UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
HARTFORD DIVISION

In re:	)	Chapter 11
	)	
ULTIMATE NUTRITION, INC., ET AL.[1]	)	Jointly Administered under Case No. 14-22402 (AMN)
	)	
Debtors.	)	

FIRST AMENDED DISCLOSURE STATEMENT FOR
FIRST AMENDED PLAN OF REORGANIZATION
FOR ULTIMATE NUTRITION, INC. AND PROSTAR, INC.

Dated: Bridgeport, Connecticut
December 3, 2015

PULLMAN & COMLEY, LLC
Counsel for the Debtors
850 Main Street, 8th Floor
Bridgeport, CT 06604
Tel: (203) 330-2000
Irve J. Goldman (ct02404)
Jessica Grossarth (ct23957)
igoldman@pullcom.com
jgrossarth@pullcom.com

[1] Ultimate Nutrition, Inc., Case No. 14-22402, and Prostar, Inc., Case No. 14-22403.

DISCLAIMER

NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF VOTES ON THE PLAN.

THE DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING THE PLAN, SHOULD BE READ. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE DISCLOSURE STATEMENT AND THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THE TRANSMISSION OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. AFTER THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL BE MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST THE DEBTORS WITH “ADEQUATE INFORMATION” (AS DEFINED IN THE BANKRUPTCY CODE) SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, AS A STIPULATION OR AS A WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AND INTERESTS AGAINST THE DEBTORS.

INTRODUCTION

A glossary of defined terms frequently used in this Disclosure Statement is set forth in Article I of the Chapter 11 plan of reorganization filed for the Debtors with the Bankruptcy Court simultaneously herewith.

The Debtors, Ultimate Nutrition, Inc. ("Ultimate") and Prostar, Inc. ("Prostar") (the "Debtors"), filed their Plan of Reorganization dated November 18, 2015 (the "Plan"), with the United States Bankruptcy Court for the District of Connecticut (the "Bankruptcy Court"). A true and correct copy of the Plan is annexed hereto as **Exhibit "A."** This Disclosure Statement for the Plan (the "Disclosure Statement") has been approved by the Bankruptcy Court for use in connection with confirmation of the Plan pursuant to section 1125 of title 11 of the United States Code (the "Bankruptcy Code").

The Plan is the product of intense negotiations among the Debtors, the Official Committee of Unsecured Creditors (the "Committee") that was appointed by the Office of the United States Trustee in the Debtors' Chapter 11 case (the "Chapter 11 Case"), and other parties having an interest in the Chapter 11 Case.

In the Debtors' opinion and in the opinion of the Committee, the treatment of Claims under the Plan provides a greater recovery for Creditors than that which is likely to be achieved under other alternatives for the reorganization or liquidation of the Debtors.

Accordingly, the Debtors and the Committee believe that Confirmation of the Plan is in the best interests of Creditors and urges Creditors to vote to accept the Plan.

The Debtors filed their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on December 17, 2014 (the "Petition Date") with the Clerk of the United States Bankruptcy Court for the District of Connecticut, Hartford Division. On January 5, 2015, the Committee was appointed in this case by the Office of the United States Trustee.

Ultimate is engaged in the development, sale and distribution of high quality nutritional supplements for body building, enhanced athletic performance and fitness. Prostar functions as the production segment of the Debtors' business by processing and packaging many of the products sold by Ultimate, which is Prostar's only customer.

THE PLAN

As set forth in Articles III, IV, V and VI of the Plan, the Plan classifies the various Claims and Interests against the Debtors and specifies their treatment pursuant to sections 1122 and 1123(a) of the Bankruptcy Code. The table below provides a summary of the classification and treatment of Creditor Claims under the Plan. The figures set forth in the table below represent the Debtors' best estimate of the aggregate amount of Claims in each Class. These estimates are based on an analysis of the Schedules filed by the Debtors, the Proofs of Claim filed by Creditors, and information provided to Debtors' counsel. There can be no assurance that Claims will be allowed by the Bankruptcy Court in the amounts set forth below. The aggregate amount of Allowed Claims may be significantly lower from the amounts set forth below as the

result of objections to claims which may be brought by the Debtors or through stipulations which may be negotiated with various creditors.

Class and Estimated Amount	Type of Claim	Summary of Treatment
$1,497,351.45[2]	Administrative Expense Claims (excluding Claims for Professional Fees, but including post-petition ordinary course liabilities)	**Non-Voting.** Each Allowed Administrative Expense Claim shall be paid in full in Cash on the later of (a) the Distribution Date, or (b) in the event such Administrative Expense Claim is not Allowed as of the Distribution Date, the date on which the Bankruptcy Court enters an order allowing such Administrative Expense Claim, or (c) such later date as the Debtors (or, if it is after the Distribution Date, the Reorganized Debtors) and the Holder of such Allowed Administrative Expense Claim otherwise agree in writing, or as soon thereafter as is practicable; *provided, however*, that Allowed Administrative Expense Claims incurred by the Debtors in the ordinary course of their business shall be paid in full or performed by the Debtors or Reorganized Debtors in accordance with the terms and conditions of the particular transactions giving rise to such Administrative Expense Claim and any agreements related thereto. 503(b)(9) Claims shall be paid in full in Cash on the Effective Date and shall not be subject to further objection or offset.
$0.00[3]	Priority Tax Claims	**Non-Voting.** Each holder of a Priority Tax Claim that has not been paid prior to the Effective Date shall be paid in full on the later of (i) the Effective Date, (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable; or (iii) at the Debtors' option, monthly cash installment payments, with interest at the Plan Rate, commencing on the later of the Effective Date or the date such claim becomes allowed to a period not exceeding five years from the Petition Date. The holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of interest, or on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim, except to the extent allowed as a part of an Allowed Priority Tax Claim pursuant to Section 507(a)(8) of the Bankruptcy Code.

[2] This amount includes all Allowed 503(b)(9) Claims and the Debtors' unpaid post-petition accounts payable.

[3] The Debtors did not schedule any Priority Tax Claims, and no proof of claims were filed asserting any such claims.

Class and Estimated Amount	Type of Claim	Summary of Treatment
$360,000[4]	Administrative Claims for Professional Compensation and Reimbursement	**Non-Voting.** All applications for final compensation of Professionals for services rendered and for reimbursement of expenses incurred for any period prior to the Confirmation Date must be filed no later than forty-five (45) days following the Effective Date, and shall be Allowed following entry by the Bankruptcy Court of any order or orders allowing same (or to the extent it has been previously allowed).
Class 1 $0.00[5]	Priority Claims	**Unimpaired and Non-Voting.** Each holder of a Priority Claim that has not been paid prior to the Effective Date shall be paid in full in Cash on the later of (i) the Effective Date, and (ii) the date on which such Priority Claim becomes an Allowed Priority Claim, or as soon thereafter as is practicable.
Class 2 $13,240,174.24[6] (less adequate protection payments commencing with the October 2015 adequate protection payment until the Effective Date).	Allowed TD Secured Claim	**Impaired and Voting**. Section 6.2 of the Plan contains TD's treatment under the Plan including the payment terms and the financial covenants.

[4] The Debtors' estimate that their professionals, as well as the Committee's professionals' fees, for September 2015 through the Confirmation Date will be approximately $360,000. Since the Petition Date, the Debtors have paid allowed professional fees and expenses of its own professionals and the professionals of the Committee in the total amount of approximately $676,000, exclusive of prepetition retainers.

[5] As of the filing of the Plan, no Priority Claims were scheduled by the Debtors or subsequently filed.

[6] As of October 19, 2015, plus applicable interest accruing thereafter pursuant to 11 U.S.C. §506(b).

Class and Estimated Amount	Type of Claim	Summary of Treatment
Class 3 $0.00[7]	Other Secured Claims	**Non-Voting.** On the later of (i) the Effective Date or (ii) the date on which the Other Secured Claim becomes an Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive one of the following treatments: (aa) Reorganized Debtors shall abandon to the Holder of such Allowed Other Secured Claim any collateral against which such Holder has a valid and perfected security interest or lien as the indubitable equivalent of such Allowed Claim; (bb) the legal, equitable and contractual rights to which such Allowed Other Secured Claim entitles the Holder shall remain unaltered; (cc) such Holder's Allowed Other Secured Claim shall be reinstated and not Impaired in accordance with section 1124(2) of the Bankruptcy Code, or (dd) the Holder will be afforded such other treatment as mutually agreed to by the Debtors and/or Reorganized Debtors and such Holder.
Class 4 $3,909,639	General Unsecured Claims[8]	**Impaired and Voting.** Each Holder of an Allowed General Unsecured Claim shall receive a Fifty Percent Distribution, payable in monthly Cash installments beginning on the Distribution Date and continuing on the first business day of each month thereafter until payment of the Fifty Percent Distribution is achieved. The amount of the required monthly Cash installment shall be each such Holder's Pro Rata share of the amount of $50,000 for the Distributions in the first and second months following the Effective Date and thereafter it shall be $110,000, except that in the final month in which Distributions shall be due to General Unsecured Claims, the monthly Cash installment shall be in such greater amount as is necessary to pay in full the Fifty Percent Distribution.

[7] As of the filing of the Plan, no Other Secured Claims were scheduled by the Debtors or subsequently filed.

[8] Pursuant to Section 6.4(d) through (f) of the Plan, a Creditors' Oversight Committee will represent the interests of Class 4 Creditors by monitoring the Reorganized Debtors' compliance with their obligations under the Plan to Class 4 Creditors.

Class and Estimated Amount	Type of Claim	Summary of Treatment
Class 5	Santander Claim	As set forth in Section 6.5 of the Plan, the Santander Claim will be treated according to one of two alternatives, depending upon whether Santander votes to accept or reject the Plan.
Class 6 $1,586,271.16	Insider Claims	**Impaired and Voting.** The Holders of Insider Claims shall be subordinated in payment to Class 2 and 4 Creditors and shall not receive any Distributions on account of the Insider Claims until the Class 2 and 4 Claims are paid in full.
Class 7	Interests	**Non-Voting.** On the Effective Date, Holders of Allowed Interests shall continue to hold their same Interests in the Reorganized Debtors as that they held in the Debtors as of the Petition Date with all rights, remedies and defenses of any Interest Holder expressly reserved.

CONFIRMATION OF THE PLAN

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan, on December 23, 2015 at 11:00 a.m., Eastern Standard Time, in the United States Bankruptcy Court for the District of Connecticut, 450 Main Street, Hartford, Connecticut. The Bankruptcy Court has directed that objections, if any, to Confirmation of the Plan be filed and served on or before December 18, 2015 at 4:00 p.m., in the manner described under "ACCEPTANCE AND CONFIRMATION – Confirmation Hearing."

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129(a) of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. The Debtors intend to seek Confirmation of the Plan at the Confirmation Hearing. **The Debtors believe that the Plan satisfies all applicable requirements of section 1129(a) and section 1129(b) of the Bankruptcy Code.** See "ACCEPTANCE AND CONFIRMATION – Requirements for Confirmation" for a description of such requirements. Confirmation makes the Plan binding upon the Debtors, all Creditors, Interest Holders and other parties regardless of whether they have voted to accept or reject the Plan.

With the entry of the Confirmation Order, pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise provided in the Plan, the distributions provided for in the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims against the Debtors or any of its assets or properties, including any Claim accruing after the Petition Date and before the Confirmation Date. As of the Effective Date, all holders of Claims shall be precluded from asserting any Claim against the Debtors or their assets or other interests in the

Debtors based on any transaction or other activity of any kind that occurred before the Confirmation Date except as otherwise provided in the Plan.

NO VOTING FOR CERTAIN CREDITORS – SUMMARY

Voting Instructions for Holders of Claims and Interests in Classes 2, 4, 5 and 6 - Summary

Holders of Allowed Claims in Classes 2, 4, 5 and 6 are the only Holders of Claims that are entitled to vote on the Plan. The following discussion summarizes more detailed voting instructions set forth in the section of this Disclosure Statement entitled "VOTING INSTRUCTIONS." If you have any questions regarding the timing or manner of casting your Ballot, please refer to the "VOTING INSTRUCTIONS" section of this Disclosure Statement and the instructions contained on the ballot that you received with this Disclosure Statement.

General. The Debtors sent a Ballot and a copy of this Disclosure Statement to the Holders of Allowed Claims in Classes 2, 4, 5 and 6 because they are impaired under the Plan.

The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you it if is accepted by Holders of two-thirds in amount and more than one-half in the number of the Allowed Claims in Classes 2, 4, 5 and 6.

In the event the requisite acceptances are not obtained, the Bankruptcy Court may nevertheless confirm the Plan if (i) the Bankruptcy Court finds that the Plan accords fair and equitable treatment and does not discriminate unfairly with respect to the class rejecting it, and (ii) at least one impaired class of creditors excluding Insiders has accepted the Plan.

Voting Multiple Interests. A single form of Ballot is provided for Holders of Claims in Classes 2, 4, 5 and 6. Any Person who holds more than one Claim will be deemed to hold only a single Claim in such Class in the aggregate amount of all Allowed Claims or Interests in such Class held by such Person. Thus each Person need complete only one Ballot for each class of Claims in Classes 2, 4, 5 and 6.

Deadline for Returning Ballots. The Bankruptcy Court has directed that, to be counted for voting purposes, Ballots for the acceptance or rejection of the Plan must be received by the Debtors no later than 4:00 p.m., Eastern Time, on December 21, 2015 at the following address:

Pullman & Comley, LLC
850 Main Street, 8th Floor
Bridgeport, CT 06604
Attention: Irve J. Goldman, Esq.

Voting Questions. If you have any questions regarding the provisions or requirements for voting to accept the Plan or require assistance in completing your ballot, you may contact Irve J. Goldman at (203) 330-2213.

Notice to Holders of Claims and Insider Claims. This Disclosure Statement and the accompanying Ballots are being furnished by the Debtors to the Debtors' known Creditors pursuant to section 1125(b) of the Bankruptcy Code in connection with a solicitation of

acceptances of the Plan filed by the Debtors. The Plan is filed with the Bankruptcy Court and is incorporated herein by reference. Parties in interest may view the Plan on the Internet at http://www.ctb.uscourts.gov.[9] The Plan and this Disclosure Statement may also be accessed and viewed at http://sitepilot07.firmseek.com/client/pullman/www/f-60.html.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY THE DEBTORS. THE STATEMENTS AND OPINIONS SET FORTH HEREIN ARE THOSE OF THE DEBTORS, AND NO OTHER PARTY HAS ANY RESPONSIBILITY WITH RESPECT THERETO.

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON THE DECISION OF CREDITORS AND HOLDER OF INSIDER CLAIM TO ACCEPT OR REJECT THE PLAN PROPOSED BY THE DEBTORS. PLEASE READ THIS DOCUMENT WITH CARE.

THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE BANKRUPTCY COURT, THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE PLAN OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The historical information concerning the Debtors has been prepared using certain filings made with the Bankruptcy Court. The estimates of Claims set forth herein may vary from the final amounts of Claims allowed by the Bankruptcy Court. While every effort has been made to ensure the accuracy of all such information, except as noted in the Disclosure Statement, the information presented herein is unaudited.

The Disclosure Statement contains a summary of certain provisions of the Plan and the transactions contemplated thereunder, and may contain descriptions of certain other related documents. While the Debtors believe that these summaries are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents. Reference is made to the Plan and the documents referred to herein and therein, if any, for a complete statement of the terms and provisions thereof. In the event of any inconsistency between the terms of the Plan and this Disclosure Statement, the terms of then Plan shall be controlling. No statements or information concerning the Debtors or their assets, or financial condition, are authorized by the Debtors other than as set forth in this Disclosure Statement, the Plan and the exhibits hereto.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified herein. The delivery of this Disclosure Statement shall not create, under any circumstances, an implication that there has been no change in the facts set forth herein since the date hereof.

[9] A password is necessary for access to view documents on the Internet.

No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. No Person has been authorized to use or promulgate any information concerning the Debtors the Plan, other than the information contained in this Disclosure Statement and the exhibits hereto. You should not rely on any information relating to the Debtors the Plan other than that contained in this Disclosure Statement and the exhibits hereto.

RECOMMENDATION

In the Debtors' opinion and in the opinion of the Committee, the treatment afforded to Creditors under the Plan provides a greater recovery than likely to be achieved under any other alternatives, including liquidation under Chapter 7. In particular, the Debtors and the Committee believe that in a Chapter 7 liquidation, administrative costs will increase.

THE DEBTORS AND THE COMMITTEE BELIEVE THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND URGE EACH CREDITOR ENTITLED TO VOTE TO ACCEPT THE PLAN.

SIGNIFICANT EVENTS LEADING TO CHAPTER 11

The Debtors' senior secured lender is TD Bank, N.A. ("TD"), which, according to the Debtors' books and records, was owed approximately $13 million as of the Petition Date.

In early 2012, the Debtors expanded their lending relationship with TD by taking out an equipment loan, terming out a portion of the debt on their line of credit, and increasing the availability on the line of credit. Prior to expanding their debt structure with TD, the Debtors explained to TD that due to increased regulatory enforcement activity and labor strife experienced in 2011, 2012 would be a rebuilding year for the Debtors and that TD should not expect the same financial results from the Debtors as in the past. TD went along with the 2012 debt expansion nonetheless.

The Debtors first experienced strife with TD after they hired a Chief Financial Officer who was highly recommended for them by their loan officer at TD. Shortly thereafter, it was discovered that the individual hired was grossly incompetent and engaged in sexual harassment and other inappropriate behavior. As a result, he was terminated. Since that time, the Debtors' relationship with TD deteriorated.

In 2013, TD placed the Debtors in default due to non-compliance with certain financial covenants in the loan documents and transferred the lending relationship to the workout division of the bank.

After the loan was transferred to loan workout, the Debtors engaged in discussions with TD for a substantial period of time concerning a possible refinancing of TD's indebtedness and other avenues of addressing the indebtedness. Although the parties entered into several forbearance agreements, while the Debtors were searching for refinancing sources, the latest one expired on December 15, 2014. During that entire period of time, the Debtors made all loan and other payments that were required by TD.

The loan workout process and refinancing search, as it progressed, created substantial instability, uncertainty and financial strain for the Debtors' business and, as a result, the Debtors filed for protection under Chapter 11 of the Bankruptcy Code.

SIGNIFICANT EVENTS IN THE CHAPTER 11 CASE

On the Petition Date, the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Connecticut, so that they could reorganize their debt obligations. The following discussion is intended to highlight the more significant events which have occurred during the pendency of the Debtors' cases.

FARMINGTON BANK DISPUTE & SETTLEMENT

For a substantial period of time prior to the Petition Date, the Debtors maintained most of their cash in accounts at TD. In the prepetition period, on and after December 11, 2014, the Debtors as well as non-debtor guarantor, VHR Development, LLC ("VHR"), transferred a substantial portion of their cash holdings out of TD to Farmington Bank ("FB") in order to protect against a set-off by TD once it became aware that the Debtors were planning to seek the protection of Chapter 11 of the Bankruptcy Code. The monies that were transferred from TD to FB prepetition totaled $437,000 (the "Transferred Funds") and at the time of transfer, were cash assets of the Debtors and VHR that were on deposit with TD and fully available for the Debtors.

The Transferred Funds were reflected on the Debtors' banking records with FB as having been credited to their accounts there and available to the Debtors as well as to VHR. After the Petition Date, however, the Debtors and VHR received notification from FB that the checks used to transfer the Transferred Funds had been designated, apparently by TD, as uncollectible or to be returned for insufficient funds. Thus, the Debtors' and VHR's bank accounts at FB, which were supposed to contain funds in the amount of approximately $400,000 as of the Petition Date, were completely wiped out.

As a result, FB claimed it was unsecured creditor as a result of the overdraft in the amount of $56,855.65 and objected to the Debtors' use of cash collateral and the retention application of the Debtors' professionals, Pullman & Comley, LLC and Marcum, as the alleged overdraft funds were used to pay these professionals retainers.

The dispute with FB was settled by Stipulation approved by the Bankruptcy Court on February 20, 2015, which provided that both TD and Ultimate Nutrition shall each pay to FB $28,427.83, with the TD portion being added to the total debt Ultimate owed to TD.

GLANBIA NUTRITIONAL INC. DISPUTE & SETTLEMENT

On January 5, 2015, Glanbia Nutritionals, Inc. ("Glanbia") filed with the Bankruptcy Court and served a reclamation notice whereby it sought to reclaim certain goods it delivered to Ultimate Nutrition. Ultimate Nutrition took the position that the goods were not subject to a valid claim for reclamation under section 546(c) of the Bankruptcy Code. Consequently, on January 16, 2015, Glanbia filed an application for allowance and payment of an Administrative

Expense Claim in the amount of $428,163.52. Ultimate Nutrition agreed to the allowance of the Administrative Expense Claim with payment deferred which was approved by Stipulation dated February 13, 2015, and in exchange, Glanbia withdrew its reclamation demand.

SHIMADZU DISPUTE & SETTLEMENT

In July of 2014, Ultimate Nutrition purchased from Shimadzu Scientific Instruments, Inc. ("Shimadzu") for the sum of $305,792.70 (the "Purchase Price") certain state-of-the art equipment designed to test the content of various of Ultimate Nutrition's products (the "Equipment"). By the terms of the applicable purchase order, Ultimate Nutrition paid $76,488.18 as a down payment with the balance to be paid at a later date and the Equipment was installed at Ultimate Nutrition's facility in Farmington, Connecticut. As of the Petition Date, Ultimate Nutrition had not paid the balance of the Purchase Price.

On January 8, 2015, Shimadzu filed a Motion for Relief from Stay or, in the Alternative, for Adequate Protection (the "Lift Stay Motion"). In the Lift Stay Motion, Shimadzu claimed to have a security interest in the Equipment by virtue of certain fine print granting it a security interest in the Equipment. Ultimate Nutrition objected to the Lift Stay Motion and attached certain correspondence between the parties which Ultimate Nutrition contended established that either Shimadzu waived the need for a security interest in the Equipment or it was never the intent of the parties that Shimadzu be granted a security interest in the Equipment.

The parties settled the dispute by Ultimate Nutrition agreeing to purchase a premium warranty for the Equipment from Shimadzu for the sum of $28,305.85, with Shimadzu relinquishing any claim to a security interest in the Equipment and holding an allowed a general unsecured claim in the amount of $229,304.52. By order dated April 27, 2015, the Court approved the settlement between Ultimate Nutrition and Shimadzu.

MR. OLYMPIA, LLC DISPUTE & SETTLEMENT

During the pendency of the Chapter 11 case, on or about May 22, 2015, Ultimate Nutrition and Mr. Olympia, LLC ("Mr. Olympia") entered into a contract entitled, "2015-2017 Olympia Weekend Sponsorship Agreement" (the "Olympia Agreement"), whereby, *inter alia*, Ultimate Nutrition was designated as the exclusive title sponsor of Olympia's "Olympia Weekend," as defined in the Olympia Agreement, for the years 2015, 2016 and 2017. The Olympia Weekend took place from September 17, 2015 to September 20, 2015. In the period leading up to the Olympia Weekend, Olympia offered certain "branding opportunities" for third parties to purchase whereby they could use certain signage at the entrance of the facility where the Olympia Weekend is taking place for promotional purposes.

Ultimate Nutrition did not believe that the offering of these branding opportunities was in compliance with the Mr. Olympia Agreement and, on August 31, 2015, commenced an adversary proceeding against Olympia seeking to enjoin Olympia from soliciting and entering into such "Branding Opportunities," as defined in the Complaint, on the alleged basis that such actions violated and constituted a breach of the Olympia Agreement and would give rise to irreparable harm and satisfaction of the other elements necessary for a preliminary and permanent injunction.

After extended settlement discussions, Ultimate Nutrition and Mr. Olympia agreed to settle the Adversary Proceeding on terms which Ultimate Nutrition believed to be fair and reasonable. The terms of the settlement are confidential, and thus, remain sealed. By order dated September 11, 2015, the Court approved the settlement between Ultimate Nutrition and Mr. Olympia.

CASH COLLATERAL DISPUTES

TD objected to each of the Debtors' requests for the use of cash collateral except for the most recent motion filed in October 2015. The parties were able to reach an agreement on the terms of the orders each time and each order was entered with TD's consent. On December 18, 2014, a first interim order entered authorizing the Debtors' use of cash collateral through and to January 16, 2015. On January 16, 2015, a second interim order entered authorizing the Debtors' use of cash collateral through January 31, 2015. On February 2, 2015, a third order entered authorizing the Debtors' use of cash collateral through May 1, 2015. On May 8, 2015, a fourth order entered authorizing the Debtors' use of cash collateral through July 31, 2015. On July 29, 2015, a fifth order entered authorizing the Debtors' use of cash collateral through October 31, 2015. On October 28, 2015, a sixth order entered authorizing the Debtors' use of cash collateral through and to the earlier of the Confirmation Date or January 31, 2016.

TD'S MOTIONS TO CONVERT, DISMISS, AND/OR APPOINT A CHAPTER 11 TRUSTEE

On January 22, 2015, TD filed a Motion to Convert the Chapter 11 case to Chapter 7, or in the alternative, dismiss the case. After discussions with the Debtors, and in conjunction with the negotiations concerning the Debtors' use of cash collateral, TD ultimately marked this motion off.

On August 21, 2015, TD filed a Motion to Dismiss the Chapter 11 case, or in the alternative, to Appoint a Chapter 11 Trustee. Notwithstanding TD's filing of the motion and prior to any hearing on this motion, TD engaged in negotiations with the Debtors and the Committee in an attempt to settle this matter and negotiate TD's treatment under the Plan. After extensive discussions, the Debtors and TD reached an agreement, which is incorporated in the Plan, and TD withdrew its Motion.

FLORIDA LEASE DISPUTE

The Debtors and Nutrition Evolution, LLC ("Nutrition Evolution" or "NEL" and, together with UNI, the "Debtors") on the one hand, and CPT Equity, LLC ("CPT" or "Landlord" and, together with the Debtors, the "Parties") on the other hand, entered into a Stipulation to settle several contested matters that arose between Ultimate Nutrition, NEL and CPT in the Chapter 11 case. Nutrition Evolution is an affiliate of the Debtors and filed its own separate Chapter 11 bankruptcy case on July 23, 2015 in the Bankruptcy Court.

The contested matters concerned premises located at Suite No. 1070 on the tenth floor ("Premises") of that certain office building located at 525 Okeechobee Boulevard, West Palm Beach, Florida 33401 ("Property"), which space was subject to that certain Office Lease

("Lease") made and entered into as of November 13, 2013. Effective August 21, 2014, CPT purchased the Property and became the successor landlord to KBSII Cityplace Tower, LLC ("Original Landlord") under the Lease. NEL was formed as a Florida limited liability company on October 4, 2013 for purposes of working with UNI in developing, marketing and/or distributing certain nutritional supplement products.

NEL is the named tenant under an Office Lease by and between KBSII CityPlace Tower, LLC ("KBSII") as landlord and NEL as tenant (the "Lease") for premises known as Suite No. 1070 in CityPlace Tower located at 525 Okeechobee Boulevard, West Palm Beach, Florida (the "Premises"). UNI is the guarantor of the Lease. Since the inception of the Lease, UNI's employees have been occupying the Premises and performing research and development there, and UNI has been paying the rent and other charges due under the Lease.

UNI initially listed the Lease on its Schedule G and included the Lease in its Motion to Extend time to Assume or Reject Time to Assume or Reject Unexpired Leases of Nonresidential Real Property under 11 U.S.C. §365(d)(4) filed on March 18, 2015 (the "Lease Extension Motion"). At the hearing on the Lease Extension Motion, it was clarified by UNI's counsel that NEL was actually the tenant under the Lease and UNI the guarantor. UNI nevertheless sought and obtained an order granting the Lease Extension Motion for the Lease "to the extent Section 365(d)(4) is applicable." The extension of time to assume or reject was until July 15, 2015. UNI determined that it could not assume the Lease because it was not the lessee and accordingly did not move to assume the Lease by July 15, 2015.

On July 17, 2015, NEL reinstated its good standing as a Florida limited liability company since it previously had been administratively dissolved for failure to file an annual report and pay the annual fee to the Florida Secretary of State.

On July 22, 2015, CPT filed the Motion for Entry of an Order (I) Compelling Immediate Surrender of Non-Residential Real Property and (II) Authorizing Landlord to Take Possession and Related Actions; or (III) in the Alternative, for Relief from the Automatic Stay (the "Surrender Motion"). The Surrender Motion took the position that the Lease was UNI's and that the time to assume or reject it had expired. On July 23, 2015, UNI amended its Schedules to add as assets a 20% interest in NEL and a reimbursement claim against NEL for payment of the security deposit and rent under the Lease, to add CPT as a creditor based on UNI's guaranty of the Lease, and to delete the Lease from its Schedule G.

On July 23, 2015, NEL filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code and has continued to manage its property and affairs as a debtor in possession under sections 1107 and 1108 of the Bankruptcy Code. NEL's principal asset is the Lease.

On August 6, 2015, CPT filed in the NEL case the Motion of CPT Equity, LLC to Dismiss Bankruptcy Case Pursuant to 11 U.S.C. §1112(b) (the "Motion to Dismiss"). By the Motion to Dismiss, CPT sought to dismiss the NEL Case as a bad-faith filing designed to circumvent the time limitations of §365(d)(4) of the Bankruptcy Code, which it maintains were applicable to the Lease in the UNI case.

On September 10, 2015, CPT filed in the NEL Case the Motion of CPT Equity, LLC for Relief from the Automatic Stay to Notice Default and Seek Remedies Related Thereto (the "Lift Stay Motion").

UNI filed an opposition to the Surrender Motion and NEL filed oppositions to the Motion to Dismiss and Lift Stay Motion. UNI joined in the NEL's oppositions. The Surrender Motion, the Motion to Dismiss and the Lift Stay Motion shall be collectively referred to herein as the "Lease Motions."

Through litigation and extensive settlement discussions, UNI, NEL and CPT agreed to settle the Lease Motions and oppositions thereto on terms which UNI, CPT and NEL believe are fair and reasonable. The parties have finalized and expect to enter into a Settlement Stipulation to be filed with the Court.

ENVIRONMENTAL RESEARCH CENTER CLAIM ESTIMATION

On April 13, 2015, Environmental Research Center ("ERC") located at 3111 Camino Del Rio North, Suite 400, San Diego, CA 92108, filed Proof of Claim No. 62-1 against Ultimate Nutrition, which is unliquidated but asserted in the amount of $5,000,000 (the "ERC Claim"). The ERC Claim is based upon allegations that Ultimate Nutrition failed to warn customers that they have been exposed to lead by use of its products in violation of California's law known as "Proposition 65." The allegations are the subject of a lawsuit commenced by ERC against Ultimate Nutrition in August of 2014 and styled *ERC v. Ultimate Nutrition, Inc. and DOES 1-100*, Alameda Case No. RG14-737474 (the "ERC Litigation").

In this Chapter 11 case, ERC filed the ERC Claim against Ultimate Nutrition asserting an arbitrary $5,000,000 in damages based generally on the allegations made in the ERC Litigation. The ERC Claim lacked any support, including the specific violations alleged, how ERC quantified the alleged penalties, the number of products allegedly sold in violation of Proposition 65, to whom they were sold, and for what time period they were sold in violation of Proposition 65. While the Debtors disclaim any liability with respect to the allegations because no products were sold in California in the applicable statute of limitations period, it is critical for the Debtors to estimate and cap ERC's claim in order to confirm the Plan and exit Chapter 11. In particular, the Debtors must know the total amount of their general unsecured claim pool prior to confirmation of any plan to ensure the proposed dividend and plan is feasible.

On October 8, 2015, the Debtors filed a motion to estimate and cap the claim of Environmental Research Center ("ERC") (the "Estimation Motion"). The Estimation Motion seeks to estimate and cap ERC's claim at $0.00. An evidentiary hearing is currently scheduled on the Estimation Motion for December 22, 2015. The Debtors expect to finalize a settlement of the Estimation Motion with ERC which will provide ERC with allowed claim in the amount of $100,000, resulting in a total payment under the Plan to ERC of $50,000, and intend to file a motion to approve this settlement under Fed.R.Bankr.P. 9019 by December 5, 2015.

RETENTION OF PROFESSIONALS

Section 327 of the Bankruptcy Code provides that a debtor, with the court's approval, may employ one or more accountant or other professionals persons that do not hold or represent

an interest adverse to the estate and that are disinterested persons to represent or assist the debtor in carrying out its duties under the Bankruptcy Code. 11 U.S.C. § 327(a).

Debtors' Professionals

On December 17, 2015, the Debtors sought authority from the Bankruptcy Court to retain the law firm of Pullman & Comley, LLC as their counsel. The application was granted pursuant to an order signed on February 20, 2015 authorizing *nunc pro tunc* approval to the Petition Date.

On December 17, 2015, the Debtors sought authority from the Bankruptcy Court to retain the accounting firm of Laquerre, Michaud and Company, LLC, as their accountants. The application was granted pursuant to an order signed on April 10, 2015 authorizing *nunc pro tunc* approval to the Petition Date.

On December 17, 2015, the Debtors sought authority from the Bankruptcy Court to retain the financial advisory firm of Marcum, LLP, as their financial advisors and consultants. The application was granted pursuant to an order signed on February 20, 2015 authorizing *nunc pro tunc* approval to the Petition Date.

On March 6, 2015, the Debtors sought authority from the Bankruptcy Court pursuant to Section 327(e) of the Bankruptcy Code to retain Epstein, Drangel, LLP and Fattibene & Fattibene as special intellectual property counsel to the Debtors. The applications were granted pursuant to orders signed on March 27, 2015.

On February 20, 2015, the Debtors sought authority from the Bankruptcy Court pursuant to Section 327(e) of the Bankruptcy Code to retain Halloran & Sage, LLP as special labor and employment counsel to the Debtors. The application was granted pursuant to order dated March 8, 2015.

Committee Professionals

On January 21, 2015, the Committee sought authority from the Bankruptcy Court to retain Lowenstein Sandler LLP as counsel to the Committee. The application was granted pursuant to order dated February 5, 2015 authorizing *nunc pro tunc* approval to January 13, 2015.

On January 20, 2015, the Committee sought authority from the Bankruptcy Court to retain Neubert Pepe & Monteith P.C. as Connecticut counsel to the Committee. The application was granted pursuant to order dated February 5, 2015 authorizing *nunc pro tunc* approval to January 13, 2015.

On February 10, 2015, the Committee sought authority from the Bankruptcy Court to retain GlassRatner Advisory & Capital Group LLC as financial advisors to the Committee. The application was granted by Stipulated Order dated March 8, 2015 authorizing *nunc pro tunc* approval to February 2, 2015.

BAR DATES

In accordance with the requirements of Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Debtors filed their schedule of assets and liabilities including schedules of all their known creditors and the amounts of priorities of the Claims the Debtors believe are owed to such creditors. Pursuant to Section 501 of the bankruptcy Code, any creditor may file a Proof of Claim and, unless disputed, such filed Proof of Claim, superseded the amount and priority set forth in the Debtors' Schedules. April 14, 2015 was set as the last day for creditors to file Proofs of Claim in the Debtors' Chapter 11 cases, with June 15, 2015 set as the last day for governmental units to file Proofs of Claim.

There can be no assurance that the Allowed Claims as determined by the Bankruptcy Court will be in the amounts and priorities stated in the Schedules filed by the Debtors or the proofs of claim filed by the Creditors.

By motion dated February 13, 2015, the Debtors sought authority to establish a deadline for creditors to file claims arising under Section 503(b)(9) of the Bankruptcy Code and Approving the Form and Manner of Notice Thereof (the "503(b)(9) Motion"). The 503(b)(9) Motion was approved by order dated March 9, 2015 which authorized the form of notice (the "503(b)(9) Notice") and set a deadline of April 14, 2015 at 5:00 p.m. for Creditors to file Section 503(b)(9) claims.

The Debtors issued the 503(b)(9) Notice on all known creditors from the Schedules and Proofs of Claim filed. The Debtors received and reviewed all Section 503(b)(9) Claims, and objected to ten (10) distinct Section 503(b)(9) Claims (the "503(b)(9) Claim Objections"). The 503(b)(9) Claim Objections were sustained by Court Orders dated June 19, 2015. The total amount of allowed 503(b)(9) claims are $1,238,570.45.

By *ex parte* motion dated October 2, 2015, with the consent of TD and the Committee, the Debtors sought authority to establish a deadline of December 15, 2015 for creditors to file administrative expense claims for claims that arise after the Petition Date through and to October 20, 2015, (the "Administrative Bar Date") and to approve a form of notice. By Order, dated October 20, 2015, the Administrative Bar Date and the form of notice (the "Administrative Claim Notice") were approved. On October 20, 2015, the Debtors issued the Administrative Claim Notice containing the Administrative Bar Date in accordance with the Order.

OPERATING REPORTS

Pursuant to the requirements of the Office of the United States Trustee for the District of Connecticut, the Debtors have been preparing and filing monthly Operating Reports with the Bankruptcy Court. Copies of such Reports may be obtained (i) from the Bankruptcy Court during normal business hours, (ii) upon written request made to counsel for the debtors, or

(iii) from the Bankruptcy Court's Electronic Case Filing System ("ECF")[10] which may be accessed at the Bankruptcy Court's Internet website at www.ctb.uscourts.gov.

SUMMARY OF THE PLAN

The following summary of terms of the Plan is qualified in its entirety by reference to the provisions of the Plan, a copy of which is filed with the Clerk of Bankruptcy Court and which is incorporated herein by reference.

CLASSIFICATION OF CLAIMS AND INTERESTS

Classification of claims is governed, in part, by sections 1122 and 1123(a) of the Bankruptcy Code. Section 1123(a) requires that a plan designate classes of claims requires that the plan specify the treatment of any impaired class of claims, and requires that the plan provide the same treatment for each claim of a particular class, unless the holder of a claim receiving less favorable treatment consents to such treatment. 11 U.S.C. §(a)(1), (3) and (4). Section 1122(a) of the Bankruptcy Code provides, subject to an exception for administrative convenience, that "a 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."

Article V of the Plan classifies the various Claims against and Interests in the Debtors into 7 classes of Claims and one class of Interests:

Class 1. Class 1 consists of all Priority Claims.

Class 2. Class 2 consists of the TD Secured Claim.

Class 3. Class 3 consists of all Other Secured Claims

Class 4. Class 4 consists of General Unsecured Claims.

Class 5. Class 5 consists of the Santander Claim.

Class 6. Class 6 consists of Insider Claims.

Class 7. Class 7 consists of all Interests.

As set forth in Article III of the Plan, pursuant to Section 1123(a)(1) of the Bankruptcy Code, certain Administrative Claims against the Debtors have not been classified. See "SUMMARY OF THE PLAN –Treatment of Non-Classified Claims."

[10] Filing documents on the ECF requires a password which an attorney may obtain by contacting the bankruptcy Court's technical assistance Department, Monday through Friday, 9:00 a.m. to 4:00 p.m.

TREATMENT OF CLAIMS CLASSIFIED UNDER THE PLAN

Class 1: Priority Claims. Each holder of a Priority Claim that has not been paid prior to the Effective Date shall be paid in full in Cash on the later of (i) the Effective Date, and (ii) the date on which such Priority Claim becomes an Allowed Priority Claim, or as soon thereafter as is practicable. The holder of an Allowed Priority Claim shall not be entitled to receive any payment on account of interest, or on account of any penalty arising with respect to or in connection with the Allowed Priority Claim, except to the extent allowed as part of an Allowed Priority Claim pursuant to Section 507(a)(8) of the Bankruptcy Code. Class 1 is Unimpaired under the Plan.

Class 2: Allowed TD Secured Claim. The payment terms for TD Bank, N.A., the holder of the Class 2 Claim are as follows:

(i) For the first two months after the Effective Date, TD shall be paid in each such month the greater of the amount of interest on the TD Secured Claim at the Plan Rate or $50,000.

(ii) For the next 17 months, up until the month in which the Holders of General Unsecured Claims in Class 4 are paid in full their Fifty Percent Distribution, TD shall be paid the sum of $110,000 per month, which shall be allocated to monthly interest on the TD Secured Claim at the Plan Rate, with the balance of the $110,000 payment to be allocated to the principal component of the TD Secured Claim.

(iii) For the next five months, ending on the 24th month from the month in which the first Distribution Date occurs, TD shall receive monthly payments in the amount set forth in §6.2(a)(ii) hereof, to be allocated as set forth therein, plus the additional monthly sum of $110,000, which latter sum shall be applied entirely toward the principal component of the TD Secured Claim.

(iv) Beginning in the 25th month from the month in which the first Distribution Date occurs, the then-existing balance of the TD Secured Claim shall be paid as follows: monthly payments of principal and interest at the Plan Rate based on a straight amortization of the TD Secured Claim over a period of four years.

(v) Notwithstanding the foregoing, the Reorganized Debtors shall be entitled to the following discounts from the TD Secured Claim if payment of the TD Secured Claim, less the discounts, is made within the following time periods following Confirmation of the Plan, provided there is no uncured default in TD's Plan treatment at the time of payment:-

- Months 1 -12 after the Confirmation Date : $1,250,000
- Months 13-24 after the Confirmation Date : $1,000,000
- Months 25-36 after the Confirmation Date : $750,000

In addition, provided there is no uncured default in TD's Plan treatment at the time of payment, TD would also agree to waive all Postpetition interest that has accrued on its Prepetition Claim, up to November 1, 2015, totaling $593,511.19, in the event payment in full of

the TD Secured Claim, less the applicable payment discount, is made within 36 months of Confirmation.

(vi) TD shall retain its Liens, replacement liens and all perfected security interest on the Reorganized Debtors Property, with same validity, extent and effect TD's Liens had as of the Petition Date.

(vii) Non-payment covenants that are part of TD's treatment under the Plan are set forth at section 6.4 of the Plan.

Class 3: Other Secured Claims. On the later of (i) the Effective Date or (ii) the date on which the Other Secured Claim becomes an Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive one of the following treatments: (aa) Reorganized Debtors shall abandon to the Holder of such Allowed Other Secured Claim any collateral against which such Holder has a valid and perfected security interest or lien as the indubitable equivalent of such Allowed Claim; (bb) the legal, equitable and contractual rights to which such Allowed Other Secured Claim entitles the Holder shall remain unaltered; (cc) such Holder's Allowed Other Secured Claim shall be reinstated and not Impaired in accordance with section 1124(2) of the Bankruptcy Code, or (dd) the Holder will be afforded such other treatment as mutually agreed to by the Debtors and/or Reorganized Debtors and such Holder._The treatment and consideration to be received by Holders of Allowed Claims in Class 3 shall be in full and final satisfaction of their respective Claims. Class 3 is Unimpaired under the Plan.

Class 4: General Unsecured Claims. (a) Each Holder of a General Unsecured Claim shall receive their Pro Rata share of the Fifty Percent Distribution payable in Cash by the Reorganized Debtors as follows: in monthly Cash installments beginning on the Distribution Date and continuing on the first Business Day of each month thereafter until payment of the Fifty Percent Distribution is paid. The amount of the required monthly Cash installment to be paid by the Reorganized Debtor on a Pro Rata basis to each Holder of a General Unsecured Claim shall be $50,000 for the first and second months with the first monthly payment due on the Distribution Date and thereafter it shall be $110,000 per month, except that in the final month (which is the 19th month after the Effective Date) the amount to be paid by the Reorganized Debtors Pro Rata to Holders of General Unsecured Claims shall be in such amount as necessary to pay in full the Fifty Percent Distribution. The Reorganized Debtors shall pay each monthly installment to Holders of General Unsecured Claims from a separate bank account, with the payments to be made by check. The Reorganized Debtors shall provide the Creditors' Oversight Committee, through its financial advisor, with electronic "view" access to the segregated bank account upon which these checks will be written to ensure and provide proof that the monthly payments to Holders of General Unsecured Claims have been made. The Reorganized Debtor (i) shall have the right to pre-pay, in whole or in part, the Fifty Percent Distribution, without penalty; (ii) during the period from the Confirmation Date to full payment of the Fifty Percent Distribution, in the event of a sale of the equity Interests of the Reorganized Debtors or a sale of all or substantially all of the Reorganized Debtors' Assets, each Holder of an Allowed General Unsecured Claim shall be paid its Fifty Percent Distribution, minus all amounts paid to such Holder through the date the transaction closes, at the time of the closing on said transactions.

(b) The Creditors Oversight Committee will represent the interests of Class 4 Creditors by monitoring the Reorganized Debtors' compliance with their obligations under the Plan to Class 4 Creditors. The Creditors Oversight Committee shall be entitled to utilize the services of Lowenstein Sandler LLP, Neubert, Pepe & Monteith, and Glass Ratner Advisory & Capital Group, LLC Post-Confirmation. The fees and expenses of these professionals incurred from and after the Effective Date to full payment of the Fifty Percent Distribution shall be paid by the Reorganized Debtors in an amount not to exceed $15,000 per year (or pro-rated for a portion of a calendar year) in accordance with invoices to be provided to the Reorganized Debtors, subject to their right to have any disputed issues relating thereto resolved by the Bankruptcy Court.

(c) The Plan Covenants[11] shall be in effect and observed by the Reorganized Debtors until full payment of the Fifty Percent Distribution.

(d) In the event the Reorganized Debtors default on any of their monetary or other obligations under the Plan, including the Plan Covenants, the Creditors' Oversight Committee shall give written notice (e-mail will be acceptable) to the Reorganized Debtors' counsel, and the Reorganized Debtors will then have twenty (20) calendar days to cure the default(s). If the default(s) is one based on non-payment of the monthly Cash installments due to Class 4 Creditors and occurs for two consecutive months without cure (except for the final monthly installment), the amount due to the Class 4 Creditors shall be reinstated to the full amounts owing to them on the Petition Date, less all amounts previously paid under the Plan, and shall be accelerated and immediately due and payable. The Creditors Oversight Committee shall be agreed to and deemed to have standing to enforce the Plan and to seek to compel payment of amounts due to Class 4 Creditors in the Bankruptcy Court or any other Court of competent jurisdiction, and the right to recover against the Reorganized Debtors all fees and costs in taking such action, including reasonable fees of attorneys and financial professionals, in addition to each individual Creditor having the right to sue or take such other action as appropriate to collect in the event of a default by the Reorganized Debtors with respect to treatment of Class 4 General Unsecured Creditors under the Plan .

The treatment and consideration to be received by Holders of Allowed Claims in Class 4 shall be in full and final satisfaction of their respective Claims. Class 4 is Impaired under the Plan.

Class 5: Santander Claim. The Santander Claim will be treated according to one of the following two alternatives, depending on whether Santander votes to accept or reject the Plan:

(a) If Santander votes to accept the Plan, the Santander Guaranty, on which the Santander Claim is based, shall survive and remain in full force and effect after Confirmation, but shall modified in the following respects: (i) prior to asserting any Claims against the Reorganized Debtors under the Santander Guaranty, Santander shall first seek in good faith to collect the principal obligation for which the Santander Guaranty was provided from Rubino,

---

[11] The Plan Covenants means the covenants that are to be in effect and observed by the Reorganized Debtors as part of the treatment of Class 4 Creditors under the Plan. Such covenants are attached to the Plan as Exhibit "A."

LLC and any collateral securing such principal obligation and establish that such collection efforts were unsuccessful in collecting the full amount of the principal obligation of Rubino, LLC to Santander; (ii) Santander shall forbear from asserting any claim against the Reorganized Debtors under the Santander Guaranty based on any non-compliance with the financial covenants and financial reporting requirements in the Santander Guarantor in the underlying loan documents of its principal obligor, Rubino, LLC; and (iii) the security interest granted by the Debtors in the Santander Guaranty shall be deemed avoided pursuant to section 544(a)(1) of the Bankruptcy Code and shall thereby be deemed null, void and of no effect.

(b) If Santander votes to reject the Plan, the Santander Guaranty shall survive and remain in full force and effect after Confirmation, **but from and after the Effective Date, Santander shall be temporarily enjoined, pursuant to section 105 of the Bankruptcy Code, from proceeding against the Debtors on the Santander Guaranty for collection of all or part of the Santander Claim, said injunction to remain in effect only for so long as Rubino, LLC, the principal obligor on the obligation for which the Santander Guaranty was given, is not in default of payments on that obligation and Santander is unable to collect the principal obligation from Rubino, LLC or any real estate or other collateral securing the same.**

The treatment to be received by Santander as the Holder of the Santander Claim shall be in full and final satisfaction of the Santander Claim. Class 5 is Impaired under the Plan.

Class 6: Insider Claims. The Holders of Insider Claims shall be subordinated in payment to Class 2 and 4 Creditors and shall not receive any Distribution on account of the Insider Claims until the Class 2 and 4 Claims are paid in full.

The treatment to be received by Holders of Insider Claims in Class 6 shall be in full and final satisfaction of their Claims. Class 6 is Impaired under the Plan.

Class 7: Interests. On the Effective Date, Holders of Allowed Interests shall continue to hold their same Interests in the Reorganized Debtors as that they held in the Debtors as of the Petition Date with all rights, remedies and defenses of any Interest Holder expressly reserved. Class 7 is Unimpaired under the Plan.

TREATMENT OF NON-CLASSIFIED CLAIMS

Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify Administrative Expense Claims entitled to priority treatment under Section 507(a)(1) of the Bankruptcy Code or Priority Tax Claims entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code. Articles III and IV of the Plan provides for the manner of treatment of such non-classified Claims.

Administrative Expense Claims. Administrative Expense Claims are the costs and expenses of administration of this Case, allowable under section 503(b) of the Bankruptcy Code, other than U.S. Trustee Fees. Administrative Expense Claims include Claims for the provision of goods and services to the Debtors after the Petition Date, Claims of professionals, such as attorneys, and accountants retained pursuant to an order of the Bankruptcy Court, for

compensation and reimbursement of expenses under section 330 of the Bankruptcy Code, and tax claims for the period from the Petition Date to the Effective Date of the Plan.

Subject to the provisions of Article XI of the Plan with respect to Disputed Claims, to the extent not previously paid, each Allowed Administrative Expense Claim shall be paid in full in Cash on the later of (a) the Distribution Date, or (b) in the event such Administrative Expense Claim is not Allowed as of the Distribution Date, the date on which the Bankruptcy Court enters an order allowing such Administrative Expense Claim, or (c) such later date as the Debtors (or, if it is after the Distribution Date, the Reorganized Debtors) and the Holder of such Allowed Administrative Expense Claim otherwise agree in writing, or as soon thereafter as is practicable; *provided, however*, that Allowed Administrative Expense Claims incurred by the Debtors in the ordinary course of their business shall be paid in full or performed by the Debtors or Reorganized Debtors in accordance with the terms and conditions of the particular transactions giving rise to such Administrative Expense Claim and any agreements related thereto.

Professionals' Fees. Section 330 of the Bankruptcy Code sets the standard for the determination by the Bankruptcy Court of the appropriateness of fees to be awarded to Professionals retained by a debtor in a case under the Bankruptcy Code. In general, "bankruptcy legal services are entitled to command the same competency of counsel as other cases. In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under title 11 at the same rate as the attorney or other professional would be compensated for performing comparable service other than in a case under title 11." 124 Cong. Rec. H11091 (Daily ed. Sept. 28, 1978).

With respect to Professionals' Fees, the Plan provides that, subject to the approval of compensation and reimbursement of expenses pursuant to Sections 330 and 331 of the Bankruptcy Code, all applications for final compensation of Professionals for services rendered and for reimbursement of expenses incurred for any period prior to the Confirmation Date must be filed no later than forty-five (45) days following the Effective Date, and shall be Allowed following entry by the Bankruptcy Court of any order or orders allowing same (or to the extent it has been previously allowed).

Priority Tax Claims. Subject to the provisions of Article XI of the Plan with respect to Disputed Claims, in full satisfaction, release and discharge of Priority Tax Claims, each Holder of a Priority Tax Claim shall receive, each holder of a Priority Tax Claim that has not been paid prior to the Effective Date shall be paid in full in Cash on the later of (i) the Effective Date, (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable; or (iii) at the Debtors' option, monthly cash installment payments, with interest at the Plan Rate, commencing on the later of the Effective Date or the date such claim becomes allowed to a period not exceeding five years from the Petition Date. The holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of interest, or on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim, except to the extent allowed as a part of an Allowed Priority Tax Claim pursuant to Section 507(a)(8) of the Bankruptcy Code.

U.S. Trustee's Fees. All fees payable pursuant to 28 U.S.C. § 1930 as determined by the Bankruptcy Court as of the Confirmation Date shall be paid by the Debtors or the Reorganized Debtors on or before the Effective Date from the Post-Confirmation Estate.

DISTRIBUTIONS AND DISPUTED CLAIMS

Article XI of the Plan governs distributions under the Plan and contains a mechanism for resolving disputes concerning the amount of certain Claims or Interests asserted against the Debtors by any entity. See Plan, Article XI.

EFFECTIVE DATE

The Effective Date of the Plan is the date that is fifteen (15) days after the entry of the Confirmation Order, or, if such date is not a Business Day, the next succeeding Business Day; *provided, however*, that if all Conditions Precedent to the Effective Date have not been satisfied or waived, if subject to waiver, on or prior to such date, then the Effective Date shall be the next succeeding date on which all such Conditions Precedent to the Effective Date have been satisfied or waived, if subject to waiver.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Assumption and Rejection of Executory Contracts and Unexpired Leases. Except as otherwise provided for herein, as of the Confirmation Date, any executory contract or unexpired lease that has not been expressly assumed or rejected by order of the Bankruptcy Court shall be deemed to have been rejected unless (a) there is then pending before the Bankruptcy Court a motion to assume or reject such unexpired lease or executory contract, or (b) the Bankruptcy Court has entered an order extending the period during which a motion may be made to assume such unexpired lease or executory contract, and such a motion is filed with the Bankruptcy Court before the expiration of such period. The Disclosure Statement and the Plan shall constitute due and sufficient notice of the intention of Debtors to reject all executory contracts and unexpired leases that are not otherwise assumed. The Confirmation Order shall be deemed an order under section 365(a) of the Bankruptcy Code rejecting any such executory contracts and unexpired leases that are not otherwise assumed.

Assumption of the Premises Leases. Notwithstanding anything contained herein to the contrary, on the Confirmation Date, the Premises Leases shall be deemed assumed by the Debtors as of the Confirmation Date and the Debtors or Reorganized Debtors, as applicable, shall, promptly after assumption, cure any monetary or non-monetary defaults under such lease agreements on the Effective Date.

Bar Date for Rejection Damage Claims. Unless otherwise provided for by an order of the Bankruptcy Court entered on or prior to the Confirmation Date, any Rejection Damage Claim for an executory contract or unexpired lease rejected by the Plan must be filed with the Bankruptcy Court within thirty (30) days of the Confirmation Date. Any Entity that fails to file its Rejection Damage Claim within the period set forth above shall be forever barred from asserting a Claim against the Debtors, the Estate, or any Property or interests in Property of the Debtors or the

Post-confirmation Estate. All Allowed Rejection Damage Claims shall be classified as General Unsecured Claims (Class 4) under the Plan.

IMPLEMENTATION OF THE PLAN

Implementation. Except as otherwise provided in this Plan, the Debtors shall continue to exist after the Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized for the purposes of satisfying their obligations under the Plan and the continuation of their businesses. Subject to observing the Plan Covenants, on or after the Effective Date, each Reorganized Debtor, in its discretion, may take such action as permitted by applicable law and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, but not limited to, causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor affiliate; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's case on the Effective Date or any time thereafter. The Certificates of Incorporation or Charters of the Debtors shall be amended to prohibit the issuance of non-voting securities to the extent required by section 1123(a)(6) of the Bankruptcy Code.

Plan Funding. The Plan Distributions to be made in Cash under the terms of this Plan shall be funded from (a) the Debtors' Cash on hand as of the Effective Date; (b) monies generated from the operation of the Reorganized Debtors' business; and (c) at the Reorganized Debtors' option, a refinancing or other Cash contribution as may be considered necessary or appropriate to pay or pre-pay the Plan obligations to TD or Holders of General Unsecured Claims.

Vesting of Assets. On and after the Effective Date, all Property of the Estates, including all claims, rights and Causes of Action (other than Avoidance Actions as against Holders of General Unsecured Claims) and any property acquired by the Debtors under or in connection with this Plan, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances and Interests, except as set forth in the Plan or Confirmation Order. Subject to Section 10.1(a) of the Plan and compliance with the Plan Covenants, on or after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of Property and prosecute, compromise or settle any Claims (including any Administrative Expense Claims) and Causes of Action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by this Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Effective Date for Professionals Fees or related support services without application to the Bankruptcy Court.

Execution of Documents. On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions that may be necessary or appropriate to effectuate any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the

requirements of applicable law and any other terms to which the applicable entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, or conversion or dissolution pursuant to applicable state law; and (4) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

The Reorganized Debtors shall execute, release and deliver all documents reasonably necessary to consummate the transactions contemplated by the terms and conditions of the Plan.

Filing of Documents. Pursuant to sections 105, 1141(c), 1142(b) and 1146(a) of the Bankruptcy Code, each and every federal, state and local governmental agency or department, shall be directed to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Plan, and any and all notices of satisfaction, release or discharge or assignment of any Lien, Claim or encumbrance not expressly preserved by the Plan.

Preservation of Rights of Action. Pursuant to section 1123 of the Bankruptcy Code, the Reorganized Debtors, on behalf of and for the benefit of the Post-Confirmation Estate, shall be vested with, shall retain, and shall have the authority to prosecute and enforce any and all Causes of Action of a trustee and debtors-in-possession under the Bankruptcy Code, including, without limitation, Avoidance Actions (except as set forth below in this paragraph), against any other Entity arising before or after the Effective Date that have not been fully resolved or disposed of prior to the Effective Date, whether or not such Claims or Causes of Action are specifically identified in the Disclosure Statement accompanying the Plan and whether or not litigation with respect to same has been commenced prior to the Effective Date.[12] Notwithstanding anything to the contrary in the Plan or this Disclosure Statement, on the Effective Date, all Avoidance Actions as against Holders of General Unsecured Claims shall be deemed waived and released. The Reorganized Debtors will also be authorized to challenge, object to and/or settle disputed Claims, without first having to seek approval from the Bankruptcy Court, in accordance with the terms and provisions hereof. The Reorganized Debtors will be authorized and empowered to bind the Post-Confirmation Estate thereto. Any settlement by the Reorganized Debtors pursuant to and in accordance with the terms hereof shall be conclusively deemed to be in the best interests of the Post-Confirmation Estate.

Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of notes under or in connection with the Plan, the creation of any mortgage or the making or delivering of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale or assignments executed in

[12] The Debtors specifically intend to retain and assert the following claims: 1) claims against Mike Scheifelbein, a former employee, for breach of his employment agreement and failure to deliver product the Debtors paid for in advance. These claims are in excess of $225,000; and 2) claims against Scott Welch and/or his companies, Muscle Insider and Diesel Advertising, arising out of a payment of approximately $250,000 the Debtors made to fund a magazine publication, for which there has been no return.

connection with any of the transactions contemplated under the Plan shall not be subject to any stamp, real estate transfer, mortgage recording or similar tax.

Business Operations. During the period between the Confirmation Date and the Effective Date, Debtors shall exercise ownership and control of all of their Property. Commencing on the Effective Date and, thereafter, Reorganized Debtors will continue operating the pre-Confirmation business of Debtors, and there shall be a strict continuity of the business operations from Debtors to Reorganized Debtors.

POST-CONFIRMATION MANAGEMENT AND COMPENSATION

On and after the Effective Date, the Post-Confirmation Estate will be managed by the Reorganized Debtors. The Reorganized Debtors shall be managed by the same individuals and in the same form and manner as the Debtors. Compensation for those individuals shall not exceed the following:

Brian Rubino ....$10,300 per week plus 1% sales commission

Elizabeth Rubino.................................$2,200 per week plus 1% sales commission on sales to New Customers as defined in the Plan Covenant.

Melissa Crump...................................$1,534 per week plus 1% sales commission

Mark Rubino...$685 per week

CONDITIONS PRECEDENT

Before the Confirmation Date, the Confirmation Order must be in form and substance reasonably acceptable to the Debtors and the Committee.

The conditions delineated in Article 13.2 (a) – (g) of the Plan must be satisfied or waived in order for the Plan to become effective.

MISCELLANEOUS PROVISIONS

RETENTION OF JURISDICTION

Notwithstanding entry of the Confirmation Order, or the occurrence of the Effective Date or Consummation of the Plan, the Chapter 11 Case having been closed, or a Final Decree having been entered, the Bankruptcy Court (or the District Court, as the case may be) shall have and retain jurisdiction of matters arising out of, and related to the Chapter 11 Case and the Plan under, and for the purposes of, Bankruptcy Code §§ 105(a), 1127, 1142 and 1144 and for, among other things, the purposes set forth in Article XIV (a) – (n) of the Plan.

CONFIRMATION OF THE PLAN

All distributions to Creditors are contingent on the Plan being confirmed by this Court. Otherwise, the Debtors are not obligated, in any way, to make the payments required hereunder.

VOTING INSTRUCTIONS

A Creditor who is entitled to vote may accept or reject the Plan by executing and returning to the Balloting Agent (as defined below) the ballot (a "Ballot") that was sent out with this Disclosure Statement. The following instructions govern the time and manner for filing Ballots accepting or rejecting the Plan, withdrawing or revoking a previously filed acceptance or rejection, who may file a Ballot, and procedures for determining the validity or invalidity of any Ballot received by the Balloting Agent.

DEADLINE FOR RECEIPT OF BALLOTS

The solicitation period for votes accepting or rejecting the Plan will expire at 4:00 p.m., Eastern Standard Time, December 21, 2015 (the "Voting Deadline"). A Ballot accepting or rejecting the Plan must be received no later than that date and time or it will not be counted in connection with the Confirmation of the Plan or any modification thereof.

BALLOTING AGENT

All votes to accept or reject the Plan must be cast by using the Ballot. Executed Ballots should be returned by December 21, 2015 at 4:00 p.m. to:

Pullman & Comley, LLC
850 Main Street, 8th Floor
Bridgeport, CT 06604
Telephone (203) 330-2213
igoldman@pullcom.com
Attention: Irve J. Goldman, Esq.

A CREDITOR ENTITLED TO VOTE WHO HAS NOT RECEIVED A BALLOT, OR WHO'S BALLOT HAS BEEN LOST, STOLEN OR DESTROYED, MAY CONTACT THE DEBTORS' COUNSEL AT THE ADDRESS INDICATED ABOVE, OR CALL IRVE GOLDMAN AT (203) 330-2213 TO RECEIVE A REPLACEMENT BALLOT. BALLOTS CANNOT BE SENT VIA FACSIMILE.

WHO MAY VOTE – IN GENERAL

Class 2 is impaired and the Holders of Class 2 Claims are entitled to vote on the Plan. Class 4 is impaired and the Holders of Class 4 Claims are entitled to vote on the Plan. Class 5 is impaired and the Holders of Class 5 Claims are entitled to vote on the Plan. Class 6 is impaired and the Holders of Class 6 Claims are entitled to vote on the Plan.

Ballots Executed in a Representative or Fiduciary Capacity. Ballots executed by debtors, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others

acting in a fiduciary or representative capacity, must indicate the capacity in which such person executed the Ballot and, unless otherwise determined by the Debtors, must submit proper evidence satisfactory to the Debtors of their authority to so act.

Voting Multiple Claims. A single form of ballot is provided for each Class of Claims. Any Person who holds Claims in more than one Class is required to vote separately with respect to each Class in which such Person holds Claims. However, any Person who holds more than one Claim in one particular Class will be deemed to hold only a single Claim in such Class in the aggregate amount of all Allowed Claims in such Class held by such Person. Thus, each Person need complete only one ballot for each Class.

DEFECTS OR IRREGULARITIES

ANY EXECUTED AND TIMELY FILED BALLOT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL BE DEEMED TO BE AN ACCEPTANCE OF THE PLAN.

Where more than one timely and properly completed Ballot is received, the Ballot which bears the latest date will be counted.

The Debtors reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot and, with respect to Class 4 Ballots, with the consent of the Committee or order of the Bankruptcy Court. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the deadline for filing timely Ballots. Neither Debtors, the Debtors' Counsel nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will any of them incur any liability for failure to provide such notification. All questions as to the validity, form, eligibility (including the time of receipt), acceptance and revocation or withdrawal of Ballots will be determined by the Bankruptcy Court, upon motion and upon such notice and hearing as is appropriate under the circumstances. Unless otherwise directed by the Bankruptcy Court, delivery of Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots as to which any irregularities have not been cured or waived will not be counted toward the acceptance or rejection of the Plan.

REVOCATION OF PREVIOUSLY FILED ACCEPTANCES OR REJECTIONS

Any Creditor who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Debtors' counsel at any time prior to the Voting Deadline.

A notice of withdrawal, to be valid, must (i) describe the Claim, as the case may be, if appropriate, represented by such Claim, (ii) be signed by the Creditor in the same manner as the Ballot was signed (iii) be received by Debtors' counsel on or before the Voting Deadline. The Debtors reserve the absolute right to contest the validity of any such withdrawals of Ballots.

ACCEPTANCE AND CONFIRMATION

CONFIRMATION HEARING

The Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing to consider confirmation of the Plan. The Confirmation Hearing is scheduled to commence on December 23, 2015 at 11:00 a.m. in the United States Bankruptcy Court, District of Connecticut, Hartford Division, 450 Main Street, 7th Floor, Hartford, Connecticut. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing.

Any party in interest may object to Confirmation of the Plan by filing a written objection, setting forth their identity and standing and the facts and authorities upon which any objection is based, in the Office of the Clerk of the Bankruptcy Court, no later than 4 p.m. on December 18, 2015. Copies of all objections must also be served so that they are received, as required by the Court upon (i) Pullman & Comley, LLC, 850 Main Street, 8th Floor, Bridgeport, CT, 06604, ATTN: Irve J. Goldman, Esq.; (ii) Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, NJ 07068, ATTN: Bruce Buechler, Esq.; (iii) Palumbo & DeLaura, LLC, 528 Chapel Street New Haven, CT 06511, ATTN: Scott DeLaura, Esq., and (iv) the Office of the United States Trustee, 150 Court Street, Giaimo Federal Building, New Haven, CT 06851. Any objection that is not timely filed and served as required by any order of this Court, will not be considered by this Court at the Confirmation Hearing.

REQUIREMENTS FOR CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. These requirements include determinations by the Bankruptcy Court that: (i) the Plan has classified Claims in a permissible manner, (ii) the contents of the Plan comply with the requirements Bankruptcy Code, (iii) the Debtors proposed the Plan in good faith, (iv) the Debtors have made disclosures concerning the Plan that are adequate and include information concerning all payments made or promised in connection with the Plan and the Chapter 11 Case, (v) the Plan is in the "best interest" of all Creditors, (vi) the Plan is feasible, and (vii) the Plan has been accepted by the requisite number and amount of Creditors in each Class entitled to vote on the Plan, or that the Plan may be confirmed without such acceptances. The Debtors believe that all of these conditions have been or will be met prior to the Confirmation Hearing.

Best Interest Test. The so-called "best interest" test requires that each impaired Creditor and impaired Interest Holder either (a) accepts the Plan or (b) receives or retains under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the value such entity would receive or retain if the Debtors were to be liquidated under Chapter 7 of the Bankruptcy Code.

To determine what the holders in each Impaired Class of Claims or Interest would receive if the Debtors were liquidated under Chapter 7, the Bankruptcy Court determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in a

Chapter 7 liquidation case. The amount that would be available for satisfaction of Allowed Claims against the Debtors would consist of the proceeds resulting from the disposition of the Debtors' assets, augmented by the cash held by the Debtors' at the commencement of the Chapter 7 case. Such amount would be reduced by the amount of any Claim or Claims secured by the Debtors' assets (which in this case, would be the TD Secured Claim in excess of $13 million), the costs and expenses of the liquidation, and such additional Administrative Expense Claims and Priority Claims that may have accrued. Such value is then juxtaposed against the amount creditors are receiving under the Plan to determine if the value each impaired creditor is receiving is the same or more than such creditor would receive from a Chapter 7 liquidation on the Confirmation Date. In making the comparison as to what the Creditors and Interest Holders are receiving under the Plan and in a Chapter 7 liquidation, there would not be any payment by Debtors in a Chapter 7 liquidation.

The costs of liquidation under Chapter 7 would become Administrative Expense Claims with the highest priority against the proceeds of liquidation. Such costs would include the fees payable to a Chapter 7 Trustee, as well as those which might be payable to attorneys, financial advisors, appraisers, accountants and other professionals that such a Trustee may engage to assist in the liquidation. In addition, Chapter 7 costs would include any liabilities incurred or assumed pursuant to the transactions necessary to effectuate the liquidation.

After satisfying Administrative Expense Claims arising in the course of the Chapter 7 liquidation, the proceeds of the liquidation would then be payable to satisfy any unpaid expenses incurred during the time the Case was pending under chapter 11, including compensation for the Debtors' attorneys, financial advisors, appraisers, accountants and other professionals whose retention was approved by the Court.

After consideration of the effects that a Chapter 7 liquidation would have on the proceeds available for distribution including (i) the increased costs and expenses of a Chapter 7 liquidation arising from fees payable to a Trustee in bankruptcy and professional advisors to such Trustee and (ii) the erosion in value of the Debtors' assets in a Chapter 7 case in the context of the expeditious liquidation required under Chapter 7 and the "forced sale" atmosphere that would prevail. Accordingly, as set forth in more detail below, the Debtors believe that Holders of Class 4 General Unsecured Claims would receive a lesser distribution on account of their claims if the Debtors were to liquidate under Chapter 7.

Liquidation Analysis. A Liquidation Analysis is annexed hereto as **Exhibit "B."** The Debtors have concluded that the Plan provides to each Creditor a recovery with a present value at least equal to the present value of the distribution which such Creditor would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. The Debtors' believe that in the event its assets were sold in a Chapter 7 liquidation, all of the proceeds would go to pay the TD Secured Claim, Chapter 7 Administrative Expense Claims, bankruptcy fees, and Chapter 11 Administrative Expense Claims and then Priority Claims. Any remaining assets to be shared pro rata among an increased pool of Class 4 General Unsecured Creditors as described above. As such, the Debtors believe that no Creditor would receive a distribution in a Chapter 7 case greater than the distribution they would receive under the Plan.

The Debtors further believe that the net effect of a conversion of this case to Chapter 7 would be to (i) increase the administrative expenses of the estate and (ii) decrease the funds available for non-administrative creditors.

The liquidation values stated herein assume that all assets of the Debtors would be liquidated in the context of a Chapter 7 case and assumes the present values of such liquidation values as of the date hereon. The assumptions utilized in the analysis considered the estimated liquidation value of the assets and estimated amount of Claims that would be allowed, together with an estimate of certain administrative costs during the liquidation process. While the Debtors believe the assumptions underlying the liquidation analysis are reasonable, the validity of such assumptions may be affected by the occurrence of events, and the existence of conditions not now contemplated or by other factors, many of which will be beyond the control of the Bankruptcy Court, the Debtors and any trustee appointed for the Debtors. The actual liquidation value of the Debtors may vary from that considered herein and the variations may be material.

In a liquidation, as shown on the attached Liquidation Analysis, the amount paid to holders of General Unsecured Claims would be $0.00. In contrast, under the proposed plan, the Holder of Class 4 General Unsecured Claims would receive approximately 50.00 cents on the dollar. Accordingly, the Holders of Class 4 General Unsecured Claims would receive a greater distribution under the Plan than in a Chapter 7 liquidation.

Accordingly, the Debtors believe that the Plan provides Creditors with at least as much as they would be entitled to receive in a Chapter 7 liquidation.

Feasibility. For the Plan to be confirmed, it must be demonstrated that consummation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of Debtors unless such liquidation is set forth in the Plan. With the assistance of their accountants, Marcum, LLP, the Debtors have prepared and attached hereto as **Exhibit "C"** projections which demonstrate that the Debtors, as Reorganized Debtors, will be able to comply with their payment obligations under the Plan.

Confirmation With the Acceptance of Each Impaired Class. The Plan may be confirmed if each impaired Class of Claims or Interests accepts the Plan.

The Holder of the Classes 2, 4, 5 and 6 are impaired by the Plan and are entitled to submit Ballots accepting or rejecting the Plan.

The Bankruptcy Code defines acceptance of a plan by a Class of Claims as acceptance by the holders of two-thirds in dollar amount and a majority in number of Claims of that Class. Only those Claims, the holders of which actually vote to accept or reject the Plan, are counted for the purpose of determining whether the requisite number and amount of acceptances have been received.

The Bankruptcy Code defines acceptance of a plan by a Class of Interests as acceptance by the holders of at least two-thirds in dollar amount of the allowed interests of such class held by holders of such interests that have accepted or rejected the plan.

Confirmation Without the Acceptance of Each Impaired Class. In the event that any impaired Class does not accept the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the Debtors' request if (i) all other requirements of section 1129(a) of the Bankruptcy Code are satisfied, (ii) at least one impaired Class of Claims votes to accept the Plan without regard to any vote cast on account of a Claim held by "insiders" (as defined in the Bankruptcy Code) and (iii) as to each impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such non-accepting Class.

The only Classes that are entitled to vote are Classes 2, 4, 5 and 6. The Debtors believe that the Plan is in the best interest of all Creditors and Interest Holders and strongly recommends that all parties entitled to vote (i.e. Classes 2, 4, 5 and 6) cast their ballots in favor of accepting the Plan.. Nevertheless, out of an excess of caution, pursuant to the Plan, the Debtors have requested that the Court confirm the Plan over the rejection of any non-accepting class in the event all other elements of Section 1129(a) of the Bankruptcy Code are satisfied.

EFFECT OF CONFIRMATION

DISCHARGE. On the Effective Date, the Debtors shall be deemed discharged and released under sections 524 and 1141 of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code. Except as otherwise provided in the Plan or in the Confirmation Order, all consideration distributed under this Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims of any nature whatsoever against the Debtors or their Estate, Assets, Property or interests in Property.

INJUNCTION. As of the Effective Date, except as otherwise expressly provided in this Plan or the Confirmation Order, all Entities shall be permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from asserting against the Debtors or the Reorganized Debtors and their respective assets, Property and Estate, any other or further Claims, debts, obligations, rights, suits, judgments, damages, actions, causes of action, remedies, and liabilities of any nature whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing as of the Effective Date or thereafter arising, at law, in equity, or otherwise relating to the Debtors or Reorganized Debtors or any of their respective assets, Property and Estate, based upon any act or omission, transaction, agreement, event, or other occurrence taking place or existing on or prior to the Effective Date.

TEMPORARY INJUNCTION. **Except as otherwise expressly provided for in the Plan or the Confirmation Order, TD shall be temporarily enjoined, pursuant to section 105 of the Bankruptcy Code, from proceeding against any officer, director, shareholder or affiliate of the Debtors, including, but not limited to, Brian Rubino, Elizabeth Rubino and VHR Development, LLC, for the collection of all or any portion of its Allowed Claim, said injunction to remain in effect only for so long as the Reorganized Debtors comply with the terms of treatment under the Plan for TD. Any non-compliance with such treatment that remains uncured after notice and a right to cure in accordance with the terms of the Plan,**

shall automatically and without order of the Bankruptcy Court result in a dissolution of the injunction granted hereunder as to TD.

RELEASES. Except as otherwise expressly provided in this Plan or the Confirmation Order, on the Effective Date, the Debtors, on behalf of themselves and their Estate, shall be deemed to unconditionally release (i) the Debtors' present and former shareholders, officers, directors, attorneys, accountants and financial advisor, and Melissa Rubino and Mark Rubino, and any of their respective successors or assigns, or any of their respective assets or properties, and (ii) the Committee and its members (only in their representative capacity) and the Committee's attorneys, accountants and financial advisor, and any of their respective successors or assigns, or any of their respective assets or properties, (iii) TD, its current former directors, officers, employees, consultants and agents utilized for the Chapter 11 Case and attorneys (including the agents, servants and employees of the attorneys), from any and all Claims, debts, obligations, rights, suits, judgments, damages, actions, causes of action, remedies, and liabilities of any nature whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing as of the Effective Date or thereafter arising, at law, in equity, or otherwise, that the Debtors would have been legally entitled to assert in their own right (whether individually or collectively) or that any holder of a Claim, Interest, or other person or entity would have been legally entitled to assert on behalf of the Debtors or their Estate, based in whole or in part upon any act or omission, transaction, agreement, event, or other occurrence taking place or existing on or prior to the Effective Date. Without limiting the generality of the foregoing, to the extent permitted by law, the Debtors and any successors-in-interest of the Debtors shall waive all rights under any statutory provision purporting to limit the scope or effect of a general release, whether due to lack of knowledge or otherwise.

ALTERNATIVES TO THE PLAN

If the Plan is not confirmed by the Bankruptcy Court, the alternatives may include (a) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code; (b) the formulation, promulgation and confirmation of an alternative plan; or (c) dismissal of the Debtors' Chapter 11 Case.

The Debtors, of course, believe the Plan to be in the best interests of creditors and the Debtors, and the Committee shares that belief. In arriving at that conclusion, the Debtors assess the alternatives as follows:

1. *Alternative Plan*. Any alternative plan would likely have to be proposed by TD or the Committee, but it would not have the support of the Debtors and, as a result, would leave the Debtors' continued operation in a state of uncertainty since current management would not be expected to remain in place. In that event, the Debtors believe that the only alternative plan that would be proposed would provide for a sale of the Debtors' assets or business, either as a going-concern or under a liquidation. The Debtors do not believe that even in a going-concern sale, the net sale proceeds would yield a sufficient amount to pay the TD Secured Claim in full and accrued but unpaid Administrative Expense Claims, including 503(b)(9) Claims. The amount of net proceeds that would need to be generated in such a situation, in order for General Unsecured Claims to receive any distribution at all, would be in excess of $15 million. Given that the

Debtors have been in Chapter 11 proceedings for almost one year and have not received any interest in a purchase of their assets or business, it is not reasonable to expect that in an even more distressed situation, such interest would be generated and actually realized for the amount necessary to provide creditors with a greater recovery than what they are receiving under the current Plan.

2. *Liquidation*. As set forth in the Debtors' Liquidation Analysis attached hereto as **Exhibit "B"**, it is the Debtors' belief that all Creditors will receive substantially more than under the Plan than they would receive in a liquidation.

3. *Dismissal*. Dismissal of the Chapter 11 proceedings would, in the judgment of the Debtors, lead to an unsatisfactory result. Dismissal would result in TD taking action to enforce its security interest in substantially all of the Debtors' assets to collect the TD Secured Claim, which is in excess of $13 million. In this distressed type of asset disposition, the Debtors would not expect their assets to yield proceeds that would even cover the TD Secured Claim. In addition, while TD would be pursuing its own recovery as a secured creditor, dismissal would also be expected to bring numerous lawsuits to collect debts and, combined with the TD collection efforts, would lead to a piecemeal dismemberment of the Debtors at severely distressed values.

The Debtors have attempted to set forth alternatives to the Plan. However, the Debtors emphasize to Creditors that a vote must be for or against the Plan. The vote on the Plan does not include a vote on alternatives to the Plan. There is no assurance what turn the proceedings will take if the Plan fails of acceptance.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following summary of certain U.S. Federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the particular circumstances pertaining to each holder of an Allowed Claim or Interest. Each holder of an Allowed Claim or Interest is urged to consult his own tax advisors. This summary does not cover all potential U.S. federal income tax consequences that could possibly arise under the Plan and does not address the Plan's U.S. federal income tax consequences for any holder of an Allowed Claim or Interest that is a partnership (or other pass-through entity) or otherwise subject to special tax rules.

The Debtors have not requested any ruling from the Internal Revenue Service or any other taxing authority with respect to such matters nor will the Debtors, with respect to the federal income tax consequences of the Plan, obtain any opinion of counsel. Consequently, there can be no assurance that the treatment set forth in the following discussion will be accepted by the IRS. The Debtors offer no statements or opinions that are to be relied upon by the creditors as to the treatment of creditors' claims under the Plan. Matters not discussed in this Disclosure Statement may affect the tax consequences of the Plan on any particular holder of a Claim or Interest.

This summary is based upon the laws in effect on the date of this Disclosure Statement and existing judicial and administrative interpretations thereof, all of which are subject to

change, possibly with retroactive effect. Holders of Allowed Claims and Interests should consult their own tax advisors as to the Plan's specific federal, state, local and foreign income and other tax consequences.

In general, the tax consequences of the Plan for the Debtors is that they may realize what is commonly known as cancellation of indebtedness income ("COD Income") based on the portion of the debt to General Unsecured Creditors that is discharged. Under section 108(a)(1)(A) of the Internal Revenue Code ("IRC"), COD Income is not recognized as gross income if it occurs by virtue of a discharge in a case under Title 11 of the U.S. Code, which is commonly known as the Bankruptcy Code. However, pursuant to IRC section 108(b), certain tax attributes of a taxpayer that experiences COD Income by virtue of a bankruptcy discharge must be reduced. Generally, the reduction is in the following order: (i) net operating losses for the taxable year of discharge; (ii) general business credit; (iii) minimum tax credit; (iv) capital loss carryovers; (v) basis reduction; (vi) passive activity loss and credit carryovers; and (vii) foreign tax credit carryovers. The Debtors do not have any net operating losses to reduce and may need to reduce other tax attributes by the amount of the COD Income that is realized by virtue of the discharge of indebtedness in this case.

The tax consequences to Creditors and Interest Holders will differ and will depend on factors specific to each Creditor and Interest Holder, including but not limited to: (i) whether the Claim or Interest (or portion thereof) constitutes a claim for principal or interest; (ii) the origin of the Claim or Interest; (iii) the type of consideration received by the Creditor or Interest Holder in exchange for the Claim; (iv) whether the Creditor or Interest Holder is a United States person or foreign person for tax purposes; (v) whether the Creditor or Interest Holder reports income on the accrual or cash basis method; (vi) whether the Creditor or Interest Holder has taken a bad debt deduction or otherwise recognized loss with respect to a Claim.

In general, a creditor may take a bad debt deduction under IRC section 166(a)(1) for "any debt which becomes worthless within the taxable year." The determination of worthlessness depends upon the particular facts and circumstances of each case, although generally, the year of worthlessness is fixed by identifiable events that form the basis of reasonable grounds for abandoning any hope of recovery. Creditors should consult with their own tax advisor as to whether a bad debt deduction may be claimed based on the treatment of their Claims under the Plan.

THERE ARE MANY FACTORS WHICH WILL DETERMINE THE TAX CONSEQUENCES TO EACH CREDITOR AND INTEREST HOLDER. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH CREDITOR AND INTEREST HOLDER OBTAIN HIS, HER OR ITS OWN TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR AND INTEREST HOLDER AS A RESULT OF THE PLAN.

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY CREDITOR AND INTEREST HOLDER FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON A TAX PAYER. THE DISCUSSION HEREIN WAS WRITTEN TO SUPPORT THE

TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT. EACH CREDITOR AND INTEREST HOLDER SHOULD SEEK ADVICE BASED UPON THE CREDITOR OR INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

ADDITIONAL INFORMATION

Requests for additional copies of this Disclosure Statement, the Ballot and the other materials delivered together herewith and all deliveries, correspondence and questions, as the case may be, relating to the Plan should be directed to the Debtors' counsel, Irve J. Goldman, Pullman & Comley, LLC, 850 Main Street, 8th Floor, Bridgeport, Connecticut 06604.

Copies of all pleadings, orders, lists, schedules, proofs of claims or other documents submitted in these cases are on file in the Office of the Clerk of the United States Bankruptcy Court at 450 Main Street, Hartford, Connecticut 06103, and are available for public inspection Monday through Friday, between the hours of 9:00 a.m. and 4:00 p.m. and are also available for viewing on the Internet at http://www.ctb.uscourts.gov.

CONCLUSION

The Debtors believe the Plan is in the best interests of all Creditors and strongly encourage all holders of Claims against the Debtors to vote to accept the Plan and to evidence such acceptance by promptly returning their Ballots to ensure that they will be received not later than 4:00 p.m., Eastern Standard Time, on December 21, 2015.

Dated: Bridgeport, Connecticut
December 3, 2015

ULTIMATE NUTRITION, INC. and
PROSTAR, INC.

By: /s/Brian Rubino
Brian Rubino
Duly Authorized

Irve J. Goldman (ct02404)
Jessica Grossarth (ct23975)
Pullman & Comley, LLC
850 Main Street
P.O. Box 7006
Bridgeport, CT 06601-7006
Telephone: (203) 330-2000
Facsimile: (203) 576-8888
igoldman@pullcom.com
jgrossarth@pullcom.com
Attorneys for the Debtors