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Classes 1(A) and 1(B) Secured Claims, Allowed Class 2 Claims, Allowed Class 3 Claims and Allowed Class 4 Claims, and shall not be deemed property of the Debtor. Additionally, proceeds of Encumbered Assets shall be distributed only to the holders of Allowed Secured Claims. Nothing

in the Joint Plan, however, shall preclude payment of: (i) statutory fees under 28 U.S.C. § 1930 to the extent unpaid on the Effective Date; and (ii) the Trustee's Expenses in accordance with the Joint Plan and the Liquidating Trust Agreement from any other assets held by the Trainor Liquidating Trust. The Debtor is hereby authorized and directed to take such steps as may be necessary or appropriate to confirm such transfer and contribution of their property to the Trainor Liquidating Trust, subject to oversight from the Oversight Committee or the Liquidating Trustee, as applicable.

2. Trainor Liquidating Trust Asset Administration. The Liquidating Trustee, with oversight from the Oversight Committee, shall administer the Liquidating Trust Assets pursuant to the Joint Plan and the Liquidating Trust Agreement from and after the Effective Date. The Liquidating Trustee shall be responsible for liquidating the Liquidating Trust Assets, analyzing and reconciling Claims (including filing and pursuing objections to the extent required), pursuing Causes of Action, including Avoidance Actions, making distributions of the net Proceeds of Avoidance Actions to the beneficiaries of the Trainor Liquidating Trust, and all other activities typically related to trust administration.

3. Dissolution of the Debtor. Promptly after completing the wind-down of the Debtor (including, without limitation, closing any pending sale(s) of real or personal property), the Liquidating Trustee will allow the applicable Secretary of State to involuntarily dissolve the Debtor. The Liquidating Trustee shall thereafter have standing to assert claims or pursue matters on behalf of the Debtor to the extent necessary to preserve, protect and liquidate the Liquidating Trust Assets or otherwise necessary to administer the Trainor Liquidating Trust.

4. Conditions to Confirmation. The Bankruptcy Court shall not enter the Confirmation Order unless and until the Confirmation Order shall be reasonably acceptable in form and substance to the Plan Proponents.

5. Conditions to Effective Date. The following are conditions precedent to the occurrence of the Effective Date: (i) the Confirmation Order confirming the Joint Plan, as such Joint Plan may have been modified, shall have been entered by the Bankruptcy Court and be in full force and effect and shall not have been vacated, amended, modified or stayed, and if it is the subject of any appeal, reconsideration or other review, no stay of the Confirmation Order shall be in effect; (ii) the Liquidating Trust Agreement, in form and substance satisfactory to the Plan Proponents and First Midwest, shall be executed and delivered, and all conditions precedent to the effectiveness thereof shall have been satisfied; and (iii) all other documents or agreements necessary to consummate the Joint Plan shall have been delivered or effectuated. The Plan Proponents or the Liquidating Trustee, as the case may be and with the consent of First Midwest, may waive any of the foregoing conditions precedent at any time. Upon the satisfaction of the conditions to the Effective Date, or alternatively, the waiver of any of the foregoing conditions, and upon the approval of the Oversight Committee, the Plan Proponents shall file and serve a notice of Effective Date.

6. Administrative Claims Bar Date. All Persons other than Professional Persons requesting payment for an Administrative Expense Claim shall file such request no later than thirty (30) days after the Confirmation Date. All Professional Persons requesting payment of Professional Fee Claims shall file a final application for allowance of such claims until not later than thirty (30) days after the Effective Date. Objections to such applications for payment, if any, must be written, filed with the Bankruptcy Court and served on the applicable parties within

twenty one (21) days after such application is filed.

7. Bar Date for Rejection Damage Claims. All proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases pursuant to Section 8.1 of the Joint Plan shall have been filed with the Bankruptcy Court by the Bar Date (August 13, 2012 or, for claims of governmental entities, September 5, 2012), unless another order of the Bankruptcy Court provides for a different date; or, for executory contracts or unexpired leases rejected after the applicable Bar Date, by no later than thirty (30) days after the Confirmation Date. The Claim of any Creditor arising from the rejection of executory contracts or unexpired leases pursuant to Section 8.1 of the Joint Plan that fails to timely file a proof of claim shall be released, discharged, and forever barred from assertion against the Debtor, the Estate, or their property.

8. Termination of Committee. The Committee shall terminate automatically upon the acceptance by the Liquidating Trustee of his or her appointment in accordance with the Joint Plan and the Liquidating Trust Agreement upon the Effective Date. Upon termination of the Committee, the Committee shall be dissolved and its members shall be deemed released of their duties and responsibilities in connection with the Case or the Joint Plan and its implementation, and the retention or employment of the Committee's counsel shall terminate, except for ministerial duties or any duties imposed pursuant to the Joint Plan (including, without limitation, filing applications for allowance and payment of Professional Fee Claims).

9. Case Administration. From and after the Confirmation Date and continuing through the date that a final decree closing the Case is entered pursuant to section 350 of the Bankruptcy Code and Bankruptcy Rule 3022, the Liquidating Trustee shall possess the rights of a party in interest pursuant to section 1109(b) of the Bankruptcy Code for all matters

arising in, arising under or related to the Case. In addition to the foregoing, for all matters arising in, arising under or related to the Case, the Liquidating Trustee shall: (i) have the right to appear and be heard on matters brought before the Bankruptcy Court or other courts of competent jurisdiction; (ii) have the right to obtain records of, or related to, the Debtor (including, without limitation, bank statements and cancelled checks); (iii) be entitled to notice and opportunity for hearing; (iv) be entitled to participate in all matters brought before the Bankruptcy Court, including, but not limited to, adversary proceedings; (v) have exclusive standing under applicable law including, without limitation, section 1123(b)(3) of the Bankruptcy Code, to commence and continue pursuing, as applicable, all Causes of Action including, without limitation, Avoidance Actions; (vi) be entitled to request the Bankruptcy Court to enter a final decree closing the Case; and (vii) be entitled to receive notice of all applications, motions and other papers and pleadings set before the Bankruptcy Court in this case.

10. Oversight Committee. The Oversight Committee shall be created on the Confirmation Date. The Oversight Committee shall be comprised of two (2) members, a representative each of First Midwest (or its designee) and the Committee (or a Committee designee, should no member of the Committee be willing to serve). The Oversight Committee shall monitor the activities of the Liquidating Trustee and otherwise exercise such rights and duties as are set forth in the Trainor Liquidating Trust Agreement. Each member of the Oversight Committee shall serve until the earlier of: (i) his or her death or resignation; (ii) his or her removal pursuant to the Trainor Liquidating Trust Agreement; and (iii) the termination of the Trainor Liquidating Trust.

11. Filing of Additional Documents. On or before the Confirmation Date of the Joint Plan, the Plan Proponents shall file with the Bankruptcy Court such agreements and other

documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Joint Plan, including, without limitation, the final Liquidating Trust Agreement.

12. Liquidating Trustee's Professionals. Upon the later to occur of the Effective Date and acceptance by the Liquidating Trustee of his or her appointment in accordance with the Joint Plan and the Liquidating Trust Agreement, the Liquidating Trustee may retain such law firms, accounting firms, experts, advisors, consultants, investigators or other Professionals as he or she may deem necessary, upon approval of the Oversight Committee, in accordance with the Liquidating Trust Agreement, to aid in the performance of his or her responsibilities pursuant to the terms of the Joint Plan, including, without limitation, the liquidation and distribution of assets of the Liquidating Trust. The Professionals retained by the Liquidating Trustee are not required to be "disinterested" as that term is defined in the Bankruptcy Code and may include, without limitation, counsel and financial advisors of any party in this case, and the Liquidating Trustee shall be permitted to retain any such Professional in light of the efficiencies implicit in continuity. The Liquidating Trustee's retention of any such Professionals is deemed not to pose any conflict of interest, and no conflict shall exist by virtue of the filing of applications by Professional Persons for allowance of Administrative Claims.

13. Injunction. Except as otherwise provided in the Joint Plan or the Confirmation Order, on and after the Confirmation Date, all Persons and entities who have held, hold or may hold Liens, Claims or Interests in or against the Debtor are, with respect to any such Liens, Claims or Interests, permanently enjoined from: (i) 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 or affecting the Debtor or the Liquidating Trust or any of their property, or any direct or indirect

transferee of any property of, or direct or indirect successor in interest to, the Debtor or the Liquidating Trust, or any property of any such transferee or successor; (ii) enforcing against, levying upon or attaching (including, without limitation, any pre-judgment attachment) the Debtor or the Liquidating Trust, or any property of any such transferee or successor; (iii) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means whether directly or indirectly, any judgment, award, decree, claim or order against the Debtor or the Liquidating Trust, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to the Debtor or the Liquidating Trust; (iv) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any Liens, Claims or Interests of any kind against or in the Debtor or the Liquidating Trust, any of its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, the Debtor or the Liquidating Trust; (v) other than as otherwise expressly provided for in the Joint Plan, asserting any right of setoff, subordination or recoupment of any kind, directly or indirectly, against any obligation due the Debtor, the Liquidating Trust, any of their property, or any direct or indirect transferee of any property of, or successor in interest to, the Debtor or the Liquidating Trust; and (vi) taking any actions in any place and in any manner whatsoever that do not conform to or comply with the provisions of the Joint Plan.

14. Term of Bankruptcy Injunction or Stays. All injunctions or stays provided for in the Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect through the termination of the Liquidating Trust and the imposition of the injunction set forth in section 9.16 of the Joint Plan.

15. Releases. Section 11.7 of the Joint Plan provides for a complete release by the Debtor and any successor entity or Person acting on behalf of the Debtor (including the Committee or the Liquidating Trustee) of any and all claims against Edwin J. Trainor and spouse Angela Trainor, and Thomas D. Trainor and spouse Irene Trainor, in exchange for and in recognition of the services of Edwin J. Trainor and Thomas D. Trainor in facilitating confirmation of the Joint Plan and the expedient implementation of the transactions contemplated in the Joint Plan, and after due consideration of defenses to, and the collectability of, any estate claims against them. Such release is subject to the reservation of rights language in Section 11.8 of the Joint Plan, which clarifies that the Joint Plan does not waive, release or impair the claims of any non-Debtor third party against any member of the Trainor family including, without limitation, Robert Trainor, Thomas D. Trainor, Edwin J. Trainor and William Trainor, or against any other guarantor, indemnitor, or other party responsible for any debt owed by the Debtor.

16. Exculpation and Limitation of Liability. Neither the Debtor, the Committee, First Midwest, the Liquidating Trustee, nor any of their respective present and former members, officers, directors, shareholders, subsidiaries, affiliates, employees, advisors, attorneys or agents acting in such capacity or any of their successors or assigns, shall have or incur any liability to, or be subject to any right of action by, any person or entity, for any act or omission in connection with, relating to, or arising out of, the Case, the pursuit of confirmation of the Joint Plan or the Joint Plan's implementation, except for their fraud, willful misconduct or gross negligence, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Joint Plan.

17. Quarterly Reports. The Liquidating Trustee shall prepare and provide to the Oversight Committee and file with the Bankruptcy Court a report by the end of the first calendar month following the conclusion of every calendar quarter setting forth: (i) all distributions to Creditors during the calendar quarter; (ii) a summary of the Trainor Liquidating Trust deposits and disbursements during the calendar quarter; and (iii) a summary of the Trainor Liquidating Trust Assets. As used in this section, “calendar quarter” shall mean a three month period of time, and the first calendar quarter shall commence on the first day of the first month immediately following the occurrence of the Effective Date. In the event the Effective Date does not occur, the Liquidating Trustee shall have no obligation to prepare and file quarterly reports

18. Closing of the Trainor Case. The Case shall not be closed, or if closed shall remain subject to re-opening pursuant to section 350 of the Bankruptcy Code, until the Trainor Liquidating Trust Assets have been fully administered.-

VII. STATUS AND EXISTENCE OF EXECUTORY CONTRACTS AND OTHER LITIGATION

A. Executory Contracts

1. Rejection of Contracts. Certain of the Debtor’s contracts with third parties are executory in nature. As noted previously, certain executory contracts were rejected as non-essential pursuant to Court order during the Case. Because the Debtor is liquidating, it will reject all remaining executory contracts and unexpired leases as of the Confirmation Date.

2. Claims Arising as a Result of Rejection of Contracts. Claims for damages as a result of the Debtor’s rejection of its executory contracts (including the Pension Plans) shall be forever barred if they were not filed with the Bankruptcy Court by the Bar Date, or, if an executory contract or unexpired lease was rejected after the Bar Date, by no later than thirty (30) days after the Confirmation Date.

3. Pension Plan. The Debtor is one of numerous employer sponsors of various pension plans (the “*Pension Plans*”). The Pension Plans are covered by Title IV of the Employment Retirement Income Security Act of 1974, as amended (“*ERISA*”) (29 U.S.C. § 1310 *et seq.*).

On the Confirmation Date, the Pension Plans will be deemed rejected, and the Liquidating Trustee will oversee the termination of the Debtor’s sponsorship of the Pension Plans according to the terms and conditions of the Pension Plans and in conformity with all statutory and regulatory requirements, including any applicable notice provisions. Any undistributed, vested benefits of the terminated Pension Plans will be distributed to the participants of the Pension Plans, as provided by statute, the applicable regulations and the Pension Plans’ provisions. In order to ensure that the Pension Plans’ termination complies with the terms of the Pension Plans, applicable statutes and regulations, the Debtor, the Liquidating Trustee or the Plan Administrator (as defined in the Pension Plans) will obtain any necessary approvals of the relevant regulatory agencies, such as the PBGC, the Internal Revenue Service (the “*IRS*”) and the U.S. Department of Labor, in respect of such terminations. To the extent that such processes require additional time or expense to complete after the Confirmation Date, the Liquidating Trustee shall be responsible for completing such process and such costs will be paid from the assets of the Pension Plans.

B. Litigation and Litigation Recoveries

1. Non-Insider Litigation. During the ninety (90) days prior to the Petition Date, the Debtor paid approximately \$20,863,898 to their non-insider Creditors (the “*Non-Insider Transfers*”). On March 6, 2013, Committee received authority to pursue actions against non-insiders (excluding the Sureties) under chapter 5 of the Bankruptcy Code on behalf of the Debtor and the estate. [Dkt. 839] In April 2013, the Committee commenced 146 actions seeking an aggregate recovery of \$14.4 million (the “*Committee Avoidance Actions*”). The prosecution of

these actions is ongoing and will lead to recoveries for the estate to be distributed through the Trainor Liquidating Trust.

2. Surety Litigations. As discussed previously in this Disclosure Statement, the outcome of the Surety Litigations will impact the assets available to distribute through the Trainor Liquidating Trust. Bond Safeguard and Lexon are potentially liable for the return of \$4.6 million in indirect preferential transfers. On the other hand, these sureties have raised arguments that, if they prevail, will not only dilute the recovery of direct claims against these sureties, but may impair recoveries in the Committee Avoidance Actions. The sureties seek in all cases to enjoin the Debtor and the Committee from proceeding until the court rules, or the parties agree, on the sureties' arguments that the surety bonds provide certain defenses to liability of the defendants in the Committee Avoidance Actions and the Surety Litigations. To date, the court has not ruled on such matters, but has not enjoined the Committee Avoidance Actions.

3. Potential Insider Preference and Other Litigation. The Committee continues to investigate transfers to insiders totaling not less than \$11,143,370 prior to the Petition Date. Transfers made up to one (1) year prior to the Petition Date may be recoverable as insider preferential transfers pursuant to section 547 of the Bankruptcy Code and other transfers made up to two (2) years (or longer, depending on applicable state law) prior to the Petition Date may be recoverable as fraudulent transfers pursuant to sections 544 and 548 of the Bankruptcy Code. Subject to the fulfillment of his duty to investigate any claims, the Liquidating Trustee may investigate additional claims against insiders and other parties arising under state law including (i) breach of fiduciary duties (both prior to and after the Petition Date); (ii) aiding and abetting breaches of fiduciary duties; (iii) piercing the corporate veil; (iv) conversion; (v) fraud; (vi) negligence; (vii) negligent misrepresentation; (viii) waste of corporate assets; and (ix) equitable

subordination of Claims. Should the Committee or, after appointment, the Liquidating Trustee pursue any such actions, the proceeds of any recoveries with respect to such claims will be distributed pursuant to the Joint Plan and the Liquidating Trust Agreement.

The above list of potential claims against the Potential Insider Defendants is not exhaustive, and if a specific Cause of Action or defendant is not identified herein, it is because such Cause of Action or defendant is not known to the Debtor or the Committee at this time. On behalf of the Debtor and the Estate, the Debtor preserves for the Liquidating Trustee the rights to any Cause of Action that may be identified after the Effective Date. The recoveries, if any, from any litigation brought by the Liquidating Trustee will depend on many factors, which cannot be predicted at this time. The Liquidating Trustee may, upon approval of the Oversight Committee, elect not to pursue certain Causes of Action (including Avoidance Actions) the pursuit of which the Liquidating Trustee deems not to be in the best interest of the Estates or the Liquidating Trust.

Except as specifically provided in the Joint Plan or the Confirmation Order, nothing contained in the Joint Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights, claims or Causes of Action (including any Avoidance Actions) that the Liquidating Trustee may choose to assert on behalf of the Estates or the Liquidating Trust in accordance with any provision of the Bankruptcy Code or any non-bankruptcy law.

All Causes of Action shall survive confirmation and the commencement of prosecution of Causes of Action shall not be barred or limited by any estoppel, whether judicial, equitable or otherwise. The Liquidating Trustee's right to commence and prosecute Causes of Action (including Avoidance Actions) shall not be abridged or materially altered in any manner by reason of confirmation of the Joint Plan. No defendant party to any Cause of Action (including an Avoidance Action) shall be entitled to assert any defense based, on whole or in part, upon

confirmation of the Joint Plan, and confirmation of the Joint Plan shall not have any *res judicata* or collateral estoppel effect upon the commencement and prosecution of Causes of Action (including Avoidance Actions). The Confirmation Order will contain findings that the foregoing shall be sufficient for all purposes to satisfy the requirements of the Bankruptcy Code.

4. Possible Unknown Claims. The Liquidating Trustee may have additional Causes of Action against third parties that are unknown at this time. The Liquidating Trustee shall be empowered to investigate the Debtor's relationship with such other third parties for the purpose of evaluating potential additional litigation claims. The proceeds of any litigation against third parties, or any other beneficial result from the settlement of such litigation, would also be subject to distribution to creditors as specified by par. H of the Global Settlement Agreement, the Joint Plan and the Liquidating Trust Agreement.

5. Pre-Petition Litigation. The Debtor has reviewed its litigation which commenced prior to the Petition Date. Aside from actions for the collection of accounts receivable, the Debtor's pre-petition litigation consists of actions to defend against claims, which actions have been stayed by the Case. Plaintiffs to such litigation have been served with the Bar Date Order instructing such parties to file appropriate proofs of claim.

C. Objections to Claims

Bar dates to the filing of claims were established in this case. The Plan Proponents believe that objections to certain Claims will be warranted, and counsel for the Liquidating Trustee will be authorized to file and pursue such objections, with the assistance of the Liquidating Trustee's professionals.

VIII. CONFIRMATION AND CONSUMMATION PROCEDURE

The Bankruptcy Court may confirm the Joint Plan only if it determines that the Joint Plan complies with the requirements of chapter 11, including, among other things, that: (i) the Joint

Plan has properly classified Claims and Interests; (ii) the Joint Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Plan Proponents have complied with applicable provisions of the Bankruptcy Code; (iv) the Plan Proponents have proposed the Joint Plan in good faith and not by any means forbidden by law; (v) the Joint Plan has been accepted by the requisite votes of all Classes of Creditors (except to the extent that “cramdown” is available under section 1129(b) of the Bankruptcy Code); (vi) the Joint Plan is in the “best interests” of all holders of Claims or Interests in an Impaired Class; (vii) the Joint Plan is “feasible” in that confirmation of the Joint Plan is not likely to be followed by the liquidation or need for further restructuring of the Debtor, unless the Joint Plan contemplates liquidation; and (viii) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Joint Plan provides for the payment of such fees on the Confirmation Date.

Under the Bankruptcy Code, the following steps must be taken to confirm the Joint Plan:

A. Solicitation of Votes

Under the Bankruptcy Code, only classes of claims and interests that are impaired under a plan are entitled to vote to accept or reject a plan. A class is impaired if the legal, equitable or contractual rights to which the holders of claims or interests are entitled are modified, other than by curing defaults and reinstating the debt. Pursuant to sections 1126(f) and (g) of the Bankruptcy Code, classes of claims and interests that are not impaired are conclusively presumed to have accepted a plan and are not entitled to vote on a plan, and classes of claims and interests whose holders will receive or retain no property under the plan are deemed to have rejected a plan and are not entitled to vote on a plan. Creditors who hold disputed or disallowed claims are not entitled to vote to accept or reject a plan.

Under the Joint Plan, the holders of Class 1(A), Class 1(B), Class 2, Class 3, and Class 4 Claims are entitled to vote to accept or reject the Joint Plan. The holders of Class 5 Interests are

deemed under the Bankruptcy Code to have rejected the Joint Plan and are not entitled to vote. This Disclosure Statement and an appropriate ballot are being distributed to all holders of Claims who are entitled to vote on the Joint Plan.

Under the Bankruptcy Code, a class of claims accepts a plan if holders of at least two-thirds in dollar amount and more than one-half in number of the claims properly voted in that class, voted to accept.

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

Any ballot that is properly completed, executed and timely returned to the ballot agent but does not indicate an acceptance or rejection of the Joint Plan, or indicates both an acceptance and a rejection of the Joint Plan, will be deemed to be a vote to accept the Joint Plan. Whenever a Creditor casts more than one ballot voting the same Claim before the Voting Deadline, the last ballot received before the Voting Deadline is deemed to reflect the voter's intent and shall therefore supersede any prior ballots. Creditors must vote all of their Claims within a particular Class under the Joint Plan either to accept or reject the Joint Plan and may not split their vote, and thus a ballot that partially accepts and partially rejects the Joint Plan will not be counted.

B. The Confirmation Hearing

The hearing on confirmation of the Joint Plan is scheduled for December 18, 2013, at 11:15 a.m., prevailing Central Standard Time before the Hon. Carol A. Doyle of the United States Bankruptcy Court at the United States Courthouse, 219 S. Dearborn St., Chicago, Illinois 60604. At the Hearing, the Bankruptcy Court will consider whether the Joint Plan satisfies the various requirements of section 1129 of the Bankruptcy Code. Prior to the confirmation hearing, the Plan

Proponents will submit a report to the Bankruptcy Court reflecting the votes received with respect to the acceptance or rejection of the Joint Plan by the parties entitled to vote thereon.

Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Joint Plan. Any objection to confirmation of the Joint Plan must be made in writing and filed with the Bankruptcy Court and served on all required parties on or before the Objection Deadline, which is the confirmation objection deadline that has been set by the Bankruptcy Court. Unless an objection to confirmation is timely served and filed, it may not be considered by the Bankruptcy Court.

C. Confirmation

At the hearing on confirmation, the Bankruptcy Court will confirm the Joint Plan only if all of the applicable requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan: (i) has been accepted by all impaired classes of claims and equity interests or, if rejected by an impaired class, that the plan “does not discriminate unfairly” and is “fair and equitable” as to such class; (ii) is feasible; and (iii) is in the “best interests” of creditors and stockholders that are impaired under the plan and that vote, or are deemed, to reject the plan.

1. Unfair Discrimination and Fair and Equitable Tests

To obtain confirmation of a plan over the objection of a class of claims or interests that rejects such plan, it must be demonstrated that the plan “does not discriminate unfairly” and is “fair and equitable” with respect to each such non-accepting class. In order for a plan to be found to be “fair and equitable” and thus subject to confirmation by “cramdown” under section 1129(b) of the Bankruptcy Code, the Plan Proponents must demonstrate:

a. For a Class of Unsecured Creditors: That either: (i) each impaired unsecured creditor receives or retains, under the Joint Plan, property of a value equal to

the amount of its allowed claim; or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the Joint Plan.

b. For a Class of Interests: That either: (i) each holder of an interest will receive or retain, under the Joint Plan, property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of the interest; or (ii) the holder of an interest that is junior to the non-accepting class will not receive or retain any property under the Joint Plan.

As described above, holders of Class 5 Equity Interests are presumed, under section 1126(g) of the Bankruptcy Code, to have rejected the Joint Plan. The Plan Proponents request confirmation of the Joint Plan under section 1129(b) of the Bankruptcy Code notwithstanding the deemed rejection of the Joint Plan by the Equity Interests. The Plan Proponents believe that the Joint Plan may be confirmed pursuant to the above-described “cramdown” provisions, over the dissent of Class 5 in view of the terms of the Joint Plan. The Plan Proponents believe that the treatment under the Joint Plan of the Equity Interests in Class 5 satisfies the “fair and equitable” test because there is no Class junior to such non-accepting Class that will receive or retain any property under the Joint Plan and since Classes 3 and 4, whose Claims have priority over the Interests classified in Class 5 to the extent Allowed, will not be paid in full under the Joint Plan. In addition, the Plan Proponents do not believe that the Joint Plan unfairly discriminates against Class 5.

2. Best Interests Test

With respect to each impaired class of claims and interests, confirmation of a plan requires that each holder of a claim or interest either: (i) accept the plan; or (ii) receive or retain under the plan property of a value, as of the effective date, that is not less than the value such holder would

receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code. As shown in the Plan Proponents' Liquidation Analysis, attached hereto as **Exhibit C**, in the event of liquidation under Chapter 7, holders of Impaired Claims and Interests in each Impaired Class under the Joint Plan would receive less under a chapter 7 liquidation than under the Joint Plan, and therefore that the Joint Plan meets the "best interests of creditors" test of section 1129(a)(7) of the Bankruptcy Code.

3. Conclusion

For the foregoing reasons, the Plan Proponents submit that the Joint Plan, as proposed, meets each of the requirements for confirmation pursuant to section 1129 of the Bankruptcy Code.

IX. TAX CONSEQUENCES

U.S. TREASURY CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH U.S. TREASURY CIRCULAR 230, EACH HOLDER OF A CLAIM OR AN INTEREST IS HEREBY NOTIFIED THAT: (I) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER OF A CLAIM OR AN INTEREST FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER OF A CLAIM OR AN INTEREST UNDER TITLE 26 OF THE UNITED STATES CODE (THE "TAX CODE"); (II) SUCH DISCUSSION IS FOR THE PURPOSE OF SOLICITATION OF VOTES ACCEPTING THE JOINT PLAN; AND (III) A HOLDER OF A CLAIM OR AN INTEREST SHOULD SEEK ADVICE BASED UPON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

No ruling will be sought from the IRS with respect to any of the tax aspects of the Joint Plan and no opinion of counsel has heretofore been obtained by the Debtor with respect thereto. The tax consequences of treatment under the Joint Plan are in many cases uncertain and vary

according to an individual's circumstance. Accordingly, each holder of a Claim or Interest is strongly urged to consult with its own tax advisor regarding the federal, state, local and foreign tax consequences of the Joint Plan to such holder.

X. RISK FACTORS

Holders of Claims and Interests against the Debtor should read and consider carefully the information set forth below, as well as 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 Joint Plan. This information, however, should not be regarded as necessarily setting forth the only potential risks involved in connection with the Joint Plan and its implementation.

A. Failure To Satisfy Vote Requirement

In the event that sufficient votes accepting the Joint Plan are not received and, as a result, the Plan Proponents are unable to confirm the Joint Plan as proposed, the Plan Proponents will assess the alternatives available to them, including: (i) amending the Joint Plan; or (ii) converting this case to chapter 7 liquidation proceedings. There is substantial risk that either of these alternatives will result in less favorable treatment of Claims and Interests than is provided in the Joint Plan.

B. Non-Consensual Confirmation

In the event any Impaired Class of Claims does not accept the Joint Plan, the Bankruptcy Court may nevertheless confirm such Joint Plan at the Plan Proponents' request if at least one Impaired Class of Claims has accepted the Joint Plan (with such acceptances being determined without including the vote of any "insider" in such Class), and, as to each Impaired Class that has not accepted the Joint Plan, the Bankruptcy Court determines that the Joint Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such dissenting Impaired

Class(es). Because the Joint Plan deems Class 4 Equity Interests to have rejected the Joint Plan, these requirements must be satisfied with respect to such Class. The Plan Proponents believe that the Joint Plan satisfies these requirements, although there can be no assurances that the Bankruptcy Court will make the findings necessary to reach this result.

C. Risk of Non-Occurrence of the Effective Date

Although the Plan Proponents believe that if the Joint Plan is confirmed, the Effective Date will occur after the Confirmation Date of the Joint Plan, there can be no assurance that all conditions to the occurrence of the Effective Date will occur. In the event the Effective Date does not occur, the Plan Proponents will assess the alternatives available to them at that time, including a structured dismissal as set forth in section 9.18 of the Joint Plan.

D. Classification and Treatment of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires that the Joint Plan classify Claims against, and Interests in, the Debtor. The Bankruptcy Code also provides that, except for certain Claims classified for administrative convenience, the Joint Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Plan Proponents believe that all Claims and Interests have been appropriately classified in the Joint Plan.

The Bankruptcy Code also requires that the Joint Plan provide the same treatment for each Claim or Interest of a particular Class unless the holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Plan Proponents believe that the Joint Plan treats each Claim or Interest in a given Class equally, thus satisfying this requirement.

To the extent that the Bankruptcy Court finds that the Joint Plan does not satisfy these requirements, the Bankruptcy Court could deny confirmation of the Joint Plan. Issues or disputes

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

E. Amount of Allowed Claims

The total amount of all Claims filed in the Case may materially exceed the estimated amounts of Allowed Claims assumed in the development of the Joint Plan, in the valuation estimates provided above. The actual amount of all Allowed Claims in any Class may differ significantly from the estimates provided in this Disclosure Statement. Accordingly, the amount and timing of the distributions that will ultimately be received by any particular holder of an Allowed Claim in any Class may be materially and adversely affected if the estimates are exceeded as to any Class.

In addition, the Trainor Liquidating Trust may not have sufficient assets to pay Administrative Claims in full, including the costs and expenses of pursuing any and all Causes of Action. If the Liquidating Trustee (following consultation with the Oversight Committee) determines that this is the case, it may proceed with a “structured dismissal” as set forth in section 9.18 of the Joint Plan.

**XI. ALTERNATIVES TO CONFIRMATION AND
CONSUMMATION OF THE JOINT PLAN**

The Plan Proponents believe that the Joint Plan affords holders of Claims the potential for the greatest recovery and, therefore, is in the best interests of such holders. The Joint Plan as presented is the result of considerable negotiations between the Debtor, the Committee and the Secured Creditors.

If, however, the requisite acceptances are not received, or the Joint Plan is not confirmed and/or consummated, the theoretical alternatives include: (i) formulation of an alternative plan of

liquidation; (ii) liquidation of the Debtor and their Estates under chapter 7 of the Bankruptcy Code; or (iii) dismissal of the Trainor Case.

A. Alternative Plan(s) of Liquidation

If the Joint Plan is not confirmed, the Plan Proponents may attempt to formulate and propose a different plan or plans of liquidation. However, to formulate and secure approval of an alternative plan, the Debtor would require an extension of additional debtor-in-possession financing or obtain replacement financing, and the Plan Proponents can offer no assurance that they would be successful in this regard.

The Plan Proponents believe that the Joint Plan, as described herein, which is the result of extensive negotiations among the Debtor, the Committee and First Midwest, among others, enables Creditors to realize the greatest possible value under the circumstances and, compared to any other or later alternative plan of liquidation, has the greatest likelihood of being confirmed and consummated.

B. Chapter 7 Liquidation of the Debtor

If no plan is confirmed, the Debtor may be forced to liquidate under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the Debtor's assets for distribution to creditors in accordance with the priorities established by the Bankruptcy Code. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective holders of Claims against or Interests in the Debtor.

The Plan Proponents believe that in a liquidation under chapter 7, before Creditors received any distribution, additional administrative expenses related to the appointment of a chapter 7 trustee and the trustee's attorneys, accountants and other professionals would cause a substantial diminution in the value of the Debtor's Estate. The assets available for distribution to Creditors would be reduced by such additional expenses and by claims, some of which would be

entitled to priority. The Plan Proponents believe, as the Liquidation Analysis (discussed in section X.C.2 (the “best interests test”), and attached as **Exhibit C** hereto) suggests, that estate creditors other than First Midwest will receive a lesser distribution on their Claims upon conversion to chapter 7 or liquidation outside the Joint Plan.

XII. CONCLUSION

The Plan Proponents submit that, under the Joint Plan, holders of General Unsecured Claims stand to receive a meaningful recovery on their Claims, while at the same time avoiding the additional fees and expenses that would be incurred upon conversion to chapter 7. Therefore, the Plan Proponents believe that the distributions provided for in the Joint Plan are fair and equitable, and the Plan Proponents strongly recommend acceptance of the Joint Plan.

If you are eligible to vote on the Joint Plan, please do so now by completing and returning the enclosed ballot.

Dated November 13, 2013

TRAINOR GLASS COMPANY

By: Thomas D. Trainor
Its President

TRAINOR GLASS COMPANY

By: Edwin J. Trainor
Its Vice President

OFFICIAL COMMITTEE
OF UNSECURED CREDITORS

By: Gary Meyers
Its Chair

Michael L. Gesas (ARDC No. 6186924)
David A. Golin (ARDC No. 6180517)
Kevin H. Morse (ARDC No. 6297244)

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EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
Trainor Glass Company,)	Case No. 12-09458
d/b/a Trainor Modular Walls,)	
Trainor Solar, and Trainor Florida,)	Honorable Carol A. Doyle
)	
Debtor.)	Hearing: December 18, 2013 at 11:15 a.m.

**DEBTOR'S AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS'
SECOND AMENDED JOINT PLAN OF LIQUIDATION**

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Introduction

Trainor Glass Company, together with the Official Committee of Unsecured Creditors appointed in the above-captioned bankruptcy case, jointly propose the following Second Amended Joint Plan of Liquidation (“*Joint Plan*”). The Debtor and the Committee are joint proponents of the Joint Plan within the meaning of section 1129 of the Bankruptcy Code. Reference is made to the Disclosure Statement, distributed contemporaneously herewith, and all exhibits to the Disclosure Statement. In the event of any inconsistency between the Disclosure Statement and the Joint Plan, the relevant provision of the Joint Plan, as it relates to such inconsistency, will govern. Subject to the restrictions and requirements set forth in section 1127 the Bankruptcy Code, Fed. R. Bankr. P. 3019, and the Joint Plan, the Debtor and the Committee reserve the right to alter, amend, modify or withdraw this Joint Plan at any time before its substantial consummation.

ARTICLE I

Definitions

Unless the context otherwise requires or a term is defined within the Joint Plan itself, the following terms shall have the respective meanings set forth below, except as expressly provided otherwise.

- 1.1** *Administrative Claim* shall mean any cost or expense of administration of the Case allowed by the Bankruptcy Court pursuant to section 503(b) of the Bankruptcy Code, including, without limitation, Professional Fee Claims.
- 1.2** *Administrative Claims Bar Date* shall mean the applicable date on which an Administrative Claim must be filed, as established by section 9.8 of the Joint Plan.
- 1.3** *Allowed Claim* or *Allowed . . . Claim* shall mean a Claim, proof of which is filed by the Bar Date pursuant to the procedures established pursuant to the Bar Date Order, or that has been, or is hereafter, scheduled by the Debtor as liquidated in amount and not disputed or contingent, and to which no objection to allowance thereof has been raised by the Liquidating Trustee or filed within any applicable period fixed by the Bankruptcy Court, or as to which a Final Order allowing such Claim has been entered.
- 1.4** *Assets of the Estate* shall mean any and all right, title, and interest of the Debtor in and to property of whatever type or nature.
- 1.5** *Avoidance Actions* shall mean any and all prior, pending or possible actions, proceedings, accounts, controversies, agreements, promises, claims, and rights, of the Debtor or its Estate to avoid or recover a transfer of property of the Debtor or an interest of the Debtor in property arising under sections 544-551 of the Bankruptcy Code and any other applicable federal, state, or common law related thereto, including but not limited to fraudulent transfer or conveyance claims, whether or not litigation has been commenced with respect to such Causes of Action as of the Effective Date.

- 1.6** *Bankruptcy Code* shall mean Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*
- 1.7** *Bankruptcy Court* shall mean the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, located in Chicago, Illinois, or any court having jurisdiction over this Case or a proceeding arising in, arising under, or related to this Case.
- 1.8** *Bankruptcy Rules* shall mean the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, as now in effect.
- 1.9** *Bar Date* shall mean the applicable date on which a proof of claim must be filed, as established by the Bar Date Order.
- 1.10** *Bar Date Order* shall mean that certain *Order Granting Motion To Set Last Day To File Proofs of Claim* fixing September 5, 2012 as the bar date for claims of governmental entities and August 13, 2012 as the bar date for all other claims that arose prior to the Petition Date [Dkt. 324.]
- 1.11** *Case* shall mean the case commenced under chapter 11 of the Bankruptcy Code by the Debtor on the Petition Date, styled *In re Trainor Glass Company*, Case No. 12-90458, currently pending before the Bankruptcy Court.
- 1.12** *Cash* shall mean legal tender of the United States of America and equivalents thereof.
- 1.13** *Causes of Action* shall mean any and all actions, causes of action, proceedings, controversies, liabilities, obligations, rights, suits, claims for money or refunds due, indebtedness (for borrowed money or in the nature of a guarantee), damages, judgments, Claims, objections to Claims, benefits of subordination of Claims, demands, debts, liens, contracts, agreements, promises, representations, torts, damages, costs, losses, attorneys' fees, moneys due on account, obligations, judgments or liabilities of any kind whatsoever, whether known or unknown, anticipated or unanticipated, suspected or unsuspected, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising in law, equity arising out of agreement or imposed by statute, common law or otherwise, including but not limited to Avoidance Actions.
- 1.14** *Claim* shall mean any right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, as defined by section 101(5) of the Bankruptcy Code.
- 1.15** *Class* shall mean a class of holders of Claims as described in the Joint Plan.

- 1.16** *Committee* shall mean the Official Committee of Unsecured Creditors appointed in the Case on March 27, 2012, pursuant to section 1102 of the Bankruptcy Code [Dkt. 31.]
- 1.17** *Committee Carve-Out* shall mean a carve-out of \$293,000 in favor of the Committee's Professionals additional to the amount specified by the Final Cash Collateral Order, which shall be used to fund allowed professional fee claims of the Committee's professionals from the Petition Date to the Effective Date of the Joint Plan.
- 1.18** *Committee Excess Fee Claims* shall mean the allowed fees of the Committee's Professionals above the Committee Fee Cap and the Committee Fee Reserve, which shall be (a) paid solely from the proceeds of Avoidance Actions, and (b) junior in priority to the First Midwest Diminution Claim, except as otherwise agreed to by the Debtor, the Committee and First Midwest.
- 1.19** *Committee Fee Cap* shall mean the Committee Carve-Out plus the initial carve-out amount of \$50,000 (i.e., a total of \$343,000), except as otherwise agreed to by the Debtor, the Committee and First Midwest.
- 1.20** *Committee Fee Reserve* shall mean a reserve of up to \$100,000 above the Committee Fee Cap against which Committee professionals may recover allowed fees (up to an aggregate allowance of \$443,000), which shall be paid from the first proceeds of Avoidance Actions, on a Pro Rata basis with the Debtor's Professionals regardless of whether such proceeds are generated by the Trainor estate or the Liquidating Trustee, except as otherwise agreed to by the Debtor, the Committee and First Midwest.
- 1.21** *Committee Professionals* shall mean Sugar Felsenthal Grais & Hammer LLP ("SugarFGH"), solely in its capacity as counsel to the Committee, and Protiviti, Inc.
- 1.22** *Confirmation Date* shall mean the date of entry of the Confirmation Order.
- 1.23** *Confirmation Hearings* shall mean, collectively, the hearing or hearings held by the Bankruptcy Court on confirmation of the Joint Plan, as such hearing or hearings may be continued from time to time.
- 1.24** *Confirmation Order* shall mean the order confirming this Joint Plan.
- 1.25** *Creditors* shall mean all creditors of the Debtor holding Claims for debts, liabilities, demands or other Claims of any character whatsoever.
- 1.26** *Debtor* shall mean Trainor Glass Company, d/b/a Trainor Modular Walls, Trainor Solar, and Trainor Florida.
- 1.27** *Debtor Excess Fee Claims* shall mean the allowed fees of the Debtor's Bankruptcy Counsel and Debtor's Consultant above the Debtor Fee Cap and the Debtor Fee Reserve, which shall be paid (a) solely from the proceeds of Avoidance Actions, and (b) junior in

priority to the First Midwest Diminution Claim, except as otherwise agreed to by the Debtor, the Committee and First Midwest.

- 1.28** *Debtor Fee Cap* shall mean that the fees of the Debtor's Professionals accruing from February 1, 2013 through the Effective Date that are to be paid from the Encumbered Assets shall not exceed (1) \$61,500 for Debtor's Bankruptcy Counsel, and (2) \$60,000 for Debtor's Consultant. , except as otherwise agreed to by the Debtor, the Committee and First Midwest.
- 1.29** *Debtor Fee Reserve* shall mean the amount that Debtor's Bankruptcy Counsel may recover up to an additional \$40,000 in allowed fees above the Debtor Fee Cap and Debtor's Consultant may recover up to an additional \$10,000 in allowed fees above the Debtor Fee Cap which shall be paid solely from the first proceeds of Avoidance Actions on a Pro Rata basis with the Committee Professionals regardless of whether those net proceeds are generated by the Debtor's Estate or the Liquidating Trustee, except as otherwise agreed to by the Debtor, the Committee and First Midwest.
- 1.30** *Debtor's Bankruptcy Counsel* shall mean Arnstein & Lehr LLP.
- 1.31** *Debtor's Consultant* shall mean High Ridge Partners.
- 1.32** *Debtor's Ordinary Course Professionals* shall mean any professional person retained by the Debtor in the Bankruptcy Case other than Arnstein & Lehr LLP and High Ridge Partners.
- 1.33** *Debtor's Professionals* shall mean Arnstein & Lehr LLP and High Ridge Partners.
- 1.34** *Disclosure Statement* shall mean the Disclosure Statement filed by the Plan Proponents and approved by the Bankruptcy Court pursuant to the Order dated November 13, 2013.
- 1.35** *Disputed Claim* shall mean any Claim (other than an Allowed Claim) which is either a Claim that has been scheduled by the Debtor or a Claim which is the subject of a proof of claim which has been filed with the Bankruptcy Court, as to which the Debtor, the Committee or the Liquidating Trustee has indicated a dispute, or as to which scheduled or filed Claim a timely objection to the allowance thereof has been filed by a party entitled to make such an objection, but as to which the Bankruptcy Court has not yet entered a Final Order.
- 1.36** *Effective Date* shall mean a date not later than the 15th day after the Confirmation Date unless extended by the Plan Proponents with the consent of First Midwest; provided, however, that if a stay of the Confirmation Order is in effect on such day, then the Effective Date shall be the first day thereafter on which, if the Confirmation Order has not been vacated, no stay of the Confirmation Order is in effect.

- 1.37** *Encumbered Assets* shall mean all Assets of the Estate except for Avoidance Actions and any recoveries thereon.
- 1.38** *Equity Interest* shall mean the legal, equitable, contractual and other rights of the holders of any Equity Security in the Debtor, including the rights of any entity to purchase or demand the issuance of any Equity Securities, including: (i) conversion, exchange, voting, participation and dividend rights; (ii) liquidation preferences; (iii) stock options, warrants and put rights; and (iv) share-appreciation rights.
- 1.39** *Equity Security* shall have the meaning provided by section 101(16) of the Bankruptcy Code.
- 1.40** *Equity Security Holder* shall have the meaning provided by section 101(17) of the Bankruptcy Code.
- 1.41** *Estate* shall mean the estate of the Debtor created in this Case under section 541 of the Bankruptcy Code.
- 1.42** *Final Cash Collateral Order* shall mean that certain *Final Order Authorizing Debtor To: (A) Use Cash Collateral, (B) Incur PostPetition Debt, And (C) Grant Adequate Protection And Provide Security And Other Relief To First Midwest Bank*, entered on April 13, 2012, and all amendments to the same [Dkt. 98].
- 1.43** *Final Order* shall mean an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing has been denied or resulted in no modification of such order, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.
- 1.44** *First Midwest* shall mean First Midwest Bank.
- 1.45** *First Midwest Claim Amount* shall mean the Debtor's indebtedness to First Midwest as of the Petition Date in an amount equal to \$34,059,905.29.

- 1.46** *First Midwest Deficiency Claim* shall mean the allowed claim in an amount equal to (a) the First Midwest Claim Amount, less (b) the amounts First Midwest has recovered and shall recover on account of the Encumbered Assets from and after the Petition Date.
- 1.47** *First Midwest Diminution Claim* shall mean the priority claim pursuant to Section 507(b) of the Bankruptcy Code held by First Midwest equal to \$975,000.00 as provided in the Global Settlement Agreement.
- 1.48** *First Midwest Secured Claim* shall mean the First Midwest Claim secured by a perfected security interest on all Assets of the Estate, except for Avoidance Actions.
- 1.49** *General Unsecured Claim* shall mean any Unsecured Claim, arising before the Petition Date, that is not a First Midwest Diminution Claim, Professional Fee Claim, Administrative Claim, WARN Act Claim, Priority Claim or Priority Tax Claim.
- 1.50** *General Unsecured Creditor* shall mean the Holder of a General Unsecured Claim.
- 1.51** *Global Settlement Agreement* shall mean the *Stipulation of Global Settlement of Controversies between the Official Committee of Unsecured Creditors, First Midwest Bank and Trainor Glass Company* approved by the Court on April 3, 2013 [dkt. 895].
- 1.52** *Holder* shall mean the Person that is the owner of record of a Claim or Interest, as applicable, including such Person's successors and/or assigns.
- 1.53** *Impaired* shall mean any Class, or any Claim or Interest in a Class, that is impaired within the meaning of section 1124 of the Bankruptcy Code, and shall include, without limitation, claims in Class 1(A) (First Midwest Secured Claim), Class 1(B) (Other Secured Claims), Class 2 (Priority Claims), Class 3 (General Unsecured Claims), Class 4 (WARN Act Claims).
- 1.54** *Lien* shall have the meaning provided by section 101(37) of the Bankruptcy Code.
- 1.55** *Liquidating Trust Agreement* shall mean the agreement to be executed as soon as reasonably practicable after the Confirmation Date among the Debtor, the Committee, First Midwest, and the Liquidating Trustee, which shall govern the obligations of the Liquidating Trustee with respect to oversight of the distribution of the Net Proceeds of the Trainor Liquidating Trust Assets, as further set forth in the Liquidating Trust Agreement and the Joint Plan.
- 1.56** *Liquidating Trustee* shall mean Phillip Van Winkle, or any successor thereto who will serve pursuant to the Joint Plan and the Liquidating Trust Agreement to oversee the liquidation and distribution of the Trainor Liquidating Trust Assets held therein for the benefit of the holders of Allowed Claims, pursuant to the Joint Plan, the Confirmation Order and the Liquidating Trust Agreement.

- 1.57** *Liquidating Trustee's Expenses* shall mean the reasonable fees, costs and expenses incurred by the Liquidating Trustee and any Professionals retained by him or her in connection with the performance of his or her duties and responsibilities under the Joint Plan and Liquidating Trust Agreement, as well as any other reasonable and necessary costs of administration of the Trainor Liquidating Trust, including U.S. Trustee fees incurred during the post-Confirmation Date period, which may be paid from the Trainor Liquidating Trust Assets (including, without limitation, the Settlement Amount) in accordance with any budget approved by the Oversight Committee.
- 1.58** *Net Proceeds* shall mean the Cash proceeds received by the Liquidating Trustee from time to time from the sale or disposition, through litigation, settlement or otherwise, of the Trainor Liquidating Trust Assets, net of the reasonable or necessary costs of such sale or other disposition, including reasonable fees and expenses of the Liquidating Trustee's legal counsel and other professionals incurred in connection therewith.
- 1.59** *Other Secured Claim* shall mean a Secured Claim of a Secured Creditor other than First Midwest.
- 1.60** *Oversight Committee* shall mean a two member post-confirmation Oversight Committee comprised of representatives for First Midwest (or its designee) and the Committee (or a Committee designee, should no member of the Committee be willing to serve) to monitor the activities of the Liquidating Trustee.
- 1.61** *Permitted Priority Liens* shall mean liens in favor of persons other than First Midwest upon any Assets of the Estate that, as of the Petition Date: (1) had priority under applicable law over First Midwest's pre-petition Liens on Assets of the Estate, (2) were not subordinated by agreement or applicable law, and (3) were non-avoidable, valid, properly perfected and enforceable as of the Petition Date.
- 1.62** *Person* shall mean an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization or other entity.
- 1.63** *Petition Date* shall mean the date of the filing of the Case, March 9, 2012.
- 1.64** *Joint Plan* shall mean this Joint Plan of Liquidation as set forth herein or as it may be modified or amended.
- 1.65** *Plan Proponents* shall mean the Debtor and the Committee.
- 1.66** *Priority Claim* shall mean a Claim of the kind specified in sections 507(a)(1), (4), (5), (6), (7), (9), or (10) of the Bankruptcy Code.

- 1.67** *Priority Tax Claim* shall mean a Claim of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.
- 1.68** *Professional* shall mean any professional employed in this Case pursuant to sections 327, 328 or 1103 of the Bankruptcy Code or any Professional or other Person seeking compensation or reimbursement of expenses in connection with this Case pursuant to section 503(b)(4) of the Bankruptcy Code.
- 1.69** *Professional Fee Claim* shall mean a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred during the period from the Petition Date to the Effective Date.
- 1.70** *Pro Rata* when used in the context of distributions to creditors, shall mean proportionately so that the ratio of the amount of the distribution made on account of a particular Allowed Claim to the distribution made on account of all Allowed Claims of the Class in which the particular Allowed Claim is included is the same as the ratio of the amount a particular Allowed Claim to the total amount of the Allowed Claims of the Class of which a particular Allowed Claim is included.
- 1.71** *Record Date* shall mean the Confirmation Date.
- 1.72** *Record Holder* shall mean the Holder of an Interest or Claim as of the Record Date.
- 1.73** *Scheduled Claim* shall mean any claim set forth on the Schedules.
- 1.74** *Schedules* shall mean the Schedules of Assets and Liabilities filed by the Debtor, as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009.
- 1.75** *Secured Claim* shall mean a Claim of a Creditor secured by a lien on property of the Estate, or a Claim subject to set off under section 553 of the Bankruptcy Code, to the extent of the value of such Creditor's interest in property of the Estate, or to the extent of the amount subject to set off, as the case may be.
- 1.76** *Secured Creditor* shall mean the holder of a Secured Claim.
- 1.77** *Surety* means any one of (a) Bond Safeguard Insurance Company, (b) Lexon Insurance Company, (c) Fidelity & Deposit Company of Maryland and Colonial Deposit Insurance Company, and any of their affiliates and subsidiaries, and (d) Westchester Fire Insurance Company and any of its affiliates and subsidiaries.
- 1.78** *Sureties* means any two or more of the entities listed in Section 1.77 above.
- 1.79** *Trainor Liquidating Trust* shall mean a common law trust to be established pursuant to the Joint Plan, the Liquidating Trust Agreement, and the Confirmation Order. The

Trainor Liquidating Trust shall liquidate and distribute the Trainor Liquidating Trust Assets in accordance with the Liquidating Trust Agreement and the Joint Plan.

- 1.80** ***Trainor Liquidating Trust Assets*** shall mean those Assets to be transferred to and vested in the Trainor Liquidating Trust pursuant to this Joint Plan and the Confirmation Order, plus all proceeds, earnings and replacements arising from or relating to these Assets and all Assets acquired by the Trainor Liquidating Trust at any time.

The Trainor Liquidating Trust Assets shall include (but not be limited to): (i) all Cash held by the Debtor (less any Cash paid or to be paid on account of unpaid Allowed Professional Fee Claims); (ii) the Debtor's remaining property, including real estate, motor vehicles, furniture, fixtures, inventory, investments, partnership or other ownership interests, refunds, accounts, equipment, any other tangible or intangible personal property and any and all proceeds thereof; (iii) the Debtor's outstanding accounts receivable; and (iv) all Causes of Action.

- 1.81** ***Unsecured Claim*** shall mean a Claim of a Creditor not secured by a Lien on property of the Estate.
- 1.82** ***U.S. Trustee*** shall mean the United States Trustee.
- 1.83** ***Voting Class*** shall mean Classes 1(A) and (B), Class 2, Class 3 and Class 4 which are Impaired and entitled to vote on the Joint Plan.
- 1.84** ***WARN Act*** shall mean the Worker Adjustment and Retraining Notification Act, Title 29 of the United States Code, 29 U.S.C. §§ 2101 *et seq.*
- 1.85** ***WARN Act Claims*** shall mean claims arising under sections 2102 and 2104 of the WARN Act.
- 1.86** ***WARN Act Claimants*** shall mean Holders of WARN Act Claims.
- 1.87** ***WARN Class*** shall mean the Holders of WARN Act Claims entitled to adjudication and allowance or disallowance through the WARN Act Class Claim.
- 1.88** ***WARN Act Class Claim*** shall mean the class proof of claim lodged by lead WARN Act Claimant Katherine J. McNeel against the estate, docketed originally as claim number 56 and then amended claim number 376.

ARTICLE II

Rules of Interpretation and Computation of Time

For purposes of this Joint Plan, unless otherwise provided herein: (i) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (ii) unless otherwise provided in this Joint Plan, any reference in this

Joint Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (iii) any reference in this Joint Plan to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified or supplemented pursuant to this Joint Plan; (iv) any reference to any Person as a holder of a Claim or Interest includes the Person's successors and assigns; (v) all references in this Joint Plan to Sections, Articles and exhibits are references to Sections, Articles and exhibits of or to this Joint Plan; (vi) the words "herein," "hereunder" and "hereto" refer to this Joint Plan in its entirety rather than to a particular portion of this Joint Plan; (vii) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Joint Plan; (viii) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (ix) in computing any period of time prescribed or allowed by this Joint Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

ARTICLE III

Provisions for Treatment of Unclassified Claims and Interests

Section 1123(a)(1) of the Bankruptcy Code provides that Administrative Claims and Priority Tax Claims are not to be classified under the Joint Plan.

3.1 Allowed Administrative Claims

Allowed Administrative Claims shall include the following:

- (A) ***Allowed Administrative Claims of any Professional Person*** shall include Allowed Professional Fee Claims provided, however, that payment of such claims shall be subject to Article VI of this Joint Plan.
- (B) ***Allowed Other Administrative Expense Claims*** shall include the Allowed Administrative Claims of Persons other than Professional Persons, including such Administrative Claims as may be Allowed by agreement.
- (C) ***First Midwest Diminution Claim*** shall be an allowed claim for diminution in its collateral pursuant to section 507(b) of the Bankruptcy Code, Section 4(c) of the Final Cash Collateral Order, and the Global Settlement Agreement, in an amount equal to \$975,000. The First Midwest Diminution Claim shall have priority over all other allowed priority claims, except for allowed but unpaid claims under section 507(a)(2) of the Bankruptcy Code including, without limitation, claims made against the Committee Fee Reserve or Debtor Fee Reserve; *provided that*, notwithstanding the above, the First Midwest Diminution Claim shall be senior in priority to any Committee Excess Fee Claims and Debtor Excess Fee Claims.

3.2 Priority Tax Claims

Priority Tax Claims shall include the Allowed unsecured Priority Tax Claims.

ARTICLE IV Designation of Classified Claims and Interests

Pursuant to section 1123(a)(1) of the Bankruptcy Code, Claims and Interests are classified as follows:

4.1 Class 1(A) Claims (First Midwest Secured Claim)

Class 1 Claims shall consist of the First Midwest Secured Claim.

4.2 Class 1(B) Claims (Other Secured Claims)

Class 1(B) Claims shall consist of Other Secured Claims.

4.3 Class 2 Claims (Priority Claims)

Class 2 Claims shall consist of the allowed unsecured priority claims held by Persons pursuant to section 507(a) of the Bankruptcy Code, other than claims arising under 507(a)(2), (3), and (8) of the Bankruptcy Code; *provided, however*, that Allowed Priority Tax Claims shall receive distributions as Class 2 Claims.

4.4 Class 3 Claims

Class 3 Claims shall consist of allowed General Unsecured Claims, including but not limited to the First Midwest Deficiency Claim and any Unsecured Claims held by Sureties.

4.5 Class 4 Claims

Class 4 shall consist of the WARN Act Class Claim, which consists of a class action claim for compensation for alleged violations of the Worker Adjustment and Retraining Notification Act. If allowed, the WARN Act Class Claim shall receive the same treatment as Class 2 and will be deemed entitled to priority under 507(a)(4) and (5) of the Code for each WARN Act Class member up to the maximum aggregate cap of \$11,725, with any remainder as a non-priority general unsecured claim.

4.6 Class 5 Interests

Class 5 Interests shall consist of the Interests of Equity Security Holders.

ARTICLE V Impairment of Classes

5.1 Impaired Classes of Claims Entitled To Vote.

Except as otherwise provided in order(s) of the Bankruptcy Court pertaining to solicitation of votes on this Joint Plan, Classes 1(A) and (B), 2, 3 and 4 are Impaired and

Holders of Claims in those Classes shall be entitled to vote to accept or reject this Joint Plan.

5.2 Classes Deemed To Reject the Joint Plan.

Holders of Interests in Class 5 will not receive or retain any distribution under the Joint Plan on account of their Interests. Pursuant to section 1126(g) of the Bankruptcy Code, Class 5 is Impaired and is conclusively presumed to have rejected this Joint Plan, and the votes of Equity Security Holders holding Class 5 Interests therefore will not be solicited.

5.3 Cram Down.

The Debtor and the Committee will request confirmation of the Joint Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code with respect to any Class that rejects the Joint Plan.

**ARTICLE VI
Plan Funding and Distribution**

6.1 Plan Funding

In accordance with the Liquidating Trust Agreement, on the Effective Date, all Assets of the Estate shall be transferred to the Trainor Liquidating Trust for administration by the Liquidating Trustee. The Liquidating Trustee shall liquidate the Trainor Liquidating Trust Assets, as applicable, and distribute the Net Proceeds in accordance with this Joint Plan and the Liquidating Trust Agreement.

6.2 Distribution of Avoidance Actions Proceeds

Proceeds of Avoidance Actions (net of the reasonable fees and expenses of the Liquidating Trustee, which shall include the contingent fees paid to SugarFGH, in its capacity as Committee Professional or otherwise, on collections from Avoidance Actions) shall be distributed as follows:

- (A) First, to any unpaid Allowed Administrative Claims, other than Committee Excess Fee Claims and Debtor Excess Fee Claims, including (i) hourly fees paid to SugarFGH, in its capacity as Committee Professional, related to Litigation Claims against the Sureties, and, on a Pro Rata basis (ii)(a) the allowed fees of Committee Professionals payable from the Committee Fee Reserve, and (b) allowed fees of Debtor's Bankruptcy Counsel and Debtor's Consultant from the Debtor Fee Reserve;
- (B) Second, to First Midwest on account of its First Midwest Diminution Claim;
- (C) Third, to any Committee Excess Fee Claims and Debtor Excess Fee Claims on a Pro Rata basis;

- (D) Fourth, to any Allowed but unpaid Class 2 Claims and Priority Tax Claims in the order prescribed by section 507(a) of the Bankruptcy Code, including Priority Tax Claims payable pursuant to section 507(a)(8), which Claims shall be payable over a period ending not later than five (5) years from the Petition Date pursuant to sections 1129(a)(9)(B) and (C) of the Bankruptcy Code; and
- (E) Fifth, to Holders of Allowed Class 3 and 4 Claims against the Debtor, including First Midwest on account of the First Midwest Deficiency Claim, on a Pro Rata basis.

ARTICLE VII

Treatment of Claims and Interests

7.1 Class 1(A) Claim.

- (A) The First Midwest Secured Claim shall be paid in accordance with the Liquidating Trust Agreement and this Joint Plan. The First Midwest Secured Claim shall continue to be satisfied by the Encumbered Assets including, but not limited to: (a) the net proceeds of the sale of the Debtor's real and personal property during the Case; (b) the collection of the Debtor's accounts receivable; and (c) the sale, collection or disposition of any other Assets of the Estate (except for Avoidance Actions) regardless of whether the proceeds are realized (i) in the Bankruptcy Case, (ii) by the Liquidating Trustee or (iii) by any other means including, but not limited to, relief from the automatic stay or agreement of the Liquidating Trustee to allow First Midwest to realize upon the Encumbered Assets.
- (B) The Encumbered Assets shall be used solely to satisfy the First Midwest Secured Claim unless (1) a Holder of a Permitted Priority Claim has obtained an order of the Bankruptcy Court, prior to entry of the Confirmation Order, finding that such Holder has an interest senior in priority to First Midwest in a particular Encumbered Asset, or (2) the rights of an alleged Holder of a Permitted Priority Claim to establish that it has an interest senior in priority to First Midwest in a particular Encumbered Asset are preserved in the Confirmation Order.

7.2 Class 1(B) Claims

Any Class 1(B) Claim shall be satisfied solely from the release of collateral securing such claim or the payment of proceeds of collateral securing such claim to the claimant.

7.3 Allowed Professional Fee Claims and Allowed Other Administrative Claims.

Allowed Professional Fee Claims and other Allowed Administrative Claims shall be paid in full in accordance with this Joint Plan, including Section 6.2 hereof and the Liquidating Trust Agreement.

7.4 Priority Tax Claims.

Allowed Priority Tax Claims shall be treated as Class 2 Claims for purposes of distribution under the Joint Plan, and shall be paid from time to time from the proceeds of Avoidance Actions pursuant to section 6.2 of the Joint Plan. Priority Tax Claims shall include interest accruing at the rate prescribed by § 511 of the Bankruptcy Code beginning on the Effective Date until paid in full.

7.5 Class 2 Claims (Priority Claims)

Allowed Class 2 Claims shall be paid in full, in the order of priority prescribed by section 507(a) of the Bankruptcy Code, to the extent funds are available, prior to payment of any General Unsecured Claims, pursuant to the Liquidating Trust Agreement and this Joint Plan. Class 2 Claims shall include simple interest accruing at the federal judgment rate under 28 U.S.C. § 1961 beginning on the Effective Date until paid in full.

7.6 Class 3 Claims (General Unsecured Claims)

Allowed Class 3 Claims shall be paid Pro Rata, to the extent funds are available, pursuant to the Liquidating Trust Agreement and this Joint Plan. Pro Rata distributions of the Net Proceeds from the Trainor Liquidating Trust shall be made by the Liquidating Trustee in accordance with the Liquidating Trust Agreement to the holders of Allowed Class 3 General Unsecured Claims from time to time on dates determined by the Liquidating Trustee, following consultation with, and approval by, the Oversight Committee.

7.7 Class 4 (WARN Act Class Claim)

The WARN Act Class Claim consists of claims asserted by individuals entitled to treatment within the WARN Class, seeking compensation for alleged violations of the Worker Adjustment and Retraining Notification Act. If allowed, the WARN Act Class Claim shall receive the same treatment as Class 2 and will be deemed entitled to priority under 507(a)(4) and (5) of the Code for each WARN Act Class member up to the maximum aggregate cap of \$11,725 per member, with any remainder as a non-priority general unsecured claim.

7.8 Class 5 (Interests)

Holders of Class 5 Interests shall not receive a distribution under the Joint Plan. Upon the Confirmation Date of the Joint Plan, all Equity Securities in the Debtor will be cancelled.

ARTICLE VIII

Treatment of Executory Contracts

8.1 Contracts Deemed Rejected.

Each executory contract or unexpired lease of the Debtor that has not expired by its own terms or been assumed pursuant to an order of the Bankruptcy Court prior to the Confirmation Date shall be deemed rejected pursuant to section 365 of the Bankruptcy Code on the Confirmation Date.

8.2 Bar Date for Rejection Damages.

All proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases pursuant to Section 8.1 of this Joint Plan shall, unless another order of the Bankruptcy Court provides for a different date, be filed with the Bankruptcy Court by the Bar Date, or if an executory contract or unexpired lease is rejected after the Bar Date, by no later than thirty (30) days after the Confirmation Date. The Claim of any Creditor arising from the rejection of executory contracts or unexpired leases pursuant to Section 8.1 of this Joint Plan that fails to timely file a proof of claim shall be released, discharged, and forever barred from assertion against the Debtor, the Estate, or their property.

ARTICLE IX

Means of Implementation of the Joint Plan

9.1 Vesting of Trainor Liquidating Trust Assets.

(A) On the Effective Date, all Assets of the Estate shall be transferred to the Trainor Liquidating Trust. Subject to Section 7.1(B) hereof, the Encumbered Assets remaining in the Estate as of the Effective Date shall be transferred to the Trainor Liquidating Trust for the sole and exclusive benefit of First Midwest on account of the First Midwest Secured Claim. All costs and expenses of the Liquidating Trustee in pursuing and liquidating the Encumbered Assets shall be funded by the proceeds of the Encumbered Assets or as otherwise directed by First Midwest.

(B) All Avoidance Actions shall also be transferred to the Trainor Liquidating Trust. The Liquidating Trustee shall be vested with the authority pursuant to section 1123(b)(3) of the Bankruptcy Code to pursue all Causes of Action including, but not limited to, Avoidance Actions.

(C) All costs and expenses incurred by the Liquidating Trustee in pursuing Avoidance Actions shall be funded solely with the proceeds of such Avoidance Actions.

9.2 Distribution of Liquidating Trust Assets.

Distributions of Net Proceeds from the Liquidating Trust shall be made by the Liquidating Trustee in accordance with Article VI of this Joint Plan from time to time on

dates determined by the Liquidating Trustee, following consultation with, and approval by, the Oversight Committee, within a reasonable time after the creation of appropriate reserves as determined by the Liquidating Trustee in an amount that would be sufficient to: (i) satisfy all alleged Administrative Claims in full; (ii) make a distribution on account of Disputed Claims that are Priority Tax Claims or Priority Claims; and (iii) pay the Liquidating Trustee's Expenses in full.

9.3 The Liquidating Trustee.

The Liquidating Trustee shall be Phillip Van Winkle. The Liquidating Trustee shall be appointed as of the Effective Date and shall serve without bond.

9.4 Trust Asset Administration.

The Liquidating Trustee, with oversight from the Oversight Committee, shall administer the Trainor Liquidating Trust Assets pursuant to the Joint Plan and the Liquidating Trust Agreement from and after the Confirmation Date. Administration of the Trainor Liquidating Trust shall include the pursuit of Avoidance Actions and other Causes of Action, lodging objections to and resolving Claims, distributing Net Proceeds to the beneficiaries of the Trainor Liquidating Trust, and other activities typically related to trust administration.

9.5 Dissolution of the Debtor.

Promptly after completing its wind-down, the Liquidating Trustee will allow the applicable Secretary of State to involuntarily dissolve the Debtor. The Liquidating Trustee shall thereafter continue to have standing to assert claims or pursue matters on behalf of the Debtor to the extent necessary to preserve, protect and liquidate the Trainor Liquidating Trust Assets or otherwise necessary to administer the Trainor Liquidating Trust.

9.6 Conditions to Confirmation.

The Bankruptcy Court shall not enter the Confirmation Order unless and until the Confirmation Order shall be reasonably acceptable in form and substance to the Plan Proponents and First Midwest.

9.7 Conditions to Effective Date.

The following are conditions precedent to the occurrence of the Effective Date: (i) the Confirmation Order confirming the Joint Plan, as such Joint Plan may have been modified, shall have been entered by the Bankruptcy Court and be in full force and effect and shall not have been vacated, amended, modified or stayed, and if it is the subject of any appeal, reconsideration or other review, no stay of the Confirmation Order shall be in effect; (ii) the Liquidating Trust Agreement, in form and substance satisfactory to the Plan Proponents and First Midwest, shall be executed and delivered, and all conditions precedent to the effectiveness thereof shall have been satisfied; and (iii) all other

documents or agreements necessary to consummate the Joint Plan shall have been delivered or effectuated. The Plan Proponents or the Liquidating Trustee, as the case may be and with the consent of First Midwest, may waive any of the foregoing conditions precedent at any time.

Upon the satisfaction of the conditions to the Effective Date, or alternatively, the waiver of any of the foregoing conditions, and upon the approval of the Oversight Committee, the Plan Proponents shall file and serve a notice of Effective Date.

9.8 Administrative Claims Bar Date.

All Persons requesting payment of Administrative Claims shall file a proof of claim no later than the earlier of (a) any deadline established by the Bar Date Order, and (b) thirty (30) days after the Effective Date. Objections to such applications for payment of Administrative Claims (whether by Professional Persons requesting payment of Professional Fee Claims or Persons requesting payment of other Administrative Claims), if any, must be written, filed with the Bankruptcy Court and served on the applicable parties within twenty-one (21) days after such application is filed.

9.9 No Effect on Administrative Priority Claims

Distributions under Article VI of the Joint Plan shall not prejudice or otherwise affect the rights of entities other than the Plan Proponents and their Professionals to assert their right to distributions based on claims entitled to administrative priority under sections 503(b) or 507(a)(2) of the Bankruptcy Code.

9.10 Termination of Committee.

The Committee shall terminate automatically upon the acceptance by the Liquidating Trustee of his or her appointment in accordance with this Joint Plan and the Liquidating Trust Agreement following the Confirmation Date. Upon termination of the Committee, the Committee shall be dissolved and its members shall be deemed released of their duties and responsibilities in connection with the Case or the Joint Plan and its implementation, and the retention or employment of the Committee's counsel shall terminate except to conclude ministerial duties or any duties imposed pursuant to the Joint Plan (including, without limitation, filing applications for allowance and payment of Professional Fee Claims).

9.11 Oversight Committee.

The Oversight Committee shall be created on the Confirmation Date. The Oversight Committee shall be comprised of two (2) members, a representative each of First Midwest (or its designee) and the Committee (or a Committee designee, should no member of the Committee be willing to serve). The Oversight Committee shall monitor the activities of the Liquidating Trustee and otherwise exercise such rights and duties as are set forth in the Liquidating Trust Agreement. Each member of the Oversight

Committee shall serve until the earlier of: (i) his or her death or resignation; (ii) his or her removal pursuant to the Liquidating Trust Agreement; and (iii) the termination of the Trainor Liquidating Trust.

9.12 Post-Confirmation Case Administration by the Liquidating Trustee.

(A) From and after the Confirmation Date and continuing through the date that a final decree closing the Case is entered pursuant to section 350 of the Bankruptcy Code and Bankruptcy Rule 3022, the Liquidating Trustee shall possess the rights of a party in interest pursuant to section 1109(b) of the Bankruptcy Code for all matters arising in, arising under or related to the Case. In addition to the foregoing, for all matters arising in, arising under or related to the Case, the Liquidating Trustee shall: (i) have the right to appear and be heard on matters brought before the Bankruptcy Court or other courts of competent jurisdiction; (ii) have the right to obtain records of, or related to, the Debtor (including, without limitation, bank statements and cancelled checks); (iii) be entitled to notice and opportunity for hearing; (iv) be entitled to participate in all matters brought before the Bankruptcy Court, including, but not limited to, adversary proceedings; (v) have exclusive standing (including derivative standing to pursue Causes of Action on behalf of the Debtor) to commence all Causes of Action, including all Avoidance Actions; (vi) be entitled to request the Bankruptcy Court to enter a final decree closing the Case; (vii) be entitled to receive notice of all applications, motions and other papers and pleadings set before the Bankruptcy Court in this Case; and (viii) be authorized to undertake such other activities as may be warranted to administer the Joint Plan following consultation with, and subject to the approval of, the Oversight Committee.

(B) The Liquidating Trustee may settle Causes of Action involving the Encumbered Assets only with the consent of First Midwest. The Liquidating Trustee may settle Avoidance Actions (1) with the unanimous consent of the members of the Oversight Committee, or (2) with the consent of (a) one member of the Oversight Committee, and (b) approval of the Bankruptcy Court after notice and a hearing.

9.13 Filing of Additional Documents.

On or before the Confirmation Date of the Joint Plan, the Plan Proponents shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Joint Plan, including, without limitation, the final Liquidating Trust Agreement.

9.14 Liquidating Trustee's Professionals.

Upon his appointment, the Liquidating Trustee may retain such law firms, accounting firms, experts, advisors, consultants, investigators or other Professionals as he may deem necessary, upon approval of the Oversight Committee, in accordance with the Liquidating Trust Agreement, to aid in the performance of his or her responsibilities pursuant to the terms of the Joint Plan, including, without limitation, the liquidation and

distribution of assets of the Trainor Liquidating Trust. The Professionals retained by the Liquidating Trustee are not required to be “disinterested” as that term is defined in the Bankruptcy Code and may include, without limitation, counsel and financial advisors of any party in this Case, and the Liquidating Trustee shall be permitted to retain any such Professional in light of the efficiencies implicit in continuity. The Liquidating Trustee’s retention of any such Professionals is deemed not to pose any conflict of interest, and no conflict shall exist by virtue of the filing of applications by Professional Persons for allowance of Administrative Claims in accordance with this Joint Plan and the Global Settlement Agreement.

9.15 Objections to Claims.

The Liquidation Trustee shall have standing to file objections to Claims, even if such Claims were scheduled by the Debtor as undisputed, liquidated and non-contingent. The Liquidation Trustee shall file objections to Claims no later than 180 days after the Effective Date (unless extended by an order of the Bankruptcy Court) (the “*Claim Objection Deadline*”). If the Liquidation Trustee has objected to a Claim, payment will be withheld only with respect to the amount actually in dispute, and such objection shall not affect payments or distributions under the Joint Plan on the undisputed portion of the Claim. Notwithstanding the deadline to file objections to Claims provided herein, the Liquidating Trustee may file objections to claims within ninety (90) days of the later of (a) the Claim Objection Deadline and (b) the filing of an amended Claim.

9.16 Injunction.

Except as otherwise provided in the Joint Plan or the Confirmation Order, on and after the Confirmation Date, all Persons and entities who have held, hold or may hold Liens, Claims or Interests in or against the Debtor are, with respect to any such Liens, Claims or Interests, permanently enjoined from: (i) 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 or affecting the Debtor or the Trainor Liquidating Trust or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, the Debtor or the foregoing Trainor Liquidating Trust, or any property of any such transferee or successor; (ii) enforcing against, levying upon or attaching (including, without limitation, any pre-judgment attachment) the Debtor or the Trainor Liquidating Trust, or any property of any such transferee or successor; (iii) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means whether directly or indirectly, of any judgment, award, decree, claim or order against the Debtor or the Trainor Liquidating Trust, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to the Debtor or the Trainor Liquidating Trust; (iv) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any

Liens, Claims or Interests of any kind against or in the Debtor or the Trainor Liquidating Trust, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, the Debtor or the Trainor Liquidating Trust; (v) other than as otherwise expressly provided for in this Joint Plan, asserting any right of setoff, subordination or recoupment of any kind, directly or indirectly, against any obligation due the Debtor, the Trainor Liquidating Trust, any of their property, or any direct or indirect transferee of any property of, or successor in interest to, the Debtor or the Trainor Liquidating Trust; and (vi) taking any actions in any place and in any manner whatsoever that do not conform to or comply with the provisions of this Joint Plan.

9.17 Term of Bankruptcy Injunction or Stays.

All injunctions or stays provided for in the Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect through the termination of the Trainor Liquidating Trust and the imposition of the injunction set forth in Section 9.16 of this Joint Plan.

9.18 Quarterly Reports.

The Liquidating Trustee shall prepare and provide to the Oversight Committee and file with the Bankruptcy Court a report by the end of the first calendar month following the conclusion of every calendar quarter setting forth: (i) all distributions to Creditors during the calendar quarter; (ii) a summary of the Trainor Liquidating Trust deposits and disbursements during the calendar quarter; and (iii) a summary of the Trainor Liquidating Trust Assets. As used in this section, "calendar quarter" shall mean a three month period of time, and the first calendar quarter shall commence on the first day of the first month immediately following the occurrence of the Effective Date. In the event the Effective Date does not occur, the Liquidating Trustee shall have no obligation to prepare and file quarterly reports.

9.19 Closing of the Case.

The Case shall not be closed, or if closed shall remain subject to re-opening pursuant to section 350 of the Bankruptcy Code, until the Trainor Liquidating Trust Assets have been fully administered. If, however, the Liquidating Trustee determines, following consultation with the Oversight Committee, that the Trainor Liquidating Trust will be unable to generate sufficient cash proceeds from the liquidation of Trainor Liquidating Trust Assets to pay Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Priority Claims in full, it may, upon approval by the Oversight Committee, file a notice of dismissal of the Case pursuant to section 1112(b) of the Bankruptcy Code, which shall be deemed immediately effective. Following such dismissal, the Liquidating Trustee shall, following consultation with, and approval by, the Oversight Committee oversee the liquidation of the Trainor Liquidating Trust Assets and distribution of the Net Proceeds, conduct a Claims reconciliation process and distribute Net Proceeds to holders of Allowed Claims according to the priority scheme set forth in the Bankruptcy Code.

The Debtor, its creditors and all other parties-in-interest hereby consent to such dismissal of the Case.

ARTICLE X
Modification of the Plan

The Joint Plan and related documents may be altered, amended or modified, jointly, by the Plan Proponents, before or after the Confirmation Date, as provided in section 1127 of the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE XI
General Provisions

11.1 Headings for Convenience Only.

The headings in the Joint Plan are for convenience of reference only and shall not limit or otherwise affect the meanings of the sections to which they pertain.

11.2 U.S. Trustee Fees.

Following the Confirmation Date, the Liquidating Trustee shall pay quarterly fees accrued during the post-Confirmation Date period to the U.S. Trustee.

11.3 Notices.

Any notice required or permitted to be provided under the Joint Plan shall be in writing and served by either: (i) certified mail, return receipt requested, postage prepaid; (ii) hand delivery; or (iii) reputable overnight delivery service, freight prepaid, addressed to the following:

The Debtor:
Michael L. Gesas, Esq.
David A. Golin, Esq.
ARNSTEIN & LEHR LLP
120 S. Riverside Plaza, Ste. 1200
Chicago, IL 60606
Counsel for the Debtor

The Committee:
Aaron L. Hammer, Esq.
Mark S. Melickian, Esq.
SUGAR FELSETHAL GRAIS & HAMMER LLP
30 N. LaSalle St., Ste. 3000
Chicago, IL 60602
Counsel for the Committee

First Midwest Bank:
Geoffrey S. Goodman, Esq.
FOLEY & LARDNER LLP
321 N. Clark St., Ste. 2800
Chicago, IL 60654
Counsel for First Midwest Bank

The Liquidating Trustee:
Phillip Van Winkle
AEG Partners, LLC
200 W. Madison St., Ste. 2410
Chicago, IL 60606
Liquidating Trustee

11.4 Lapsed Distributions.

Any distribution that has not been cleared within ninety (90) days of the date of the distribution will lapse. With respect to any lapsed distributions, the lapsed distribution will revert to the Trainor Liquidating Trust and be distributed Pro Rata to the remaining beneficiaries of the Trainor Liquidating Trust in accordance with the Joint Plan and the Liquidating Trust Agreement.

11.5 Minimum Distributions.

The Liquidating Trustee shall not be required to make a distribution to a creditor unless the amount of the distribution is twenty-five dollars (\$25.00) or greater.

11.6 Undeliverable and Unclaimed Distributions.

Distributions shall be delivered to a Creditor at the address listed in the Debtor's books and records or, if a claim was filed, at the address listed in such claim for receipt of distributions. If any distribution is returned as undeliverable, no further distributions to such Creditor will be made unless the Liquidating Trustee is notified in writing of the Creditor's current address. Upon receipt of the notification, the Liquidating Trustee will remit all missed distributions to the Creditor without interest. All claims for undeliverable distributions must be made on or before the second anniversary of the Confirmation Date of the Joint Plan. If a claim is not made within that time, all unclaimed distributions will revert to the Trainor Liquidating Trust and be distributed Pro Rata to the remaining beneficiaries of the Trainor Liquidating Trust. Nothing in this Joint Plan will require the Liquidating Trustee to attempt to locate any holder of an Allowed Claim.

11.7 Releases.

Subject to and limited by Section 11.8 hereof, as of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, including: (1) the settlement, release and compromise of debt and all other good and valuable consideration paid in connection with the Joint Plan, and (2) the services of Edwin J. Trainor and Thomas D. Trainor in facilitating the expedient implementation of the transactions contemplated in this Joint Plan, the Debtor, and any person or entity seeking to exercise the rights of the Debtor's estate (including the Committee or the Liquidating Trustee), including, without limitation, any successor to the Debtor or any estate representative appointed or selected pursuant to section 1123(B)(3) of the Bankruptcy Code, shall be deemed to forever release, waive, and discharge Edwin J. Trainor and spouse Angela Trainor, Thomas D. Trainor and spouse Irene Trainor, and their descendants, successors, and assigns, from any and all claims, objections, suits, judgments, damages, demands, debts, remedies, rights, causes of action, rights of setoff and liabilities whatsoever (including any derivative claims asserted on behalf of the Debtor), in connection with or in any way relating to the Debtor, the conduct of the Debtor's business, the chapter 11 case, the Disclosure Statement or the Joint Plan (other than the rights of the Debtor, the Liquidating Trustee or a creditor holding an allowed claim to enforce the obligations under the Confirmation Order and the Joint Plan and the contracts, instruments, releases, and other agreements or documents delivered pursuant to the Joint Plan), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release by the Debtor, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that the foregoing release by the Debtor is: (1) in exchange for the good and valuable consideration provided by Edwin J. Trainor, Angela Trainor, Thomas D. Trainor, and Irene Trainor; (2) a good faith settlement and compromise of the claims released by the Debtor; (3) in the best interests of the Debtor and all holders of claims and interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to the Debtor asserting any claim or cause of action released herein.

11.8 Third Party Retention of Rights Against Non-Debtor Insiders.

For avoidance of doubt, this Joint Plan shall not waive, release or impair the claims of any non-Debtor third party against any member of the Trainor family including, without limitation, Robert Trainor, Thomas D. Trainor, Edwin J. Trainor and William Trainor, or against any other guarantor, indemnitor, or other party responsible for any debt owed by the Debtor.

11.9 Exculpation and Limitation of Liability.

Neither the Debtor, the Committee, First Midwest, the Liquidating Trustee, nor any of their respective present and former members, officers, directors, shareholders, subsidiaries, affiliates, employees, advisors, attorneys or agents acting in such capacity or any of their successors or assigns, shall have or incur any liability to, or be subject to any right of action by, any person or entity, for any act or omission in connection with, relating to or arising out of, the administration of the Case, the pursuit of confirmation of the Joint Plan or the Joint Plan's implementation, except for their fraud, willful misconduct or gross negligence, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Joint Plan.

**ARTICLE XII
Retention of Jurisdiction**

This Bankruptcy Court shall retain jurisdiction over this Case for the following purposes:

- A. Resolution of any and all objections to Claims.
- B. Resolution of pending Avoidance Actions and other Causes of Action, in the event that this Case is dismissed pursuant to Section 9.18 of the Joint Plan.
- C. Determination of all questions and disputes regarding all Causes of Action, controversies, disputes or conflicts, whether or not subject to pending actions as of the Confirmation Date, between: (i) the Debtor and any other party; (ii) the Liquidating Trustee and any other party; or (iii) otherwise under this Joint Plan, the Confirmation Order or any other order issued by the Bankruptcy Court in connection with this Case.
- D. The correction of any defect and the curing of any omission or inconsistency in the Joint Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Joint Plan.
- E. Modification of the Joint Plan after confirmation pursuant to the Bankruptcy Code and the Bankruptcy Rules.
- F. Allowance of all Claims and applications for payment of Administrative Claims and professional fees and expenses which may be paid by the Debtor or its Estate pursuant to the provisions of the Bankruptcy Code, and resolution of all disputes pertaining thereto.
- G. Resolution of any disputes regarding the Trainor Liquidating Trust or any claim or controversy related thereto.

- H. Entry of a final order confirming substantial consummation of the Joint Plan and closing the Case.

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Dated this 13th day of November, 2013.

TRAINOR GLASS COMPANY

By: /s/ Thomas D. Trainor
Its: President

TRAINOR GLASS COMPANY

By: /s/ Edwin J. Trainor
Its: Vice President

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
TRAINOR GLASS COMPANY

By: /s/ Gary Meyers
Its Chair

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
)	
Trainor Glass Company,)	Case No. 12-09458
d/b/a Trainor Modular Walls,)	
Trainor Solar, and Trainor Florida,)	Honorable Carol A. Doyle
)	
Debtor.)	

**ORDER UNDER 11 U.S.C. § 503 AND FED. R. BANK R. 2002 AND 9019
AUTHORIZING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF
TRAINOR GLASS COMPANY, FIRST MIDWEST BANK, AND TRAINOR GLASS
COMPANY APPROVING THE STIPULATION OF GLOBAL SETTLEMENT OF
CONTROVERSIES; AND (II) ALLOWING FIRST MIDWEST BANK'S
ADMINISTRATIVE CLAIM**

Upon the joint motion (the "Motion") of the Official Committee of Unsecured Creditors of Trainor Glass Company (the "Committee"), First Midwest Bank ("First Midwest"), and Trainor Glass Company (the "Debtor") for an Order (i) Approving the Stipulation of Global Settlement of Controversies (the "Settlement Agreement"); and (ii) allowing First Midwest Bank's Administrative Claim, the Court further finding that notice of the Motion was appropriate under the circumstances; and after due deliberation and sufficient cause for the relief requested in the Motion,

It is hereby Ordered:

1. The Motion is GRANTED, as set forth herein.
2. The Settlement Agreement is approved in its entirety as a fair, equitable, prudent and reasonable compromise of the controversies and claims resolved thereby.
3. First Midwest is granted an allowed administrative claim under sections 503 and 507 of the Bankruptcy Code in the amount of \$975,000.00, which the Debtor is authorized to pay in accordance with the terms of the Settlement Agreement.
4. First Midwest is granted an allowed deficiency claim in an amount equal to (a) the First Midwest Claim Amount, as defined in the Settlement Agreement, less (b) the amounts First Midwest recovers on account of the sale of certain encumbered assets, as defined in the Settlement Agreement.

5. Notwithstanding anything in this Order or the Settlement Agreement to the contrary, nothing in the Settlement Agreement or this Order shall alter the validity and priority of any Permitted Priority Liens asserted by the Carrollton-Farmers Branch Independent School District, City of Carrollton, and Dallas County (the "Texas Taxing Authorities"), impair the rights or ability of the Texas Taxing Authorities to assert such liens on the Debtor's assets and proceeds thereof which are subject to such liens, or authorize any party to be paid with proceeds securing the claims of the Texas Taxing Authorities unless sufficient proceeds are first segregated to satisfy the secured claims of the Texas Taxing Authorities, or payment is made pursuant to a confirmed plan, agreement of the parties, or further order of the Court. All claims and liens of the Texas Taxing Authorities shall remain subject to any objections any party would otherwise be entitled to raise as to the priority, validity or extent of such liens.

6. Any and all rights, claims and/or defenses of one or more or all of the sureties of Trainor Glass Company (including, without limitation, Fidelity & Deposit Company of Maryland, Colonial American Insurance Company and any of their subsidiaries and affiliates (collectively, "F&D"), Bond Safeguard Insurance Company and Lexon Insurance Company and any of their subsidiaries and affiliates (collectively, "BSIC") and Westchester Fire Insurance Company and any of its subsidiaries and affiliates (together, "ACE" and, collectively with F&D and BSIC, the "Sureties")) against the Debtor, First Midwest and/or the Committee (collectively the "Settling Parties"), against any and all contract proceeds which have been paid, are due or are to become due on bonded contracts are fully preserved by this Order and this Order and its implementation shall be without prejudice to any and all such rights as they existed prior to the entry of this Order; provided, however, that the rights, claims and defenses of the Settling Parties in opposition to any claims or arguments asserted by the Sureties shall also be preserved herein. Further, any release provided to First Midwest pursuant to this Order or the Settlement Agreement shall not include a release of any claim by the Sureties, including, without limitation, any claim that contract proceeds received by any of the Settling Parties do not constitute property of the estate or that any Surety has an interest superior to that asserted by any of the Settling Parties in said contract proceeds. Notwithstanding any provision herein or in the Stipulation to the contrary, the settlement contemplated by the Stipulation shall not be funded with the proceeds of any Bonded Receivable (as that term is defined in the Stipulation). The Settling Parties, collectively and individually, shall not attach, realize, encumber, or take assignment, possession or control of any Bonded Receivable without first obtaining written consent from the Surety(ies) which provided bonds to the Debtor on the project relating to the Bonded Receivable or obtaining a final and non-appealable order from this Court. The Settling Parties, collectively and individually, shall not divest, spend, convey or encumber any proceeds of any Bonded Receivable in the possession or control of any of the Settling Parties, whether such proceeds are characterized as progress payments or otherwise, and all of such proceeds are subject to the Sureties' claims that such proceeds are held in trust and are not property of the Debtor or that the any of said Sureties have an interest in said proceeds superior to that of the Settling Parties;

provided, however, any of the Settling Parties may institute avoidance actions under chapter 5 of the U.S. Bankruptcy Code ("Avoidance Actions") against any of the labor and material suppliers to the Debtor, who furnished labor, material services or equipment to the Debtor in connection with Debtor's contracts bonded by any of the Sureties. In the event any such Avoidance Actions are instituted by one or more or all of the Settling Parties whether in bankruptcy court or any other court, within seven (7) days following the filing of the complaint, the Settling Party instituting such action shall provide notice to the Surety which issued bonds for the Debtor on the project on which the avoidance is claimed in order to provide the Surety which issued bonds for the Debtor on the project which is the subject of the Avoidance Action with the opportunity to intervene in said action to assert whatever rights it has. Any and all defenses of the Settling Parties to the claims of any of the Sureties are expressly reserved and are not waived. The representations of the Settling Parties in the hearing of this matter on March 20, 2013 are incorporated herein. In the event that any of the provisions in the Motion or the Settlement Agreement conflict with the terms of this Order, this Order shall control.

7. The Court's Order of March 20, 2013 [Dkt. 877], setting a deadline of March 27, 2013 for objections to the Motion and a hearing on the Motion for April 3, 2013, is hereby stricken.

8. This Order shall be binding upon any successors and assigns of First Midwest, the Debtor and the Committee, including without limitation, any trustee appointed for the Debtor in this Chapter 11 Case or any superseding proceeding under chapter 7 of the Bankruptcy Code.

9. All objections, if any, to the entry of this Order, to the extent not waived or resolved, are overruled or preserved under the terms of this Order.

10. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

Enter:


United States Bankruptcy Judge

Dated:

4/3/13

Prepared By:

Aaron L. Hammer, Esq. (6243069)

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	Chapter 11
)	
Trainor Glass Company,)	Case No. 12-09458
)	
Debtor.)	Honorable Carol A. Doyle

**STIPULATION OF GLOBAL SETTLEMENT OF CONTROVERSIES BETWEEN
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FIRST MIDWEST BANK, AND TRAINOR GLASS COMPANY**

The Official Committee of Unsecured Creditors of Trainor Glass Company (the "*Committee*"), Trainor Glass Company ("*Trainor*," or, the "*Debtor*"), and First Midwest Bank ("*First Midwest*," and together with Trainor and the Committee, the "*Parties*"), hereby enter into this *Stipulation of Global Settlement of Controversies Between the Official Committee of Unsecured Creditors, First Midwest Bank, and Trainor Glass Company* (the "*Stipulation*") as follows:

RECITALS

Whereas:

1. On March 9, 2012, Trainor filed a voluntary petition for chapter 11 bankruptcy protection on March 9, 2012 (the "*Petition Date*"), in the Bankruptcy Court for the Northern District of Illinois (the "*Bankruptcy Court*"), administered under case number 12-09458 before the Honorable Carol A. Doyle (the "*Bankruptcy Case*").

2. First Midwest made certain loans and other financial accommodations to Trainor (the "*Prepetition Loans*"), including a revolving line of credit, term loans, letters of credit, and equipment finance loans pursuant to a Business Loan Agreement (Asset Based) dated as of August 27, 2004 by and between Trainor and First Midwest, as amended, modified and supplemented from time to time (the "*Prepetition Credit Agreement*").

3. In connection with the Prepetition Credit Agreement, Trainor executed various promissory notes, security agreements and other ancillary documentation (collectively, with the Prepetition Credit Agreement, the "*Prepetition Loan Documents*").

4. Under the terms of the Prepetition Loan Documents, Trainor granted a first priority lien and security interest in substantially all of its assets (the "*Prepetition Collateral*") to First Midwest to secure repayment of the Prepetition Loans.

5. As of the Petition Date, Trainor's indebtedness under the Prepetition Loan Documents was not less than \$34,059,905.29 (the "*First Midwest Claim Amount*").

6. On March 27, 2012, the United States Trustee appointed the Committee to represent the interests of Trainor's unsecured creditors under § 1102 of the Bankruptcy Code.

7. The Committee undertook an investigation of the extent and priority of First Midwest's secured interest in the Debtor's assets to determine what, if any, deficiencies existed with respect to First Midwest's alleged liens. The Committee's investigation also included an analysis of third-party credit enhancements held by First Midwest as well as any other additional claims that may exist against First Midwest.

8. Through its investigation of First Midwest's security interests, the Committee identified a number of valuable assets it believes are not subject to First Midwest's security interest under the Prepetition Loan Documents.

9. First Midwest disputes the Committee's conclusions regarding the validity and priority of its liens, and asserts that its secured interest in the Prepetition Collateral includes the collateral the Committee alleges is unencumbered.

Rather than engaging in costly, protracted litigation over this matter, the Parties have agreed to enter into a global compromise and settlement of the controversies raised between them that enhances the prospect for confirming a chapter 11 plan of liquidation (the "*Liquidation Plan*") in this Bankruptcy Case to preserve and protect Trainor's assets for the benefit of its creditors and to fully and finally administer this Bankruptcy Case.

TERMS OF SETTLEMENT

Now, therefore, for good and valuable consideration, the Parties hereby stipulate and agree as follows:

A. Conclusion of Investigation Period

The Parties stipulate and agree that the Committee's investigation period, as set forth in the *Final Order Authorizing Debtor to: (A) Use Cash Collateral; (B) Incur Postpetition Debt; and (C) Grant Adequate Protection and Provide Security and Other Relief to First Midwest Bank* (the "*Final Cash Collateral Order*") [Dkt. 98] and related documents (the "*Investigation Period*"), shall be deemed closed upon entry of an order from the Bankruptcy Court approving this Stipulation. Upon such event and subject to the claims of BSIC, F&D and ACE, as further defined in the Order approving this Stipulation (collectively, the "*Sureties*"), as well as any defenses to such claims, that proceeds of bonded projects are not property of the Debtor or of the Estate and, alternatively, that if any such proceeds are found to be property of the Debtor or the Estate, then the Sureties have priority over the Debtor, the Estate, First Midwest and the Committee to any and all of such proceeds to the extent of the Sureties' performance and payment bond losses, First Midwest shall be deemed to have a first-priority security interest in all of Trainor's assets (the "*Encumbered Assets*"), (except for Litigation Claims (defined below)) and subject to Permitted Priority Liens (as defined in the Final Cash Collateral Order), if any,

notwithstanding any allegation or contention that any of such assets were not subject to First Midwest's lien as of the Petition Date.

B. Settlement of First Midwest's Claims Against Trainor

The Parties stipulate and agree that First Midwest shall have an allowed secured claim (the "*Secured Claim*") and an unsecured deficiency claim (the "*Deficiency Claim*," and together with the Secured Claim, "*First Midwest's Claims*") against Trainor's bankruptcy estate (the "*Estate*") as follows:

1. Definition and Satisfaction of the Secured Claim

The Secured Claim shall continue to be satisfied by the Encumbered Assets including, but not limited to: (a) the net proceeds of the sale of Trainor's real and personal property during the Bankruptcy Case; (b) the collection of Trainor's accounts receivable other than those subject to the claims of the Sureties as more fully set forth in paragraph A hereto absent further order of Court; and (c) the sale, collection or disposition of any other assets of Trainor (except for Litigation Claims) regardless of whether the proceeds are realized (i) in the Bankruptcy Case, (ii) by the liquidating trustee appointed under the Liquidation Plan (the "*Trainor Liquidating Trustee*"), (iii) by a chapter 7 trustee in the event that the Bankruptcy Case is converted to chapter 7, or (iv) by any other means including, but not limited to, relief from the automatic stay or agreement of the Trainor Liquidating Trustee to allow First Midwest to realize upon the Encumbered Assets. The Parties agree that they shall not sell or otherwise liquidate any receivable, which constitutes proceeds of any bonded contract ("*Bonded Receivable*") until and unless the Bankruptcy Court or other court of competent jurisdiction enters a final and non-appealable order denying the claims of the Sureties. In the event that any Bonded Receivable is sold or liquidated, the Bonded Receivable and/or the proceeds thereof shall remain subject to and be encumbered by the claims of the Sureties, subject to any defenses to such claims.

2. Definition and Satisfaction of the Deficiency Claim

The Parties agree that the Deficiency Claim shall be allowed in an amount equal to (a) the First Midwest Claim Amount, less (b) the amounts First Midwest recovers on account of the Encumbered Assets.

C. The Liquidation Plan, Trainor Liquidation Trust and Trainor Litigation Trust

The Parties shall pursue confirmation of the Liquidation Plan; provided, however, that this Stipulation shall govern the Parties rights and obligations irrespective of whether the Liquidation Plan is confirmed including, but not limited to, if the Bankruptcy Case is converted to chapter 7 of the Bankruptcy Code.

The Parties agree that the Debtor and the Committee shall bear joint responsibility for drafting and seeking to confirm the Liquidation Plan. The Committee shall be principally responsible for drafting the Liquidation Plan, with support from the Debtor and First

Midwest as necessary. The Parties shall work together cooperatively and in good faith to seek confirmation of the Liquidation Plan, which shall contain the following material components and terms:

1. *Claims Treatment*

Other than First Midwest's Claims, the Plan shall provide for ordinary and customary classification and treatment of claims under the Bankruptcy Code and applicable law as set forth in ¶ H of this Stipulation.

2. *Trainor Liquidation Trust*

The Liquidation Plan shall provide for the creation of the Trainor Liquidation Trust and the assignment of all assets of the Estate, including Litigation Claims, to the Trainor Liquidation Trust. The Encumbered Assets remaining in the estate as of confirmation of the Liquidation Plan (the "*Remaining Encumbered Assets*") shall be transferred to the Trainor Liquidation Trust for the sole and exclusive benefit of First Midwest on account of its Secured Claim absent further order of Court. All costs and expenses of the Trainor Liquidating Trustee in pursuing the Remaining Encumbered Assets shall be funded by the proceeds of the Remaining Encumbered Assets or as otherwise directed by First Midwest. All claims of Trainor or its estate arising under chapter 5 of the Bankruptcy Code (the "*Litigation Claims*") and objections to claims against the Estate, shall also be assigned to the Trainor Liquidation Trust, which shall pursue all such claims and prosecute all such objections for the benefit of the Estate. All costs and expenses incurred by the Trainor Liquidating Trustee in pursuing Litigation Claims shall be funded solely with the proceeds of such Litigation Claims.

3. *Trainor Liquidating Trustee*

The Trainor Liquidating Trustee shall be (i) appointed under the Trainor Liquidation Plan, and (ii) be Phillip Van Winkle or such other Trainor Liquidating Trustee selected by First Midwest with the advice and consent of the Debtor and the Committee. The Trainor Liquidating Trustee shall have the ordinary and customary role and duties of a post-confirmation plan administrator with respect to the Remaining Encumbered Assets. The Trainor Liquidating Trustee shall also have the authority to prosecute and settle Litigation Claims, including causes of action arising under chapter 5 of the Bankruptcy Code and objections to claims against the Estate.

4. *Oversight Committee and Settlements by the Trainor Liquidating Trustee*

The Plan shall create a two member post-confirmation oversight committee (the "*Oversight Committee*") comprised of representatives for First Midwest (or its designee) and the Committee (or a Committee designee, should no member of the Committee be willing to serve) to monitor the activities of the Trainor Liquidating Trustee.

The Trainor Liquidating Trustee may settle claims involving the Remaining Encumbered Assets only with the consent of First Midwest. The Trainor Liquidating

Trustee may settle Litigation Claims (a) with the unanimous consent of the members of the Oversight Committee, or (b) with the consent of (i) one member of the Oversight Committee, and (ii) approval of the Bankruptcy Court after notice and a hearing.

5. Professionals

The Trainor Liquidating Trustee shall be authorized to retain professionals to assist him or her in the administration of the Trainor Liquidating Trust and to otherwise discharge his or her fiduciary duties owed to trust beneficiaries. The Trainor Liquidating Trustee may retain any of the professionals involved in the Bankruptcy Case regardless of their respective roles in the Bankruptcy Case for efficiency.

6. Releases

The Liquidation Plan shall provide for customary releases of the Parties and their professionals. In conjunction with this Stipulation, however, First Midwest shall be fully released under the Final Cash Collateral Order upon the conclusion of the Investigation Period as provided in ¶ A of this Stipulation; provided, however, that this Stipulation shall not affect the rights of the Sureties, if any, under the Final Cash Collateral Order.

D. The Committee Settlement Carve-Out and Cap

The Final Cash Collateral Order shall be deemed amended to include an additional carve-out in the amount of \$293,000 (the “*Settlement Carve-Out*”), which shall be used to fund allowed professional fee claims of the Committee’s professionals from the Petition Date to the effective date of the Liquidation Plan (the “*Effective Date*”) if and when confirmed by the Bankruptcy Court. The Settlement Carve-Out shall be reduced on a dollar-for-dollar basis by those amounts paid to the Committee’s professionals as of the date of this Stipulation for their allowed fees and expenses in excess of the initial \$50,000 carve-out as provided in the Final Cash Collateral Order as amended.¹ In the event that the Court converts the Bankruptcy Case to chapter 7, any remaining balance from the Settlement Carve-Out shall revert to Trainor’s bankruptcy estate after satisfaction of allowed professional fee claims of the Committee’s professionals from the Petition Date to the date of such conversion to chapter 7. The Settlement Carve-Out plus the initial carveout amount of \$50,000 (i.e., a total of \$343,000) shall also act as a cap (the “*Committee Fee Cap*”) on the aggregate professional fees incurred by the Committee’s professionals from the Petition Date to the earlier of (i) the Effective Date, and (ii) the Conversion Date; provided, however, that the Committee’s professionals may recover up to an additional \$100,000 in allowed fees above the Committee Fee Cap (for a total of \$443,000) solely from the first proceeds of Litigation Claims *pari passu* with the Debtor’s professionals (if applicable) as set forth in Section E below regardless of whether those net proceeds are generated by the Trainor estate, the Trainor Liquidating Trustee or a chapter 7 trustee (the “*Committee Reserve*”); provided, further, however, that the Committee’s professionals

¹ For the avoidance of doubt, the Committee’s professionals have been paid \$196,051.08 in excess of the Initial Carve-Out as of the date of this Stipulation.

may also recover additional allowed fees above the Committee Fee Cap, but (a) solely from the proceeds of Litigation Claims, and (b) junior in priority to the Diminution Claim (the “*Committee Excess Fee Claims*”). For the purpose of confirmation of a plan of reorganization, the Committee and its professionals waive compliance with 11 U.S.C. § 1129(a)(9). Notwithstanding anything to the contrary herein, hourly fees incurred by counsel to the Committee in conjunction with Litigation Claims against the Sureties shall not be subject to the Committee Fee Cap.

E. Debtor Fee Cap

The Debtor and its professionals have agreed that the fees of the Debtor’s professionals accruing from February 1, 2013 through the earlier of (i) the Effective Date, and (ii) the Conversion Date shall not exceed (1) \$61,500 for Debtor’s counsel, and (2) \$60,000 for High Ridge Partners (the “*Debtor Fee Cap*”); provided, however, that Debtor’s counsel may recover up to an additional \$40,000 in allowed fees above the Debtor Fee Cap and High Ridge Partners may recover up to an additional \$10,000 in allowed fees above the Debtor Fee Cap solely from the first proceeds of Litigation Claims *pari passu* with the Committee’s professionals (if applicable) as set forth in Section D above regardless of whether those net proceeds are generated by the Trainor estate, the Trainor Liquidating Trustee or a chapter 7 trustee (the “*Debtor Reserve*”); provided, further, however, that the Debtor’s professionals may also recover additional allowed fees above the Debtor Fee Cap, but (a) solely from the proceeds of Litigation Claims, and (b) junior in priority to the Diminution Claim (“*Debtor Excess Fee Claims*”). For the purpose of confirmation of a plan of reorganization, the Debtor and its professionals waive compliance with 11 U.S.C. § 1129(a)(9). For avoidance of doubt, any fees incurred by the Debtor’s professionals after the Effective Date on behalf of the Trainor Liquidating Trustee shall not be subject to the Debtor Fee Cap.

F. First Midwest’s Diminution Claim

The Parties acknowledge that First Midwest funded considerable pre-Petition Date employee claims and obligations, as well as substantial professional fees, from its collateral in conjunction with this Bankruptcy Case in an amount no less than \$1,400,000. In full satisfaction of any resulting claim First Midwest may have against the Estate for diminution in its collateral pursuant to Section 4(c) of the Final Cash Collateral Order or otherwise, the Parties agree that First Midwest shall be granted an allowed administrative claim pursuant to Section 507(b) of the Bankruptcy Code for such diminution in an amount equal to \$975,000 (the “*Diminution Claim*”). The Diminution Claim shall have priority over all other allowed claims, except for allowed but unpaid claims under section 507(a)(2) of the Bankruptcy Code (“*Allowed Chapter 11 Administrative Claims*”) including, without limitation, claims made against the Committee or Debtor Reserve; provided that, notwithstanding the above, the Diminution Claim shall be senior in priority to any Committee Excess Fee Claims and Debtor Excess Fee Claims. The Diminution Claim shall be entitled to payment as set forth in ¶ H of this Stipulation. In the event that the Bankruptcy Court does not confirm the Liquidation Plan for whatever reason and the Bankruptcy Case is converted from chapter 11 to chapter 7 of the Bankruptcy Code, First Midwest shall retain its Diminution Claim, which shall be paid in accordance with the

priority scheme set forth in the Bankruptcy Code but remain subordinate to Allowed Chapter 11 Administrative Claims (other than any Committee Excess Fee Claims and Debtor Excess Fee Claims).

G. Committee Standing to Pursue Litigation Claims

The Parties stipulate and agree that the Committee shall be authorized to immediately begin prosecution of Litigation Claims during the Bankruptcy Case, subject to entry of Bankruptcy Court order on that certain *Joint Motion of Trainor Glass Company and the Official Committee of Unsecured Creditors to Authorize the Committee to Pursue Non-Insider Avoidance Actions*, dated August 7, 2012. [Dkt. 425.] Any fees and expenses accrued by Committee counsel in pursuing Litigation Claims shall be paid solely from the proceeds of such Litigation Claims. In conjunction therewith, the Committee shall direct its counsel to supplement its existing court-approved engagement as it relates to prosecution of Litigation Claims, once initiated by filing of complaints, to be handled on a contingent fee basis. This supplement shall be presented to the Court for approval concurrently with this Stipulation.

H. Distribution of Litigation Claims Proceeds

The Parties agree that the Liquidation Plan shall propose that proceeds of Litigation Claims (net of the reasonable fees and expenses of the Trainor Litigation Trustee) be distributed as follows:

- first, to any unpaid Allowed Chapter 11 Administrative Claims;
- second, to First Midwest on account of its Diminution Claim;
- third, to any Committee Excess Fee Claims and Debtor Excess Fee Claims on a pro rata basis.
- fourth, to any allowed but unpaid claims under Section 507(a) of the Bankruptcy Code except for Allowed Chapter 11 Administrative Claims (“*Allowed Priority Claims*”), payable in accordance with Section 507 of the Bankruptcy Code; and
- fifth, to holders of allowed unsecured claims against the Debtor, including First Midwest on account of its Deficiency Claim.

The Parties further agree that nothing herein is meant to prejudice or otherwise affect the rights of entities other than the Parties and their professionals to assert their right to distributions based on claims entitled to administrative priority under sections 503(b) or 507(a) of the Bankruptcy Code.

I. Effectiveness Contingent on Court Approval & Severability of Provisions

This Stipulation shall not be effective unless approved by the Court. Should the Court condition its approval of the Stipulation, or find any provision of the Stipulation invalid,

the Parties agree that the Stipulation may still be effective despite such condition or finding of invalidity, so long as each of the Parties agree to the condition or other provision in writing. Should the Court deny approval of this Stipulation, or condition its approval on terms not acceptable to any of the Parties, the Parties' agreements in this Stipulation will terminate and be void. All of the statements, admissions, consents, and agreements contained in this Stipulation and any motion filed to approve the Stipulation shall be void; and neither the Committee, nor Trainor, nor First Midwest may use or rely on any such statement, admission, consent, or agreement in any public statement or litigation involving the Parties.

J. Entire Agreement, Execution in Counterparts, and Electronic Signatures Allowed

This Stipulation constitutes the entire agreement between the Parties and may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same. This Stipulation may be signed and transmitted electronically or by facsimile, and any such signature or transmission shall have the full force and effect of original ink signatures.

K. Authority to Execute the Stipulation

The undersigned individuals represent and warrant that they have full authority to execute this Stipulation on behalf of their respective Parties, and have obtained all necessary approvals from those Parties. This Stipulation is the resolution of disputed claims and nothing in this Stipulation shall be deemed an admission against any of the Parties.

L. Other Provisions

This Stipulation shall be binding on and inure to the benefit of the Parties respective assigns and successors.

This Stipulation, and all matters arising under or in connection with this Stipulation, shall be governed by the laws of the state of Illinois to the extent they apply.

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THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE TRAINOR GLASS COMPANY

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Trainor Glass Company
Chapter 7 and Chapter 11 Liquidation Scenarios
Projections as of November 8, 2013

	Chapter 7		Chapter 11		
	Low Estimated Return Value	High Estimated Return Value	Low Estimated Return Value	High Estimated Return Value	Comments
<u>Assets:</u>					
Unencumbered Cash	318,480	318,480	318,480	318,480	Unencumbered cash as of November 5, 2013 per High Ridge Partners. This figure excludes other amounts that may appear as cash on hand in the Debtor's monthly operating reports.
Estimated Future Preference Recoveries (non-insider)	1,803,702	2,405,042	1,803,702	2,405,042	Based on open filed actions and anticipated unfiled actions as of November 5, 2013. Figures based on preliminary recovery analysis net of certain statutory defenses and professional fees.
Estimated Future Preference Recoveries (insiders)	1,465,800	1,829,800	1,465,800	1,829,800	Includes estimated avoidance recoveries against unreleased insider individuals and entities controlled by insiders. Figures are based on preliminary recovery analysis net of certain statutory defenses and professional fees.
Total Assets Administered	3,587,982	4,553,322	3,587,982	4,553,322	
<u>Secured Claims:</u>					
First Midwest	-	-	-	-	Satisfied by encumbered assets pursuant to Global Settlement
Other Secured Claims	-	-	-	-	Satisfied by surrender of collateral
Total Secured Claims	-	-	-	-	
Assets Remaining	3,587,982	4,553,322	3,587,982	4,553,322	
<u>Administrative Claims:</u>					
503(b)(9) Claims	-	-	-	-	No Sec. 503(b)(9) claims were lodged against the estate.
First Midwest Diminution Claim	975,000	975,000	975,000	975,000	Disclosure statement p. 22
Edwin Trainor Administrative Claim	250,000	-	250,000	-	Disclosure statement p. 22
Other Administrative Claims	16,120	-	16,120	-	One open claim.
Epiq Professional Fees	60,000	33,000	60,000	33,000	Estimate
Unpaid Professional Fees (Debtor)	250,000	215,000	250,000	215,000	Estimate
Unpaid Professional Fees (Creditors' Committee)	250,000	225,000	250,000	225,000	Estimate
US Trustee Fees	30,000	20,000	30,000	20,000	Estimate
Company Payroll & Services	10,000	5,000	10,000	5,000	Estimate
Tax Returns, Bank Fees, etc.	50,000	40,000	50,000	40,000	Estimate
Chapter 11 Liquidating Trustee	-	-	90,000	48,000	Estimate. \$10k for first 3 months, \$3k - \$5k thereafter for 6-12 months total.
Chapter 11 Liquidating Professional Fees	-	-	125,000	87,500	Estimate. Pursuant to the Global Settlement Agreement, fees and expenses incurred by the Liquidating Trustee shall be allocated between the estate and First Midwest - the assumption for this analysis is a 50/50 split.
Chapter 7 Liquidating Trustee	130,889	159,850	-	-	Sec. 326(a) fees payable on "Total Assets Administered"
Chapter 7 Liquidating Professional Fees	250,000	175,000	-	-	Estimate
Total Administrative Claims	2,272,010	1,847,850	2,106,120	1,648,500	
Assets Remaining	1,315,972	2,705,472	1,481,862	2,904,822	
<u>Priority Claims:</u>					
WARN Claims - S. 507(a)(4) and (a)(5)	3,500,000	-	3,500,000	-	The WARN Act Class has asserted a class claim that it believes is entitled to priority status in an amount up to \$3.5 million. The Plan Proponents believe that the WARN Act Class claim is subject to defense to allowance.
Other Employee Priority Claims - S. 507(a)(4) and (a)(5)	1,160,000	1,160,000	1,160,000	1,160,000	Includes wage, benefits, and vacation claims based on a high end estimate from the debtor, and further analysis is required to determine the components and amounts of the claims.
Priority Tax Claims - S. 507(a)(8)	860,000	660,000	860,000	660,000	Includes payroll, sales, personal property, and state income taxes. Amounts are estimated and subject to further analysis.
Total Priority Claims	5,520,000	1,820,000	5,520,000	1,820,000	
Net Estimated Proceeds Available to Pay General Unsecured Claims	(4,204,028)	885,472	(4,038,138)	1,084,822	
<u>Unsecured Claims:</u>					
General Unsecured Claims (as filed)	459,772,738	459,772,738	459,772,738	459,772,738	See Note 1.
Allowed Unsecured Claims (est.)	70,000,000	30,000,000	70,000,000	30,000,000	See Note 2.
Anticipated Payout to General Unsecured Creditors	0.0%	2.95%	0.0%	3.62%	

NOTE 1: Based on all filed claims, which claims have not been analyzed nor yet made subject to reconciliation, objection or adjudication as to allowance or amount. The general unsecured claim pool include over \$410 million in asserted claims by sureties Bond Safeguard Insurance Company, Lexon Insurance Company, and Fidelity and Deposit Company of Maryland, and numerous duplicate claims include certain significant claims.

NOTE 2: The Plan Proponents believe that the estimated allowed general unsecured claim pool, following reconciliation, will total between \$30 and \$70 million.

Values provided are estimates only and inherently may ultimately materially differ from actual results.