

EXHIBIT B

Liquidation Analysis



Liquidation Analysis



MAROTTA GUND BUDD & DZERA, LLC

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The following analysis was prepared by Marotta Gund Budd & Dzera, LLC (“MGBD”) at the request of Vivaro et al., (“Vivaro” or “the Debtors”). In assembling this analysis, the scope of our work did not encompass an examination, in accordance with standards promulgated by the American Institute of Certified Public Accountants (the “AICPA”), of the information on which this analysis was based. Marotta Gund Budd & Dzera, LLC (“MGBD”) has not audited or otherwise verified the source data contained herein and does not provide or imply assurances as to the accuracy of the detailed financial and other information on which the analysis is based. Our procedures were not sufficient to enable us to provide assurances as to the completeness or accuracy of all such information, and accordingly, we do not express an opinion or any other form of assurance thereon. Had MGBD performed such an examination, certain matters might have come to our attention that would have caused us to reach different findings and observations than presented herein.

This analysis contains “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). Forward-looking statements may include financial and other projections, as well as statements regarding future plans, objectives or performance, or the underlying assumptions. Vivaro and MGBD wish to ensure that all such forward-looking statements are accompanied by meaningful cautionary statements pursuant to the safe harbor established in the Reform Act. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties, which could cause actual events or results to differ materially from those projected. Due to those uncertainties and risks, recipients are urged not to place any reliance on such forward-looking statements contained in this material.

MGBD has no responsibility to update the information contained herein.



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LIQUIDATION ANALYSIS

Overview

A chapter 11 plan cannot be confirmed unless the bankruptcy court determines that the plan is in the “best interests” of all holders of claims and interests that are impaired by the plan and that have not accepted the plan. The “best interests” test requires a bankruptcy court to find either that (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

This hypothetical Liquidation Analysis was prepared to illustrate that the Plan satisfies this “best interests” test with respect to the Debtors. The liquidation analysis estimates potential cash distributions to holders of Allowed Claims in a hypothetical chapter 7 liquidation of all of the Debtors assets.

Each holder of an Allowed Claim is estimated to receive the distributions shown in the chart below:

Total Estimated Proceeds, Liquidation Costs and Claims		
(\$'s in Thousands)	Based on Mid-Points	
	Chapter 11 Liquidation	Chapter 7 Liquidation
Estimated Proceeds		
Cash	\$6,057	\$6,057
Other Sources of Recoveries:	661	661
Total Estimated Proceeds	\$6,718	\$6,718
Liquidation Costs		
	206	432
Proceeds Remaining for Creditors	6,511	6,285
Claims		
Secured Claims	\$991	\$991
Administrative and Priority Claims	4,697	4,697
Unsecured Claims	37,965	37,965
Total Claims	\$43,653	\$43,653

Estimated % of Recovery of Estimated Aggregate Amount of Allowed Claims

	Chapter 11 Liquidation	Chapter 7 Liquidation
Secured Claims	100.0%	100.0%
Administrative Claims	100.0%	100.0%
Priority Claims	100.0%	100.0%
Unsecured claims	2.2%	1.6%

Estimated recoveries under a Liquidating Plan in a chapter 11 are higher than the estimated recoveries to creditors in a chapter 7 due to lower estimated professional fee costs. The institutional case knowledge of the current chapter 11 professionals would likely result in a faster process and lower overall professional fees. The chapter 7 Liquidation Analysis assumes a professional run rate of \$55 thousand per month for seven and one-half months as compared to the proposed plan scenario in which professional fees are expected to total \$150 thousand.

Summary Notes to this Liquidation Analysis

The Liquidation Analysis Depends on Estimates and Assumptions

The determination of the hypothetical proceeds from, and costs of the liquidation of, the Debtors' assets is an uncertain process involving the extensive use of estimates and assumptions that although considered reasonable, are inherently subject to significant business, and economic uncertainties and contingencies beyond the control of the Debtors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation and unanticipated events and circumstances could affect the ultimate results in an actual chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of establishing a reasonable good-faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the bankruptcy code upon conversion of these chapter 11 cases. The Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. No independent appraisals were conducted in preparing the Liquidation Analysis. Accordingly, while deemed reasonable based on the facts currently available, MGBD makes no representation or warranty that the actual results would or would not approximate the estimates and assumptions represented in the Liquidation Analysis.

Estimates of Claims

In preparing the Liquidation Analysis, Allowed Claims were estimated based upon the Schedules of Assets and Liabilities filed by the Debtors, Proofs of Claims filed in the cases and review of the Debtors' books and records. The Liquidation Analysis also includes estimates for claims which could be asserted and Allowed in a chapter 7 liquidation, including wind down costs and trustee fees. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims. For purposes of the Liquidation Analysis, estimates of the amount of Allowed Claims and ranges of projected recoveries are based on certain assumptions. Therefore, the estimates of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any purpose other than considering the hypothetical distributions under a chapter 7 liquidation, including, determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. Nothing contained in the Liquidation Analysis is intended to be or constitutes a concession or admission by the Debtors. The actual amount of Allowed Claims in the Chapter 11 cases could materially differ from the estimated amounts set forth in the Liquidation Analysis.

Conversion Date and Appointment of a Chapter 7 Trustee

The Liquidation Analysis contains an assumption that the chapter 11 case is converted to a chapter 7 on September 30, 2016, the Conversion Date. On the Conversion Date, it is assumed that the Bankruptcy Court would appoint a chapter 7 Trustee to oversee the liquidation of the estates. The Liquidation Analysis is based on estimates of each of the Debtors' projected assets and liabilities as of September 30, 2016 (the Debtors have used unaudited April 30, 2014 balances from the Debtors Monthly Operating Report as a proxy unless otherwise noted). These estimates are derived from the Debtor's Monthly Operating Reports or more recent financial information, where available. MGBD does not believe the use of such estimates will result in a material change to estimated recoveries on the Conversion Date unless otherwise noted.

Liquidation Process

The Liquidation Analysis contains an assumption that all of the Debtors' assets are liquidated including (a) cash and equivalents, (b) receivables, (c) avoidance actions and (d) other assets. The Liquidation Analysis also contains an assumption that a chapter 7 Trustee would attempt to negotiate settlements on the outstanding receivables and other assets and would employ contingency counsel to litigate any matters that the Trustee is unable to settle.

Factors Considered in Valuing Hypothetical Liquidation Proceeds

Factors that could negatively impact the recoveries set forth in the Liquidation Analysis include: (a) recoveries from settlement or litigation are less than estimated; (b) delays in the liquidation process; and liquidation costs are greater than estimated. These factors may limit the amount of the proceeds generated by the liquidation of the Debtors' assets (the "Liquidation Proceeds") available to the Trustee. For example, it is possible that the liquidation would be delayed while the Trustee and his or her professionals become knowledgeable about the chapter 11 cases and the various assets and causes of action and that this delay could reduce the value of the net Liquidation Proceeds.

Detailed Assumptions

It was assumed in the Liquidation Analysis that the proceeds generated from the liquidation of all of the Debtors' assets, plus Cash estimated to be held by the Debtors on the Conversion Date, will be reasonably available to the Trustee. After deducting the costs of liquidation, including, the Trustee's fees and expenses and other administrative expenses incurred in the liquidation, the Trustee would allocate net Liquidation Proceeds to Holders of Allowed Claims in accordance with the priority scheme set forth in section 726 of the Bankruptcy Code. The Liquidation Analysis contains estimates of high and low recovery percentages for Claims and Interests upon the Trustee's application of the Liquidation Proceeds.

The April 30, 2016 Monthly Operating Report was used as a proxy for expected asset and liability values on the Conversion Date (unless otherwise noted) and adjustments were made to those values to account for any known material changes expected to occur before the Conversion Date.

The ranges of recoveries provided in this Liquidation Analysis are estimates and should not be relied upon by any party. There is no assurance of any recovery.

The Debtors estimated the value of their assets from a combination of the Debtors' unaudited April 30, 2016 balances from the Debtors Monthly Operating Report and projected balances as of September 30, 2016 (the Conversion Date).

Proceeds from Liquidation of Assets

Cash and Cash Equivalents

The amount shown is the projected balance as of September 30, 2016 and is assumed to be recovered at 100%.

Accounts Receivable

Accounts receivable relates to an amount due from a former distributor STx Communications, which has been disputed. The distributor has ceased operations and is currently being liquidated under chapter 7 of the U.S. Bankruptcy code.

Note Receivable

The Note Receivable represents the final payment on a note made in October 2011 by Catalina Acquisitions Inc. (“Catalina”) in connection with its purchase of Unidos Financial Services from Vivaro et al. Catalina has disputed that it owes any further monies under the Catalina Note citing an alleged failure on the part of the Debtors to disclose all liabilities and the wrongful valuation of an asset listed on Unidos’ financial statements as grounds for non-payment. The Debtors dispute that the Unidos assets and liabilities were not properly disclosed at the time of the sale and further dispute that the alleged wrongful valuation of any asset on the Unidos financial statements would give rise to a right by Catalina to withhold payment under the Catalina Note. Thus it is likely that litigation will be necessary in order to monetize this asset and recoveries are shown net of cost to collect, including contingency fees.

Preference Recoveries

The Debtors have various pending litigations seeking the avoidance and return of preferential transfers (collectively, the “Pending Preference Actions”).

Other Recoveries

Other Recoveries encompass (i) rights the Debtors have to funds held in escrow by the Purchasers attorney following the Sale of substantially all of the Debtor’s assets to Next Angel, LLC in February, 2013, (ii) any remaining proceeds due from PICS Telecom related to the sale of surplus equipment from the Debtors’ 75 Broad St. telecom equipment facility following its closure in the aftermath of Superstorm Sandy in January of 2011 and (iii) any other assets, causes of action or rights to recoveries of the Debtors which may exist but are not otherwise specifically identified herein.

Estimated Costs

Trustee Fees and Trustee Professionals

A chapter 7 Trustee would be appointed by the Bankruptcy Court. Chapter 7 Trustee fees have been estimated to be 3% of funds disbursed or turned over to parties in interest as set forth in section 326 of the Bankruptcy Code. Costs for Trustee professionals are estimated at \$55 thousand per month for six to nine months.

Distribution of Proceeds

Secured Claims

Secured Claims are estimated from the Debtors Schedules and Proof of Claims filed in these cases.

Chapter 11 Administrative Expenses

Chapter 11 Administrative Expenses represent unpaid costs of administration (primarily post-petition accounts payable and unpaid Professional Fees) for the Debtors' Chapter 11 Cases.

Priority Tax Claims

Priority Tax Claims are estimated from the Debtors Schedules and Proof of Claims filed in these cases.

Priority Non-Tax Claims

Priority Non-Tax claims are Claims, other than Priority Tax Claims, accorded priority in right of payment (under section 507(a) of the Bankruptcy Code) arising from chapter 11 proceedings.

General Unsecured Claims

On the Conversion Date, the Debtors estimate that there will be approximately \$38 million of general unsecured claims.

Equity Interest

There are insufficient proceeds for holders of Equity Interests to receive any distribution in a chapter 7 liquidation.