

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re: HALKER CONSULTING LLC EIN: 20-4611545, Debtor.	Case No. 17-15141-MER Chapter 11
In re: MATTHEW HALKER SS#: XX-XXX-8528, Debtor.	Case No. 17-15143-MER Chapter 11 Jointly administered under Case No. 17-15141-MER

**ORDER CONFIRMING MODIFIED SECOND AMENDED JOINT CHAPTER 11 PLAN
OF REORGANIZATION OF HALKER CONSULTING LLC
AND MATTHEW HALKER**

Upon consideration of confirmation of the Second Amended Joint Chapter 11 Plan of Reorganization of Halker Consulting LLC and Matthew Halker [Docket No. 135] (the “Second Amended Plan”), as debtors and debtors in possession (together, the “Debtors”) in the above-captioned cases (together, the “Chapter 11 Cases”), as modified by the Modified Second Amended Joint Chapter 11 Plan of Reorganization of Halker Consulting LLC and Matthew Halker [Docket No. 179], attached to this Order as Exhibit A (as so modified, amended, and supplemented, the “Plan”)¹; and

the Debtors having:

- a. commenced the Chapter 11 Cases by filing voluntary petitions under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court on June 1, 2017 (the “Petition Date”);

¹ Capitalized terms not defined in this Order shall be defined as in the Plan.

- b. continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;
- c. filed the Second Amended Plan and the Disclosure Statement for the Second Amended Plan on July 17, 2017 [Docket No. 136] (the “Disclosure Statement”);
- d. obtained entry of the Order Approving Disclosure Statement and Setting Confirmation Hearing [Docket No. 142] (the “Disclosure Statement Order”), among other things approving the Disclosure Statement and setting a two-day hearing for consideration of confirmation of the Plan to commence on October 3, 2017, at 9:30 a.m. (Denver time) (the “Confirmation Hearing”);
- e. served on August 2, 2017, a copy of (i) the Second Amended Plan, the Disclosure Statement, Disclosure Statement Order, and a ballot for voting on the Second Amended Plan to all creditors and parties in interest whose votes were to be solicited under the Plan, and (ii) the Second Amended Plan, Disclosure Statement, and Disclosure Statement Order on the Office of the United States Trustee for this District (the “UST”);
- f. filed the Supplement to the Plan on September 19, 2017 [Docket No. 172] (the “Plan Supplement”);
- g. filed on September 28, 2017, a Summary Report of the Ballots received reflecting all votes by class, number of claims, and amount of claim [Docket No. 177] (the “Voting Report”);
- h. on September 28, 2017, filed and served on the UST the modified Plan and a response [Docket No. 178] (the “Response”) specifically identifying the amendments made in response to the UST’s objection to confirmation of the Second Amended Plan [Docket No. 160] (the “UST Objection”);
- i. filed on September 28, 2017, the proposed Order Confirming the Plan; and
- j. filed on September 29, 2017, the Declaration of Matthew Halker in Support of an Order Confirming the Plan (the “Declaration in Support of Confirmation”); and

this Court having:

- a. reviewed the Second Amended Plan, the Plan, the Plan Supplement, the Voting Report, the Declaration in Support of Confirmation, and all pleadings, exhibits, statements, responses, objections, and comments regarding confirmation, including the UST Objection;
- b. held the Confirmation Hearing;
- c. heard the statements and arguments made by counsel in respect of confirmation;

- d. considered all oral representations, documents, filings, and other evidence regarding confirmation; and
- e. taken judicial notice of the dockets of the Chapter 11 Cases, including, without limitation, all papers, pleadings, and other documents filed in the Chapter 11 Cases, and all orders entered in the Chapter 11 Cases.

NOW, THEREFORE, the Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to confirmation of the Plan having been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby; and the record of the Chapter 11 Cases and the legal and factual bases set forth in the documents filed in support of confirmation and presented at the Confirmation Hearing establish just cause for the relief granted in this Order; and after due deliberation thereon and good cause appearing therefor, the Court hereby makes and issues the following findings of fact, conclusions of law, and order:

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW²

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

A. Jurisdiction and Venue

1. This Court has subject matter jurisdiction over this matter under 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2). Venue in this Court was proper as of the Petition Date and remains proper under 28 U.S.C. §§ 1408 and 1409.

² The findings of fact and the conclusions of law set forth in this Order constitute findings of fact and conclusions of law in accordance with Fed. R. Civ. P. 52, applicable under Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). Any and all findings of fact shall constitute findings of fact even if stated as conclusions of law, and any and all conclusions of law shall constitute conclusions of law even if stated as findings of fact.

B. Eligibility for Relief; No Trustee or Examiner

2. The Debtors were and continue to be entities eligible for relief under section 109 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases and no request for any such appointment has been made.

C. Transmittal and Mailing of Materials; Notice

3. Due, adequate, and sufficient notice of the Disclosure Statement, the Plan, the Disclosure Statement Order, the Plan Supplement, the Confirmation Hearing, and all deadlines for voting on the Plan or objecting to confirmation has been given in substantial compliance with the Disclosure Statement Order, Bankruptcy Rules 2002(b), 3017, 3019, and 3020(b), and the Local Bankruptcy Rules for this Court, and no other or further notice is or shall be required.

D. Solicitation

4. The Debtors and (to the extent applicable) their respective members, officers, employees, advisors, attorneys, and agents solicited votes for acceptance and rejection of the Plan in good faith, and such solicitation complied with sections 1125 and 1126 and all other applicable sections of the Bankruptcy Code, Bankruptcy Rules 3017, 3018, and 3019, the Disclosure Statement Order, and all other applicable rules, laws, and regulations.

E. Voting Report

5. As set forth in the Plan and the Disclosure Statement, holders of Claims in Classes 2, 3, and 7 (collectively, the "Voting Classes") were eligible to vote on the Plan. Holders of Claims in Classes 1, 4, 5, 6, 8, and 9 are Unimpaired and conclusively presumed to accept the Plan and, therefore, could not vote on the Plan.

6. The Debtors timely filed the Voting Report. As evidenced by the Voting Report, holders of Claims all Voting Classes unanimously voted to accept the Plan.

F. Bankruptcy Rule 3016

7. The Plan is dated and identifies the Entities submitting it, satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the clerk of the Court satisfied Bankruptcy Rule 3016(b).

G. Plan Supplement

8. The Plan Supplement complies with the terms of the Plan, and the filing and notice of such documents were good and proper and in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and the facts and circumstances of the Chapter 11 Cases. No other or further notice is or will be required with respect to the Plan Supplement.

H. Modifications to the Plan

9. Any modifications to the Second Amended Plan, the Plan, and the Plan Supplement, including any modifications described or set forth in this Order, (a) were appropriate under the facts and circumstances of the Chapter 11 Cases, (b) do not require, in accordance with Bankruptcy Rule 3019, additional disclosure under section 1125 of the Bankruptcy Code or the resolicitation of votes under section 1126 of the Bankruptcy Code, and (c) do not require that holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan. Without limiting the generality of the foregoing, the modifications to the Second Amended Plan embodied in the Plan are non-material modifications, consistent with all of the provisions of the Bankruptcy Code, including, without limitation, sections 1122, 1123, 1125, and 1127 of the Bankruptcy Code, and do not adversely change the treatment of holders of Claims and Interests under the Second Amended Plan and the Plan.

I. Objections Resolved

10. The UST Objection has been resolved as set forth in the Plan, the Response, and on the record at the Confirmation Hearing. No other objection to confirmation of the Plan has

been made, and confirmation of the Plan is not opposed by any creditor, interest holder, or other party in interest on any grounds.

J. Burden of Proof

11. The Debtors, as proponents of the Plan, have met their burden of proving the elements of section 1129 of the Bankruptcy Code by a preponderance of the evidence, the applicable evidentiary standard for confirmation.

K. Compliance with the Requirements of Section 1129 of the Bankruptcy Code

12. The Plan complies with all applicable provisions of section 1129 of the Bankruptcy Code as follows:

a. Section 1129(a)(1)—Compliance of the Plan with Applicable Provisions of the Bankruptcy Code

13. The Plan complies with all applicable provisions of the Bankruptcy Code, including sections 1122 and 1123, as required by section 1129(a)(1) of the Bankruptcy Code.

i. Sections 1122 and 1123(a)(1)—Proper Classification

14. The classification of Claims and Interests under the Plan is proper under the Bankruptcy Code. In accordance with sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, Article III of the Plan provides for the separate classification of Claims and Interests into nine different Classes, based on differences in the legal nature or priority of such Claims against and Interests in the Debtors (other than Administrative Claims, Professional Fee Claims, and Priority Tax Claims, which are not required to be designated as separate Classes by section 1123(a)(1) of the Bankruptcy Code). Valid business, factual, and legal reasons exist for the separate classification of the various Classes of Claims and Interests created under the Plan, the classifications were not implemented for any improper purpose, and the creation of such Classes does not unfairly discriminate between or among holders of Claims and Interests.

15. In accordance with section 1122(a) of the Bankruptcy Code, each Class of Claims or Interests contains only Claims or Interests substantially similar to the other Claims or Interests within that Class. Accordingly, the Plan satisfies the requirements of sections 1122(a), 1122(b), and 1123(a)(1) of the Bankruptcy Code.

ii. Sections 1123(a)(2)—Specification of Unimpaired Classes

16. Sections II.C. and III.B. of the Plan specify that Claims in Classes 1, 4, 5, 6, 8, and 9 are Unimpaired under the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(2) of the Bankruptcy Code.

iii. Sections 1123(a)(3)—Specification of Treatment of Impaired Classes

17. Section III.C. of the Plan specifies the treatment of each Impaired Class under the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(3) of the Bankruptcy Code.

iv. Sections 1123(a)(4)—No Discrimination

18. Article III of the Plan provides the same treatment to each Claim or Interest in any particular Class, unless the Holder of a particular Claim or Interest has agreed to a less favorable treatment with respect to such Claim or Interest. Accordingly, the Plan satisfies the requirements of section 1123(a)(4) of the Bankruptcy Code.

v. Section 1123(a)(5)—Adequate Means for Plan Implementation

19. Articles IV, V, and VI of the Plan specifically provide the means for the Plan's execution and implementation, including, without limitation: (a) Halker Consulting's continued corporate existence; (b) retention by the Debtors and Reorganized Debtors of property of the estate; (c) that Distributions under the Plan shall be made from the Debtors' and Reorganized Debtors' Cash on hand and post-Effective Date revenues as set forth in the Plan; (d) procedures for Distributions to Holders of Allowed Claims and objecting to and resolving Disputed Claims;

(e) the preservation of Causes of Action; (f) reinstatement and continuation of the Debtors' insurance policies; (g) assumption and rejection of certain Executory Contracts; and (h) the limited substantive consolidation of the Debtors' Chapter 11 Cases to the extent provided in the Plan. Accordingly, the Plan satisfies the requirements of section 1123(a)(5) of the Bankruptcy Code.

vi. Section 1123(a)(6)—Charter

20. Halker Consulting will amend, as necessary, its organizational documents to prohibit the issuance of non-voting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1123(a)(6).

vii. Section 1123(a)(7)—Directors, Officers, and Trustees

21. As set forth in Section V.D.2. of the Disclosure Statement, M. Halker will continue to serve as Halker Consulting's manager and president from and after the Effective Date. Nothing in the Plan is inconsistent with the interests of creditors, equity security holders or public policy with respect to the manner of section of any officer, director, or trustee under the Plan or any successor to such officer, director, or trustee. The Plan thus satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.

viii. Section 1123(a)(8)—Commitment of M. Halker's Income

22. In satisfaction of section 1123(a)(8) of the Bankruptcy Code, the Plan provides for the commitment of M. Halker's income as is necessary for payment to Creditors and execution of the Plan.

b. Section 1123(b)—Discretionary Contents of the Plan

23. The Plan contains various provisions that may be construed as discretionary but not necessary for confirmation under the Bankruptcy Code. Any such discretionary provision

complies with section 1123(b) of the Bankruptcy Code and is not inconsistent with the applicable provisions of the Bankruptcy Code. Thus, the Plan satisfies section 1123(b).

c. Section 1129(a)(2)—Compliance of the Debtors and Others with the Applicable Provisions of the Bankruptcy Code

24. The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including sections 1122, 1123, 1124, 1125, 1126, and 1128, and Bankruptcy Rules 3017, 3018, and 3019.

25. Votes to accept or reject the Plan were solicited by the Debtors and their agents pursuant to section 1125(a) of the Bankruptcy Code and the Disclosure Statement Order, and the Debtors' use of the Disclosure Statement to solicit votes on the Plan was appropriate.

26. The Debtors and their agents have solicited and tabulated votes on the Plan and have participated in the activities described in section 1125 of the Bankruptcy Code fairly, in good faith within the meaning of section 1125(e), and in a manner consistent with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section VI.F. of the Plan.

d. Section 1129(a)(3)—Plan Proposed in Good Faith

27. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Disclosure Statement, the Plan itself, and the process leading to its formulation. The Debtors' good faith is evident from the facts and record of the Chapter 11 Cases, including, without limitation, the

Disclosure Statement, the Plan, the record of the Confirmation Hearing and other proceedings held, and matters of record in the Chapter 11 Cases.

28. The Plan is the product of arm's-length and good-faith negotiations. The Plan itself and the process leading to its formulation provide independent evidence of the Debtors' good faith, serve the public interest, and assure fair treatment of holders of Claims and Interests. Consistent with the overriding purpose of chapter 11, the Chapter 11 Cases were filed, and the Plan was proposed, with the legitimate purpose of allowing the Debtors to maximize stakeholder value. Accordingly, the requirements of section 1129(a)(3) of the Bankruptcy Code are satisfied.

e. Section 1129(a)(4)—Court Approval of Certain Payments as Reasonable

29. The procedures set forth in the Plan for the Court's review and ultimate determination of the fees and expenses paid by the Debtors' Estates in connection with the Chapter 11 Cases or in connection with the Plan and incident to the Chapter 11 Cases satisfy the objectives of, and are in compliance with, section 1129(a)(4) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(4).

f. Section 1129(a)(5)—Disclosure of Directors and Officers and Consistency with the Interests of Creditors and Public Policy

30. The Debtors have disclosed the identities of all officers and directors for the Halker Consulting in Section V.D.2. of the Disclosure Statement. The Plan accordingly satisfies the requirements of section 1129(a) of the Bankruptcy Code.

g. Section 1129(a)(6)—Approval of Rate Changes

31. The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and therefore will not require governmental regulatory approval. Section 1129(a)(6) of the Bankruptcy Code is thus inapplicable.

h. Section 1129(a)(7)—Best Interests of Holders of Claims and Interests

32. The evidence in support of the Plan that was disclosed in the Disclosure Statement and proffered or adduced at the Confirmation Hearing, including, without limitation, the liquidation analysis attached as Exhibit C to the Disclosure Statement, and the facts and circumstances of the Chapter 11 Cases, establish that holders of Allowed Claims or Interests in every Class will recover as much or more value under the Plan on account of such Claim or Interest, as of the Effective Date, than the amount such Holder would receive if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code.

i. Section 1129(a)(8)—Conclusive Presumption of Acceptance by Unimpaired Classes; Acceptance of the Plan by Each Impaired Class

33. As shown by the Voting Report and proffered at the Confirmation Hearing, each Impaired Class of Claims unanimously accepted the Plan and no Class of Interest Holders is impaired under the Plan. The requirements of section 1129(a)(8) of the Bankruptcy Code are satisfied, and, as a result, section 1129(b) of the Bankruptcy Code does not apply to confirmation of the Plan.

j. Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code

34. The treatment of Administrative Claims, Professional Fee Claims, and Priority Tax Claims under Section III.A. of the Plan satisfies the requirements of, and complies in all respects with, section 1129(a)(9) of the Bankruptcy Code.

k. Section 1129(a)(10)—Acceptance by at Least One Impaired Class

35. As set forth in the Voting Report, Holders of Claims in Classes 2, 3, and 7 unanimously voted to accept the Plan. As such, there is at least one Class of Claims that is Impaired under the Plan and has accepted the Plan, determined without including any acceptance

of the Plan by any insider (as defined by the Bankruptcy Code). Accordingly, the requirements of section 1129(a)(10) of the Bankruptcy Code have been satisfied.

l. Section 1129(a)(11)—Feasibility of the Plan

36. The Plan satisfies section 1129(a)(11) of the Bankruptcy Code. The evidence supporting the Plan proffered or adduced by the Debtors at or before the Confirmation Hearing, including, without limitation, the applicable financial projections attached as Exhibit B to the Disclosure Statement: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) has not been controverted by other credible evidence; (c) establishes that the Plan is feasible and confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, except as provided in the Plan; and (d) establishes that the Debtors will have sufficient funds available to meet their obligations under the Plan.

37. Accordingly, the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

m. Section 1129(a)(12)—Payment of Statutory Fees

38. Section VIII.A. of the Plan provides that all fees payable pursuant to 28 U.S.C. § 1930(a)(6) will be paid by the Debtors before or on the Effective Date and by the applicable Reorganized Debtor as and when such fees become due. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

n. Section 1129(a)(13)—Retiree Benefits

39. The Debtors have no obligation to pay retiree benefits (as defined in section 1114 of the Bankruptcy Code), and section 1129(a)(13) of the Bankruptcy Code does not apply to these Chapter 11 Cases.

o. Section 1129(a)(14)—Domestic Support Obligations

40. The Debtors have no obligation to pay domestic support obligations, and section 1129(a)(14) of the Bankruptcy Code does not apply to these Chapter 11 Cases.

p. Section 1129(a)(15)—No Objection by Holders of Allowed Unsecured Claims

41. No Holder of an Allowed Unsecured Claim against M. Halker objected to confirmation of the Plan, and section 1129(a)(15) of the Bankruptcy Code does not apply to these Chapter 11 Cases.

q. Section 1129(a)(16)—Transfers of Property

42. The Plan does not contemplate the transfer of any property, and section 1129(a)(16) of the Bankruptcy Code does not apply to these Chapter 11 Cases.

r. Section 1129(d)—Principal Purpose of the Plan Is Not Avoidance of Taxes or Section 5 of the Securities Act

43. No governmental unit has requested that the Court refuse to confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act. As evidenced by its terms, the principal purpose of the Plan is not such avoidance. Accordingly, the requirements of section 1129(d) of the Bankruptcy Code have been satisfied.

s. Satisfaction of Confirmation Requirements

44. Based upon the foregoing, the Plan satisfies the requirements for plan confirmation set forth in section 1129 of the Bankruptcy Code.

t. Limited Substantive Consolidation for Plan Purposes is Appropriate

45. Entry of this Order shall constitute the approval, pursuant to sections 105(a) and 1123(a)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the limited substantive consolidation of the Chapter 11 Cases solely on the terms set forth in Article V of the

Plan. The most significant Claims in the Chapter 11 Cases are against both Debtors in equal amounts. As a result of the significant overlap of the Claims against both Debtors and because all creditors will be paid in full under the Plan on account of their Allowed Claims and the assets of each Debtor will be available to satisfy their collective Claims, the substantive consolidation of the Chapter 11 Cases to the extent provided in Article V of the Plan will not have any adverse impact on or otherwise prejudice any Creditor or other party in interest. The consolidation provided in Article V of the Plan also provides an administrative efficiency in implementing the Plan.

u. Conditions to Effective Date

46. Entry of this Order shall satisfy the condition to the Effective Date set forth in Section X.A.1 of the Plan. The conditions to confirmation of the Plan and to the Effective Date of the Plan set forth in Article X.A of the Plan may only be waived in accordance with the Plan.

v. Implementation

47. All documents and agreements necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's length, are in the best interests of the Debtors, and shall, upon completion of documentation and execution, be valid, binding, and enforceable documents and agreements not in conflict with any federal, state, or local law.

w. Retention of Jurisdiction

48. The Court properly retains jurisdiction over the matters set forth in Article VII of the Plan.

II. ORDER

BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

A. Confirmation

49. The Plan shall be and is hereby CONFIRMED in all respects.

50. The terms of the Plan are hereby APPROVED in all respects and incorporated by reference into this Order.

51. The Plan Supplement Documents contained in the Plan Supplement and the transactions contemplated thereby are hereby APPROVED; *provided* that to the extent that anything in the Plan Supplement Documents conflicts with or is inconsistent with any express provision of the Plan or this Order, the terms of the Plan and this Order shall control and govern.

52. The Plan and this Confirmation Order will be effective and binding on all parties in interest in the Chapter 11 Cases, including, without limitation: (a) the Debtors; (b) all holders of Claims and Interests, whether or not Impaired under the Plan and whether or not such Holders have accepted or rejected the Plan or affirmatively voted on the Plan; (c) each Person or Entity receiving, retaining, or otherwise acquiring property under the Plan; and (d) any non-Debtor party to an Executory Contract with the Debtors.

B. Objections

53. The UST was the only party in interest to object to confirmation of the Plan. The UST objection has been fully resolved as set forth in the Plan and the Response. To the extent that any objection (including any reservations of rights contained therein) to confirmation has not been withdrawn, waived, or resolved prior to entry of this Order, is not cured by the relief granted in this Order, or has otherwise not been resolved as stated by the Debtors on the record

of the Confirmation Hearing, such objection (including any reservation of rights contained therein) is hereby overruled on the merits.

C. Approval of Limited Substantive Consolidation for Plan Purposes

54. Pursuant to sections 105(a) and 1123(a)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, the limited substantive consolidation of the Chapter 11 Cases on the terms set forth in Article V of the Plan are hereby APPROVED and adopted as an order of the Court. Accordingly, (i) all assets and liabilities of the Debtors shall be deemed to be merged solely for purposes of the Plan and Distributions to be made thereunder on the Distribution Date, (ii) the obligations of each Debtor shall be deemed to be the obligation of the substantively consolidated Debtors solely for purposes of the Plan and Distributions thereunder, (iii) all Claims and Causes of Action between the Debtors shall be eliminated, (iv) any Claims filed or to be filed in connection with any such obligations shall be deemed Claims against the substantively consolidated Debtors, (v) each Claim filed in the Chapter 11 Case of any Debtor shall be deemed filed against the Debtors in the consolidated Chapter 11 Case in accordance with the substantive consolidation of the assets and liabilities of the Debtors, (vi) all transfers, disbursements, and Distributions made by any Debtor under the Plan shall be deemed to be made by the substantively consolidated Debtors, and (vii) all guarantees of the Debtors of the obligations of the other Debtor shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the substantively consolidated Debtors, solely for purposes of this Plan and Distributions made under the Plan. Such substantive consolidation shall not affect (i) the legal and corporate structure of Halker Consulting or Reorganized Halker Consulting; (ii) the validity, enforceability, priority, extent, or perfection of any creditor's Liens on the assets of either Debtor, which Liens shall remain in effect and in such priority as if there

were no substantive consolidation of the Debtors³; and (iii) each Debtor's obligation to file the necessary operating reports and pay any required fees pursuant to 28 U.S.C. § 1930(a)(6), which obligations shall continue until an order is entered closing, dismissing, or converting each such Debtor's Chapter 11 Case.

D. Post-Confirmation Notices

55. In accordance with Bankruptcy Rules 2002 and 3020(c), no later than three Business Days after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, must cause notice of confirmation (the "Notice of Confirmation") to be served by United States mail, first-class postage prepaid on all parties having appeared or otherwise entitled to receive notice pursuant to Bankruptcy Rule 3020(c)(2). Mailing of the Notice of Confirmation in the time and manner set forth in this paragraph will be good, adequate, and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c). No further notice is necessary.

56. The Notice of Confirmation shall have the effect of an order of the Court, shall constitute sufficient notice of the entry of this Order to such filing and recording officers, and shall be a recordable instrument notwithstanding any contrary provision of applicable non-bankruptcy law.

E. Plan Implementation and Corporate Action Authorization.

57. The Debtors or the Reorganized Debtors, as the case may be, are authorized and empowered from and after the date hereof to negotiate, execute, issue, deliver, implement, file, or record any contract, instrument, release, or other agreement or document related to the Plan,

³ For example and without limitation, such substantive consolidation shall not cause (i) a creditor's Lien on the assets of M. Halker to attach to or be enforceable against Reorganized Halker Consulting or any of its assets, or (ii) a creditor's Lien on the assets of Reorganized Halker Consulting to attach to or be enforceable against M. Halker or any of his assets.

as the same may be modified, amended, and supplemented (including, without limitation, the Plan Supplement Documents; *provided* that any modification to the Plan Supplement Documents is not inconsistent with the terms and provisions of the Plan and this Order), and to take any action necessary or appropriate to implement, effectuate, consummate, or further evidence the Plan in accordance with its terms, or take any or all corporate actions authorized to be taken pursuant to the Plan, whether or not specifically referred to in the Plan or any exhibit thereto, without further order of the Court. To the extent applicable, any or all such documents shall be accepted upon presentment by each of the respective state filing offices and recorded in accordance with applicable state law and shall become effective in accordance with their terms and the provisions of state law.

F. Injunctions and Automatic Stay

58. Unless otherwise provided in the Plan or in this Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, shall remain in full force and effect until the Effective Date in the case of Halker Consulting and until the granting of a discharge in the case of M. Halker. All injunctions or stays contained in the Plan or this Order shall remain in full force and effect in accordance with their terms.

G. Discharge of Halker Consulting

59. Except as otherwise provided in the Plan or this Order, and conditioned on the making of the Distributions provided for under the Plan and the rights afforded therein, the treatment of all Claims and Interests therein shall be in exchange for and in complete satisfaction of, discharge, and release of all Claims or Interests of any kind or nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against Halker Consulting, as Debtor or Reorganized Debtor, or any of its assets or properties, arising prior to the Effective

Date. Except as otherwise expressly specified in the Plan, this Order shall act as of the Effective Date as a discharge of all debts of, Claims against, Liens on, and Interests in Halker Consulting, its Assets and Properties, arising at any time before the Effective Date, regardless of whether a proof of Claim or Interest with respect to thereto was filed, whether the Claim or Interest is Allowed, or whether the holder thereof votes to accept the Plan or is entitled to receive a Distribution thereunder. Except as otherwise expressly specified in the Plan, after the Effective Date, any Holder of such discharged Claim or Interest shall be precluded from asserting any other or further Claim against, or Interest in, Halker Consulting, as Debtor or Reorganized Debtor, or any of its assets or properties, based on any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the Effective Date.

H. Discharge of M. Halker

60. Except as otherwise provided in the Plan or this Order, and conditioned on the making of the Distributions provided for under the Plan and the rights afforded therein, the treatment of all Claims and Interests in the Plan shall be in exchange for and in complete satisfaction of, discharge, and release of all Claims or Interests of any kind or nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the M. Halker, as Debtor or Reorganized Debtor, or any of his assets or properties, arising prior to the Effective Date. Upon the completion of all payments under the Plan, M. Halker shall request after notice pursuant to L.B.R. 9013 that the Court enter a discharge pursuant to section 1141(d)(5) of the Bankruptcy Code of all debts of, Claims against and Liens on, M. Halker, his Assets and his Properties, arising at any time before the Effective Date, regardless of whether a proof of Claim or Interest with respect to thereto was filed, whether the Claim or Interest is Allowed, or whether the holder thereof votes to accept the Plan or is entitled to receive a Distribution thereunder. Except as otherwise expressly specified in the Plan, any Holder of such

discharged Claim or Interest shall be precluded from asserting any other or further Claim against M. Halker, as Debtor or Reorganized Debtor, or any of his assets or properties, based on any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the Effective Date.

I. Injunction

61. Except as otherwise expressly provided in the Plan or this Order, but subject to the occurrence of the Effective Date, all Persons who have held, hold, or may hold Claims against, or Interests in, the Debtors, or who assert rights in or against the Debtors or their Property, that arose before or were held as of the Effective Date, along with their respective Insiders, employees, agents, officers, directors, principals or representatives are permanently enjoined, on and after the Effective Date for Halker Consulting and on and after the date that the Court enters an order granting a discharge for M. Halker, from (a) commencing or continuing in any manner any action or other proceeding of any kind against or affecting the Debtors, their Estates, their Assets, their Property, the Reorganized Debtors, or any of their property or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor with respect to any such Claim or Equity Interest; (b) the enforcement, attachment, collection, levy or recovery by any manner or means of any judgment, award, decree, or order against the Debtors, their Estates, their Assets, the Property, the Reorganized Debtors, or any of the property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor on account of any such Claim or Interest; (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors, their Estates, the Assets, the Property, the Reorganized Debtors, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons on account

of any such Claim or Interest; (d) asserting any right of setoff or subrogation of any kind against any obligation due from the Debtors or the Reorganized Debtors or against the property or interests in property of the Debtors or the Reorganized Debtors on account of any such Claim or Interest; (e) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; (f) taking any action to interfere with the implementation of the Plan; and (g) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan, such as commencing or continuing in any manner, any action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to the Plan; *provided, however*, that nothing contained herein or in the Plan shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan.

J. Exculpation

62. Except as otherwise specifically provided in the Plan, in any contract, instrument, or other agreement or document created pursuant to the Plan, or this Order, none of the Debtors, the Reorganized Debtors, or their respective officers, directors, employees, or those attorneys, financial advisors, accountants, or other professionals retained by the Debtors in the Chapter 11 Cases shall have or incur any liability to any Entity for any act taken or omitted to be taken in connection with, or related to formulating, negotiating, soliciting, preparing, disseminating, confirming, or implementing the Plan, or consummating the Plan or the transactions pursuant to the Plan, the Chapter 11 Cases or any contract, instrument, release or other agreement, or document created or entered into in connection with the Plan or any other act taken or omitted to be taken in connection with the restructuring of the Debtors pursuant to the Plan or otherwise in the Chapter 11 Cases; *provided* that the foregoing Exculpation shall have no effect on the

liability of any Entity for a breach of the Plan or any other document, instrument, or agreement executed and delivered in connection with the Plan, or that otherwise results from any act or omission that is determined in a Final Order to have constituted gross negligence, bad faith, or willful misconduct; *provided further* that nothing in this Plan shall limit the liability of any retained attorney in violation of Rule 1.8(h)(1) of the Colorado Rules of Professional Conduct.

K. Nonseverability of Plan Provisions upon Confirmation

63. Each term and provision of the Plan, and the transactions related thereto as it heretofore may have been altered or interpreted by the Court is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified except as provided by the Plan or this Confirmation Order; and (c) nonseverable and mutually dependent.

L. Authorization to Consummate

64. The Debtors are authorized to consummate the Plan at any time after the entry of this Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to consummation set forth in Section X.A of the Plan. The substantial consummation of the Plan, within the meaning of section 1101 of the Bankruptcy Code, is deemed to occur on the first date, on or after the Effective Date, on which distributions are made in accordance with the terms of the Plan to Holders of any Allowed Claims.

M. Assumed and Rejected Contracts and Leases

65. The Debtors have exercised reasonable business judgment in determining whether to assume or reject each of the Executory Contracts as set forth in Section IX.A. of the Plan and Exhibit C to the Plan Supplement. Without amending or altering any prior order of this Court approving the assumption of any Executory Contract, on the Effective Date, all Executory Contracts of the Debtor shall be deemed assumed in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, *except* for those Executory

Contracts that: (a) have already been rejected by order of the Bankruptcy Court; (b) are listed as rejected Executory Contracts in the Plan Supplement; or (c) are subject to a motion to reject that is pending on the Effective Date. Entry of this Order shall constitute approval of such assumption or rejection, as applicable, as of the Effective Date. All Executory Contracts assumed by the Debtors shall be assigned and transferred to, and remain in full force and effect for the benefit of the Reorganized Debtors, as applicable, as of the Effective Date, notwithstanding any provision in such contract or lease (including those described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits such assignment or transfer or that causes or requires termination of such contract or lease.

66. Except as otherwise agreed to by the parties, on the Effective Date, the applicable Debtor or Reorganized Debtor, as the case may be, shall cure any and all undisputed defaults under any Executory Contract that is assumed pursuant to the Plan in accordance with section 365 of the Bankruptcy Code. Unless the parties to the contract or lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later to occur of (i) seven (7) days after the entry of a Final Order determining the amount, if any, of the liability with respect thereto, and (ii) the initial Distribution Date.

67. All Claims for damages arising from the rejection of an Executory Contract pursuant to the Plan shall be filed with the Bankruptcy Court no later than the first Business Day that is twenty-eight (28) days after the Effective Date or the first Business Day that is twenty-eight (28) days after the entry of the Final Order approving the rejection, if such Final Order is entered after the Confirmation Date (the "Rejection Claims Bar Date"). Every such Claim that is timely filed, as and when it becomes an Allowed Claim, shall be treated as a General Unsecured Claim against Halker Consulting under Class 7 of the Plan. Every such Claim that is not timely

filed by the deadline to do so shall be forever barred, unenforceable, and discharged, and the Creditor holding the Claim shall not receive or be entitled to any Distribution under the Plan on account of such Claim. Notwithstanding anything contained in the Plan, the applicable Debtor or Reorganized Debtor, as the case may be, may object to any Claim arising from the rejection of an Executory Contract.

68. In furtherance of the foregoing, the Debtors or the Reorganized Debtors, as the case may be, shall serve with the Notice of Confirmation notice of rejection and the Rejection Claims Bar Date on each counter-party to an Executory Contract listed as a rejected contract in the Plan Supplement.

69. The Debtors have provided sufficient notice to each non-Debtor counter-party to the Executory Contracts of the assumptions and rejections described in the Plan and the Plan Supplement. The Debtors have provided adequate assurances of future performance, as that term is used in section 365 of the Bankruptcy Code, with respect to the assumption of any Executory Contract that is to be assumed pursuant to the Plan. The inclusion or exclusion of a contract or lease on any schedule or exhibit shall not constitute an admission by any Debtor that such contract or lease is an Executory Contract or that any Debtor has any liability thereunder.

N. Operation of the Debtors Between Confirmation Date and Effective Date

70. The Debtors shall continue to operate as debtors in possession in the ordinary course, consistent with past practice, subject to the supervision of this Court and pursuant to the Bankruptcy Code and the Bankruptcy Rules during the period from the Confirmation Date through and until the Effective Date, and any obligation incurred by the Debtors during that period shall constitute an Administrative Claim unless otherwise provided hereunder or under the Plan.

O. Administration After the Effective Date

71. After the Effective Date, the Reorganized Debtors may operate and may use, acquire, and dispose of their property, free of any restrictions of the Bankruptcy Code and Bankruptcy Rules without the need for Court approval, except as otherwise provided in the Plan; *provided* that each Debtor shall file the necessary operating reports and pay any required fees pursuant to 28 U.S.C. § 1930(a)(6), until an order is entered closing, dismissing, or converting each such Debtor's Chapter 11 Case. Administrative Claims incurred by the Reorganized Debtors after the Confirmation Date, including Claims for Professionals' fees and expenses incurred after such date, may be paid by the Reorganized Debtors in the ordinary course of business and without the need for Court approval.

P. References to Plan Provisions

72. The failure specifically to include or reference any particular article, section, or provision of the Plan (including the Plan Supplement) or any related document in this Order shall not diminish or impair the effectiveness of such article, section, or provision, it being the intent of this Court that the Plan (and the exhibits and schedules thereto) be confirmed and any related documents be approved in their entirety and incorporated herein by reference.

Q. Effect of Non-Occurrence of Conditions to the Effective Date

73. Notwithstanding the entry of this Order, if the Effective Date does not occur, the Plan will have no force or effect. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, this Order, or the Plan Supplement will be considered an admission or waiver of any rights of either Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

R. Successors and Assigns


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

S. Final Order

75. Pursuant to Bankruptcy Rule 3020(e), the fourteen-day stay of this Order imposed thereby is waived and the Debtors are hereby authorized to consummate the Plan and the transactions contemplated thereby immediately upon the entry of this Order upon the docket and upon the satisfaction or waiver of the conditions set forth in Section X.A. of the Plan.

Dated this 3rd day of October, 2017.

BY THE COURT:



The Honorable Michael E. Romero
Chief United States Bankruptcy Judge

Exhibit A

The Plan

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:

**HALKER CONSULTING LLC
EIN: 20-4611545,
Debtor.**

**Case No. 17-15141-MER
Chapter 11**

In re:

**MATTHEW HALKER
SS#: XXX-XX-8528,
Debtor.**

**Case No. 17-15143-MER
Chapter 11**

**Jointly administered under
Case No. 17-15141-MER**

**MODIFIED SECOND AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF HALKER CONSULTING LLC AND MATTHEW HALKER**

KUTAK ROCK LLP

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Attorneys for Debtors,
Halker Consulting LLC and Matthew Halker

Dated: Denver, Colorado
September 28, 2017

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INTRODUCTION

Halker Consulting LLC (“Halker Consulting”) and Matthew Halker (“M. Halker”), as debtors and debtors-in-possession (collectively, the “Debtors”), hereby propose the following joint chapter 11 plan for the satisfaction and discharge of all Claims (as defined below) against the Debtors and Interests (as defined below) in Halker Consulting.

The Debtors are the proponents of this Plan (as defined below) within the meaning of section 1129 of the Bankruptcy Code (as defined below). Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Rule 3019 of the Federal Rules of Bankruptcy Procedure, the Debtors reserve the right to alter, amend or modify this Plan, as necessary or appropriate, prior to its substantial consummation.

ALL HOLDERS OF CLAIMS OR INTERESTS ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS JOINT PLAN.

UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE, VOTES TO ACCEPT OR REJECT A CHAPTER 11 PLAN TYPICALLY CANNOT BE SOLICITED AFTER THE PETITION DATE UNTIL THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AND DISTRIBUTED TO HOLDERS OF CLAIMS AND INTERESTS. CLASSES 1, 4, 5, 6, 8, AND 9 ARE DEEMED TO HAVE ACCEPTED THIS PLAN. THE DEBTOR WILL NOT SOLICIT VOTES FROM HOLDERS OF THE CLAIMS IN THESE CLASSES. CLAIMS AND INTERESTS IN CLASSES 2, 3, AND 7 ARE IMPAIRED. THE DEBTOR WILL SOLICIT VOTES FROM HOLDERS OF CLAIMS IN THESE CLASSES.

ARTICLE I.

DEFINITIONS; RULES OF INTERPRETATION; COMPUTATION OF TIME

A. Rules of Interpretation; Computation of Time; Governing Law

1. General

In this Plan:

(a) Each term, whether stated in singular or plural, includes both the singular and plural, and pronouns stated in the masculine, feminine, or neuter gender shall include each such gender.

(b) Any reference to a contract, instrument, or other agreement or document as being in a particular form or on particular terms and conditions means the agreement or document substantially in that form or on those terms and conditions.

(c) Any reference to an existing document or exhibit means that document or exhibit as it may have been or may be amended, modified, or supplemented.

(d) Unless otherwise specified, all references to Sections, Articles, Schedules, and Exhibits are to this Plan.

(e) The words "herein" and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan.

(f) Captions and headings to Articles and Sections are for ease of reference and are neither a part of, nor shall they affect the interpretation of this Plan.

(g) Any term used in capitalized form in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

(h) The rules of construction in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

2. "Including"

As used in this Plan, "including" means "including without limitation" or "including but not limited to."

3. Computation Of Time

In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided herein, the provisions of Rule 9006(a) of the Bankruptcy Rules apply.

B. Defined Terms

The following terms shall have the following meanings when used in capitalized form in this Plan:

1. "Administrative Claim" means a Claim for payment of an administrative expense of a kind specified in section 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority under section 507(a)(2) of the Bankruptcy Code, including (a) actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Debtor's Estate and operating its business, including wages, salaries, or commissions for services rendered after the Petition Date, (b) Professional Fees, and (c) all fees and charges assessed against the Estate under chapter 123 of title 28, United States Code; *provided, however*, that post-Petition Date liabilities incurred or expenses arising in the ordinary course of the Debtor's business, including, but not limited to, trade vendor, employee wage and benefit, and state and local property, sales, and use taxes shall not constitute Administrative Claims for which a proof of Administrative Claim shall be required to be filed.

2. "Administrative Claims Bar Date" means the deadline for filing Administrative Claims, including Professional Fee Claims, which date shall be set in the Confirmation Order.

3. "Allowed Claim" means: (a) a Claim that has been listed by either Debtor in its Schedules (as such Schedules have been or may be amended from time to time) as other than

disputed, contingent, or unliquidated and as to which either Debtor or other parties-in-interest have not filed a timely objection; (b) a Claim that has been timely filed on or before the applicable claims bar date set by the Bankruptcy Court and either is not a Disputed Claim or has been allowed by Final Order; (c) a Claim that is approved by a Final Order of a court of competent jurisdiction (i) in any stipulation of amount and nature of Claim executed prior to the Confirmation Date, (ii) in any stipulation or agreement with either Debtor with regard to the amount and nature of Claim executed or agreed to by either Debtor or Reorganized Debtor, or (iii) in any contract, instrument, settlement agreement, consent decree, or other agreement entered into or assumed in connection with this Plan; (d) a Claim that has been filed by the applicable claims bar date or has otherwise been deemed timely filed under applicable law relating to a rejected executory contract or unexpired lease that either (i) is not a Disputed Claim or (ii) has been allowed by a Final Order; (e) the amount of such Claim as estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code; or (f) any Claim that is allowed pursuant to the terms of this Plan.

4. "Allowed . . . Claim" means an Allowed Claim of the type described.

5. "Assets" means any and all of either Debtor's real or personal property of any nature, including, without limitation, any real estate, buildings, structures, improvements, privileges, rights, easements, leases, subleases, licenses, goods, materials, supplies, furniture, fixtures, equipment, work in process, accounts, chattel paper, cash, deposit accounts, reserves, deposits, contractual rights, intellectual property rights, claims, causes of action, any other general intangibles of either Debtor, and the property of the Estate under section 541 of the Bankruptcy Code.

6. "Assumed Contracts" means all executory contracts and unexpired leases assumed by the Debtors under section 365 of the Bankruptcy Code pursuant to an order of the Bankruptcy Court entered prior to or on the Confirmation Date, including, but not limited to, the Confirmation Order.

7. "Available Cash" means Cash on hand at the time of measurement, less 1.5x Personnel Costs projected for the bi-weekly period immediately following the time of such measurement.

8. "Avoidance Actions" means the Debtors' causes of action for any avoidance or recovery action under sections 502, 506, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, 553 and 724(a) of the Bankruptcy Code, or under related state or federal statutes and common law, including fraudulent transfers, whether or not litigation has been commenced with respect to such causes of action as of the Effective Date.

9. "Bankruptcy Code" means title 11 of the United States Code, as in effect on the Petition Date, together with all amendments, modifications, and replacements of the foregoing, to the extent such amendments, modifications, or replacements are applicable to the Chapter 11 Cases.

10. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Colorado, or such other court as may properly exercise jurisdiction over the Chapter 11 Cases.

11. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of title 28 of the United States Code and the Official Bankruptcy Forms, the Federal Rules of Civil Procedure, as applicable to the Chapter 11 Cases or proceedings therein, and the Local Rules of the Bankruptcy Court, all as now in effect or hereafter amended, and as applicable to the Chapter 11 Cases.

12. "Business Day" means any day, excluding Saturdays, Sundays or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in Denver, Colorado.

13. "Cash" means cash and cash equivalents, including, without limitation, wire transfers, bank deposits, checks and legal tender of the United States.

14. "Causes of Action" means any and all of the Estates' and the Debtors' actions, Claims, demands, rights, defenses, counterclaims, suits, causes of action, liabilities, obligations, debts, judgments, remedies, damages, recoupments, cross claims, counterclaims, third-party claims, indemnity claims, contribution claims, and any other claim, whether known or unknown, foreseen or unforeseen, direct or indirect, derivative, choate or inchoate, in law, equity, or otherwise, including all avoidance actions and rights to recover transfers voidable or recoverable under 11 U.S.C. §§ 502, 542, 543, 544, 545, 547, 548, 549, 550, 551, and/or 553, and any and all other claims or rights of any value whatsoever, at law or in equity, against any Creditor or other third party, including any and all claims against any Insiders, members, officers, directors, managers or employees of the Debtors; *provided, however*, that, when used in the Plan, the term "Causes of Action" does not include any Claim, obligation, suit, judgment, damages, right, remedy, cause of action, charge, cost, debt, indebtedness, or liabilities released or waived pursuant to Article VI of the Plan or by order of the Bankruptcy Court. When used in the Plan, the term "Causes of Action" shall also specifically include any claim, demand, right, and cause of action that may only be asserted by a Person other than the Debtor (including the Holder of a Claim or Interest) on a derivative or other basis. A Cause of Action shall not under any circumstances be waived as a result of the failure of the Debtors to describe such Cause of Action with specificity in the Plan. Except as expressly provided herein, nothing in the Plan operates as a release of any of the Causes of Action.

15. "Chapter 11 Cases" means, together, the Debtors' chapter 11 cases, pending in the Bankruptcy Court under Case Nos. 17-15141-MER and 17-15143-MER, jointly administered under Case No. 17-15141-MER.

16. "Chase" means JPMorgan Chase Bank, N.A.

17. "Chase Loan Documents" mean, collectively, the Note, dated December 23, 2015, in the original principal amount of \$2,036,250.00; the Deed of Trust, dated December 23, 2015, for the benefit of Chase, recorded in the Office of the Clerk and Recorder for Douglas County, Colorado, Reference No. 2015093270; and all related agreements, instruments, and documents giving rise to the Chase Secured Claim.

18. "Chase Secured Claim" means the Secured Claim of Chase, which shall be an Allowed Claim in the amount of \$1,987,072.92 as of May 15, 2017, plus interest that may that accrue thereafter.

19. "Claim" means a "claim" against the Debtor, as defined in section 101(5) of the Bankruptcy Code and as supplemented by section 102(2) of the Bankruptcy Code, whether or not asserted, or reduced to judgment, whether known or unknown, liquidated or unliquidated, fixed, contingent, non-contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, whether arising before, on, or after the Petition Date.

20. "Class" means one of the classes of Claims or Interests listed in Article II of this Plan.

21. "CoBiz" means Colorado Business Bank.

22. "CoBiz Final Payment Date" means the date that the CoBiz Secured Claim is paid in full in accordance with this Plan and the Confirmation Order.

23. "CoBiz Fixed Payment" means the sum of \$50,000.00 per month.

24. "CoBiz Guaranty" means collectively, the Commercial Guaranty Agreements, each dated as of September 16, 2013, executed by M. Halker in favor of CoBiz, as amended, supplemented, or otherwise modified from time to time.

25. "CoBiz Secured Claim" means the Secured Claim of CoBiz, which shall be an Allowed Claim in the aggregate principal amount of \$1,345,836.39 as of May 1, 2017, plus interest, fees, and costs that may thereafter accrue.

26. "Collateral" means any property or interest in property of either Debtor's Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or other applicable law.

27. "Confirmation" means the entry of the Confirmation Order by the Bankruptcy Court.

28. "Confirmation Date" means the date that the Bankruptcy Court enters a Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

29. "Confirmation Hearing" means the hearing held by the Bankruptcy Court to consider confirmation of this Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

30. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan under section 1129 of the Bankruptcy Code.

31. "Coulton Creek" means Coulton Creek Capital, LLC.

32. "Coulton Creek Final Payment Date" means the date that the Coulton Creek Secured Claim is paid in full in accordance with the Plan and Confirmation Order.

33. "Coulton Creek Secured Claim" means the Secured Claim of Coulton Creek, which shall be an Allowed Claim in the amount of \$772,550, as of May 31, 2017.

34. "Creditor" means a creditor, within the meaning of section 101(10) of the Bankruptcy Code, of the Debtor.

35. "Critical Vendor" means the Creditors designated as critical vendors on Schedule 1 of the Plan, whose continued good will is necessary for Halker Consulting's future operations.

36. "Critical Vendor Claim" means the Claim of a Critical Vendor.

37. "Debtors" has the meaning ascribed to it in the Introduction hereof.

38. "Disallowed Claim" means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order, or (b) is not Scheduled or is Scheduled at zero or as contingent, disputed, or unliquidated and as to which a bar date has been established but no proof of claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court, or otherwise deemed timely filed under applicable law.

39. "Disbursing Agent" means the Reorganized Debtors or any party designated by the Reorganized Debtors to serve as a disbursing agent under this Plan.

40. "Disputed Claim" means a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, including, but not limited to, Claims (a) (i) that have not been Scheduled by either Debtor, but as to which a timely proof of claim has been filed or (ii) have been Scheduled at zero or as contingent, unliquidated, or disputed, but as to which a timely proof of claim in a liquidated amount has been filed and (b) as to which either Debtor, either Reorganized Debtor, or any other party-in-interest has interposed a timely objection or request for estimation, or has sought to subordinate or otherwise limit recovery, in accordance with the Bankruptcy Code and the Bankruptcy Rules, or which is otherwise disputed by either Debtor, either Reorganized Debtor, or other party-in-interest in accordance with applicable law, which objection, request for estimation, action to limit recovery, or dispute has not been withdrawn or determined by a Final Order. In the event that any part of a Claim is disputed, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distributions under this Plan unless and until a Final Order has been entered allowing such Claim.

41. "Disputed . . . Claim" means a Disputed Claim of the type described.

42. "Disputed Claim Reserve" means the reserve established and maintained by the Reorganized Debtors in accordance with Article IV.F. hereof.

43. "Distributions" means the properties or interests in property to be paid or distributed under this Plan to the holders of Allowed Claims.

44. "Distribution Date" means the date(s), commencing on or as soon as practicable after the Effective Date, on which the Disbursing Agent makes distributions to Holders of Allowed Claims as provided in Article III of this Plan; *provided, however*, that in no event shall the initial Distribution Date occur later than twenty-one (21) calendar days after the Effective Date.

45. "Distribution Record Date" means the record date for purposes of making distributions under this Plan on account of Allowed Claims, which date shall be the Confirmation Date.

46. "Effective Date" means the date that all conditions to consummation of this Plan set forth in Article X.A hereof have been satisfied or waived pursuant to Article X.B hereof.

47. "Entity" means an "entity" as defined in section 101(15) of the Bankruptcy Code.

48. "Estates" means the estates of the Debtors created by section 541 of the Bankruptcy Code on the Petition Date.

49. "Exculpated Party" means each Debtor, each Reorganized Debtor, and their respective officers, directors, employees, and those attorneys, financial advisors, accountants, and other professionals retained by the Debtors in the Chapter 11 Cases.

50. "Executory Contract" means every Lease, unexpired Lease, and every other contract that is subject to being assumed or rejected by the Debtor under 11 U.S.C. § 365, pursuant to the Plan or pursuant to a separate motion.

51. "Face Amount" means (a) when used in reference to a Disputed Claim, the full stated amount claimed by the Holder of such Claim in any proof of claim timely filed with the Bankruptcy Court, (b) when used in reference to an unliquidated Claim, the amount of the Claim as estimated by the Bankruptcy Court under section 502(c) of the Bankruptcy Code, and (c) when used in reference to an Allowed Claim, the Allowed amount of such Claim.

52. "Federal Judgment Rate" means 1.15%, the rate of interest provided for in 28 U.S.C. § 1961 that was in effect on the Petition Date.

53. "Final Decree" means the decree or other order of the Bankruptcy Court closing the Chapter 11 Case, as contemplated by section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022.

54. "Final Order" means an order, ruling, or judgment of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceeding for reargument or rehearing shall then be pending, or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived, or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court of other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari, or move for

reargument or rehearing shall have expired; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous Bankruptcy Rule or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.

55. "General Unsecured Claim" means any Claim that is not (a) entitled to priority under section 507(a) of the Bankruptcy Code or subordinated pursuant to section 510(b) of the Bankruptcy Code, or (b) a Secured Claim, Priority Tax Claim, Other Priority Claim, or Critical Vendor Claim.

56. "Holder" means an Entity holding a Claim or Interest (as the case may be), and with respect to a Distribution under the Plan, an Entity holding the beneficial interest in a Claim or Interest as of the Distribution Date.

57. "Impaired" means, when used with reference to a Claim or Interest, a Claim or Interest (as the case may be) that is impaired within the meaning of section 1124 of the Bankruptcy Code.

58. "Insider" means (i) an "insider," as defined in Section 101(31) of the Bankruptcy Code, and (ii) an "affiliate," as defined in Section 101(2) of the Bankruptcy Code.

59. "Interest" means the stock of, and any other form of equity or ownership interest in, Halker Consulting as of the date immediately preceding the Effective Date including, but not limited to, all issued, unissued, authorized or outstanding shares of stock, together with any warrants, options or contract rights to purchase or acquire such interests at any time, as well as, any partnership, membership or other ownership interests in or of Halker Consulting together with any options or contract rights to purchase or acquire such interests at any time.

60. "Halker Consulting" has the meaning ascribed to it in the Introduction section of this Plan.

61. "Lease" means any lease agreement between either Debtor and another Entity.

62. "Lien" means any charge against or interest in property to secure payment or performance of a claim, debt, or obligation.

63. "M. Halker" has the meaning ascribed to it in the Introduction section of this Plan.

64. "Net Income" means, for any period of calculation, total revenue realized for such period, less operating expenses, interest, and taxes paid or accrued for such period, consistent with generally accepted accounting principles.

65. "New CoBiz Note" means the amended and restated promissory note to be executed and delivered by Reorganized Halker Consulting to CoBiz pursuant to this Plan and the Confirmation Order, in the form acceptable to CoBiz and the Debtors and submitted with the Plan Supplement.

66. “New CoBiz Security Agreement” means the amended and restated Commercial Security Agreement to be executed and delivered by Reorganized Halker Consulting to CoBiz pursuant to this Plan and the Confirmation Order, in the form acceptable to CoBiz and the Debtors and submitted with the Plan Supplement.

67. “New Coulton Creek Collateral Documents” means the Credit Agreement, Collateral Assignments and Deeds of Trust issued and delivered to Coulton Creek pursuant to this Plan and the Confirmation Order, in the form acceptable to Coulton Creek and the Debtors and submitted with the Plan Supplement.

68. “New Coulton Creek Note” means the amended and restated promissory note issued and delivered to Coulton Creek pursuant to this Plan and the Confirmation Order, in the form acceptable to Coulton Creek and the Debtors and submitted with the Plan Supplement.

69. “Other Priority Claim” means a Claim entitled to priority under section 507(a) of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.

70. “Other Secured Claim” means a Secured Claim other than the CoBiz Secured Claim, the Coulton Creek Secured Claim, and the Chase Secured Claim.

71. “Person” means a “person” as defined in section 101(41) of the Bankruptcy Code.

72. “Personnel Costs” means the sum of the costs for a bi-weekly period of Halker Consulting’s employees, including wages, salaries, benefits, and associated taxes, regardless of whether such employees are employed directly, under third-party staffing agreements, at will, or under direct contract with Halker Consulting.

73. “Petition Date” means June 1, 2017, the date on which the Debtors filed their voluntary petitions commencing the Chapter 11 Cases.

74. “Plan” means this joint plan under chapter 11 of the Bankruptcy Code, together with all exhibits and schedules hereto, as it has been or may be amended, modified, or supplemented from time to time in accordance with section 1127 of the Bankruptcy Code, including the Plan Supplement.

75. “Plan Supplement” means the supplement containing substantially final forms of the Plan Supplement Documents to be filed with the Clerk of the Bankruptcy Court no later than fourteen (14) days prior to the Confirmation Hearing.

76. “Plan Supplement Documents” means the documents and information as the Debtors determine to be necessary or appropriate to the implementation and/or confirmation of the Plan, including the New CoBiz Note, the New CoBiz Security Agreement, and the New Coulton Creek Note.

77. “Post-Petition Interest” means (a) with respect to any Claim where the rate of interest on such Claim is fixed by contract, agreement, instrument or any other writing governing the terms of payment of such Claim, the interest rate so fixed from the Petition Date through the Distribution Date, and (b) with respect to any other Claim, interest at the Federal Judgment Rate

from the Petition Date through the Distribution Date. For the avoidance of doubt, except as required under applicable non-bankruptcy law, Post-Petition Interest shall not be paid on Administrative Claims or Professional Fee Claims.

78. "Priority Tax Claim" means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

79. "Professional" means any professional employed in the Chapter 11 Cases pursuant to section 327 of the Bankruptcy Code or otherwise, and the professionals seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

80. "Professional Fee Claim" means a Claim of a Professional for compensation for services rendered, and/or reimbursement of costs and expenses incurred, after the Petition Date and prior to and including the Confirmation Date.

81. "Proof of Claim" means a proof of claim pursuant to section 501 of the Bankruptcy Code and/or any order of the Bankruptcy Court, together with supporting documents.

82. "Quarter" means the three-month period applied for determination of Distributions to Holders of Allowed General Unsecured Claims against Halker Consulting.

83. "Reorganized Halker Consulting" means Halker Consulting from and after the Effective Date.

84. "Schedules" means the schedules of assets and liabilities, the list of Holders of Interests, and the statement of financial affairs filed by the Debtors in the Chapter 11 Cases under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists, and statements have been or may be supplemented or amended from time to time in accordance with Bankruptcy Rule 1009.

85. "Secured Claim" means (a) a Claim that is secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Holder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code, or (b) a Claim that is Allowed as a Secured Claim under this Plan.

86. "Unimpaired Claim" means a Claim that is not Impaired under this Plan.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

A. Introduction

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims, as described below, have not been classified for purposes of voting on, or receiving Distributions under, this Plan. All such Claims are instead treated separately in accordance with this Article II and in accordance with the requirements set forth in sections 1129(a)(9)(A) and (C) of the Bankruptcy Code.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

B. Unclassified Claims (not entitled to vote on this Plan)

1. Administrative Claims
2. Priority Tax Claims

C. Classes of Claims and Interests

1. Class 1: Chase Secured Claim – Unimpaired
2. Class 2: CoBiz Secured Claim – Impaired
3. Class 3: Coulton Creek Secured Claim – Impaired
4. Class 4: Other Secured Claims Against Either Debtor – Unimpaired
5. Class 5: Other Priority Claims – Unimpaired
6. Class 6: Critical Vendor Claims – Unimpaired
7. Class 7: General Unsecured Claims against Halker Consulting – Impaired
8. Class 8: General Unsecured Claims against M. Halker – Unimpaired
9. Class 9: Interest in Halker Consulting – Unimpaired

ARTICLE III.

TREATMENT OF CLAIMS AND INTERESTS

A. Unclassified Claims

1. Administrative Claims

(a) General

Except as otherwise provided for herein, and subject to the requirements of subparagraph (b) hereof, on the latest of (i) the Effective Date, (ii) the date that is five (5) Business Days after the date an Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date that is five (5) Business Days after the date an Administrative Claim becomes payable pursuant to any agreement between the applicable Debtor or the applicable Reorganized Debtor, as the case may be, and the Holder of such Administrative Claim, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim; *provided, however*, that post-Petition Date liabilities incurred or expenses arising in the ordinary course of the Debtors' business, including, but not limited to, trade vendor, employee wage and benefit, and state and local property, sales, and use taxes, to the extent not due and owing as of the Effective Date, shall be paid by Debtors in the ordinary course of business, and *provided further* that Allowed Administrative Claims incurred by the Debtors in the ordinary course of the Debtors' business after the Confirmation Date but prior to the Effective Date shall not be subject to application and may be paid by the Debtors in the ordinary course of business and without further Bankruptcy Court approval.

Notwithstanding any other provision in this Plan regarding the payment of Administrative Claims, the Confirmation Order shall establish an Administrative Claims Bar Date for filing Administrative Claims, which date shall be 45 days after the Confirmation Date. Holders of asserted Administrative Claims, except for (i) Professional Fee Claims, (ii) United States Trustee fees, and (iii) post-Petition Date liabilities incurred or expenses arising in the ordinary course of the Debtors' business (including, but not limited to, trade vendor, employee wage and benefit, and state and local property, sales, and use taxes), shall submit requests for payment of administrative expenses so as to be *actually received* on or before such Administrative Claims Bar Date or forever be barred from doing so. The notice of entry of the Confirmation Order to be delivered pursuant to Fed. R. Bankr. P. 3020(c) and 2002(f) shall set forth such date and constitute notice of the Administrative Claims Bar Date. The Reorganized Debtors shall have 45 days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

(b) Professional Fee Claims

On the later of (i) the Effective Date or (ii) the date that is five (5) Business Days after any order allowing such Professional Fee Claim becomes a Final Order, each Holder of an

Allowed Professional Fee Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Professional Fee Claim, (x) Cash equal to the unpaid portion of such Allowed Professional Fee Claim or (y) such other treatment as to which the Debtors or the Reorganized Debtors, as applicable, and such Holder shall have agreed on in writing.

All final requests for compensation or reimbursement of Professional Fees pursuant to sections 327, 328, 330, 331, or 503(b) of the Bankruptcy Code for services rendered to the Debtors prior to the Effective Date (including requests under section 503(b)(4) of the Bankruptcy Code by any Professional or other Entity for making a substantial contribution in the Chapter 11 Cases) shall be filed and served so as to be received by the Reorganized Debtors and their counsel no later than 45 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Holders of Professional Fee Claims that do not file such requests by the applicable bar date shall be forever barred from asserting such claims against the Debtors, their Estates, the Reorganized Debtors, or their successors, assigns, or property.

2. Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim (a) in the Reorganized Debtors' sole discretion, either (i) on the Effective Date or as soon as practical thereafter, Cash in an amount equal to such Allowed Priority Tax Claim, or (ii) treatment provided under section 1129(a)(9) of the Bankruptcy Code; or (b) such other treatment as to which the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing.

B. Claims Against And Interests In the Debtors

1. Class 1: Chase Secured Claim

Classification. Class 1 consists of the Chase Secured Claim.

Treatment. Pursuant to section 1124(2) of the Bankruptcy Code, on the Effective Date, (i) M. Halker shall cure any default with respect to the Chase Secured Claim that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) the maturity of the Chase Secured Claim shall be reinstated as such maturity existed before any default; (iii) Chase shall retain its liens and security interests with the same validity, priority, force and effect as before the Petition Date; (iv) M. Halker shall ensure that all amounts required to be held in escrow under the Chase Loan Documents are deposited in in escrow with Chase; and (v) nothing in this Plan or the Confirmation Order shall otherwise alter the legal, equitable, or contractual rights to which the Chase Secured Claim entitles Chase.

Voting. Pursuant to section 1124(2) of the Bankruptcy Code, Class 1 is unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, Chase is conclusively presumed to have accepted the Plan.

2. Class 2: CoBiz Secured Claim

Classification. Class 2 consists of the CoBiz Secured Claim.

Treatment. The CoBiz Secured Claim shall be deemed an Allowed Secured Claim and shall be paid in full as provided in the Plan. On and after the Effective Date, (i) CoBiz shall retain its liens on and security interests in the Reorganized Debtors' property with the same validity, priority, force, and effect as before the Petition Date, (ii) Reorganized Halker Consulting shall issue the New CoBiz Note to CoBiz on account of the Allowed CoBiz Secured Claim, and (iii) Reorganized Halker Consulting shall execute and deliver to CoBiz the New CoBiz Security Agreement. The New CoBiz Note shall provide for, among other things, payments to CoBiz, commencing on the last day of the month immediately following the month of the Effective Date, in the amount of (i) the CoBiz Fixed Payment, plus (ii) 50% of Halker Consulting's monthly profits, if any, after payment of the CoBiz Fixed Payment for the preceding the month of payment, until the CoBiz Final Payment Date. Subject to Article V of this Plan, the CoBiz Guaranty is hereby reaffirmed and ratified and shall remain of full force and effect until the CoBiz Secured Claim is paid in full. The Debtors may, but shall have no obligation to, prepay any additional amounts on account of the CoBiz Secured Claim, as they wish to pay in their sole discretion. Any prepayment of the CoBiz Secured Claim shall be applied to the principal amount due and owing at the time of payment, and the Debtors and the Reorganized Debtors shall incur no additional fee, charge, or penalty in connection with any such payment.

Voting. The CoBiz Secured Claim is impaired under this Plan and, pursuant to section 1126(a) of the Bankruptcy Code, CoBiz is entitled to vote to accept or reject the Plan.

3. Class 3: Coulton Creek Secured Claim

Classification. Class 3 consists of the Coulton Creek Secured Claim.

Treatment. The Coulton Creek Secured Claim shall be deemed an Allowed Secured Claim and shall be paid in full as provided in the Plan. On and after the Effective Date, (i) Coulton Creek shall retain its liens on and security interests in the Reorganized Debtors' property with the same validity, priority, force, and effect as before the Petition Date, and (ii) Reorganized Halker Consulting and M. Halker shall issue the New Coulton Creek Note and execute and deliver the New Coulton Creek Collateral Documents to Coulton Creek on account of the Allowed Coulton Creek Secured Claim. All obligations owed to Coulton Creek under the Plan shall be secured by the New Coulton Creek Collateral Documents, and the New Coulton Creek Note shall provide for, among other things, payments to Coulton Creek, commencing on the last day of the month immediately following CoBiz Final Payment Date, in the amount of the greater of (i) \$50,000.00 per month, (ii) 50% of Halker Consulting's Net Income for the preceding month, or (iii) Halker Consulting's Available Cash at the end of such month, until the Coulton Creek Final Payment Date. Commencing on the last day of the month immediately following the CoBiz Final Payment Date, the Debtors may, but shall have no obligation to, prepay any additional amounts on account of the Coulton Creek Secured Claim, as they wish to pay in their sole discretion. Any prepayment of the Coulton Creek Secured Claim shall be applied to the principal amount due and owing at the time of payment, and the Reorganized Debtors shall incur no additional fee, charge, or penalty in connection with any such payment.

Voting. The Coulton Creek Secured Claim is impaired under this Plan and, pursuant to section 1126(a) of the Bankruptcy Code, Coulton Creek is entitled to vote to accept or reject the Plan.

4. Class 4: Other Secured Claims Against Either Debtor

Classification. Class 4 consists of all Other Secured Claims Against Either Debtor.

Treatment. On the later of (a) the Distribution Date, or (b) the date such Other Secured Claim becomes an Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Other Secured Claim, (a) in the Reorganized Debtors' sole discretion, (i) Cash in an amount equal to the unpaid portion of such Allowed Other Secured Claim, or (ii) such treatment as is necessary to comply with section 1124(2) of the Bankruptcy Code; or (b) such other treatment as the Debtors or the Reorganized Debtors, as applicable, and such Holder shall have agreed upon in writing.

Voting. Holders of Other Secured Claims in Class 4 are unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted the Plan.

5. Class 5: Other Priority Claims

Classification. Class 5 consists of all Other Priority Claims.

Treatment. On the later of (i) the Distribution Date, or (ii) the date such Other Priority Claim becomes an Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Other Priority Claim, (i) Cash in an amount equal to the unpaid portion of such Allowed Other Priority Claim with Post-Petition Interest thereon, or (ii) such other treatment as the Debtor and such Holder shall have agreed upon in writing.

Voting. Holders of Other Priority Claims in Class 5 are unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted the Plan.

6. Class 6: Critical Vendor Claims

Classification. Class 6 consists of the Allowed Critical Vendor Claims.

Treatment. On the later of (i) the Distribution Date, or (ii) the date that a Critical Vendor Claim becomes an Allowed Critical Vendor Claim, each Holder of an Allowed Critical Vendor Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Critical Vendor Claim, (i) Cash in an amount equal to the unpaid portion of such Allowed Critical Vendor Claim with Post-Petition Interest thereon, or (ii) such other treatment as Halker Consulting or Reorganized Halker Consulting, as applicable, and such Holder shall have agreed upon in writing.

Voting. Holders of Critical Vendor Claims in Class 6 are unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted the Plan.

7. Class 7: General Unsecured Claims Against Halker Consulting

Classification. Class 7 consists of all Allowed General Unsecured Claims against Halker Consulting.

Treatment. Commencing on the later of (i) the last date of the month immediately following the Coulton Creek Final Payment Date, and (ii) the date such General Unsecured Claim against Halker Consulting becomes an Allowed General Unsecured Claim against Halker Consulting each Holder of an Allowed General Unsecured Claim against Halker Consulting shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim against Halker Consulting, (a) such Holder's *pro rata* share of the greater of (i) \$150,000.00 per Quarter, (ii) 50% of Halker Consulting's Net Income for such Quarter, and (iii) Halker Consulting's Available Cash at the end of such Quarter, with interest to accrue on the unpaid portion of such Allowed General Unsecured Claim from the Effective Date at a rate of 7% per annum, until its Allowed General Unsecured Claim against Halker Consulting is paid in full, or (b) such other treatment as Halker Consulting or Reorganized Halker Consulting, as applicable, and such Holder shall have agreed upon in writing. All Distributions on account of Allowed General Unsecured Claims against Halker Consulting shall be made Quarterly, on the 15th day of the month following the end of the Quarter used to calculate such Distributions. Commencing on the last day of the month immediately following the Coulton Creek Final Payment Date, the Reorganized Debtors may, but shall have no obligation to, prepay any additional amounts on account of the Allowed General Unsecured Claims against Halker Consulting as they wish to pay in their sole discretion. Any prepayment of the Allowed General Unsecured Claims against Halker Consulting shall be applied to the principal amount due and owing at the time of payment, and the Reorganized Debtors shall incur no additional fee, charge, or penalty in connection with any such payment.

Voting. Holders of Claims in Class 7 are impaired under this Plan and, pursuant to section 1126(a) of the Bankruptcy Code, are entitled to vote to accept or reject the Plan.

8. Class 8: General Unsecured Claims Against M. Halker

Classification. Class 8 consists of the Allowed General Unsecured Claims against M. Halker that are not on account of or otherwise related in any way to a guaranty or obligation of Halker Consulting.

Treatment. On the later of (i) the Distribution Date, or (ii) the date that a General Unsecured Claim against M. Halker that is not on account of or otherwise related in any way to a guaranty or obligation of Halker Consulting becomes an Allowed General Unsecured Claim against M. Halker that is neither contingent nor unliquidated, each Holder of such Allowed General Unsecured Claim against M. Halker shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim against M. Halker, (i) Cash in an amount equal to the unpaid portion of such Allowed General Unsecured Claim

against M. Halker with Post-Petition Interest thereon, or (ii) such other treatment as M. Halker and such Holder shall have agreed upon in writing.

Voting. Holders of Claims in Class 8 are unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted the Plan.

9. Class 9: Interests in Halker Consulting

Classification. Class 9 consists of all Interests in Halker Consulting.

Treatment. On the Effective Date, all the Holders of Interests in Halker Consulting shall retain such Interests; *provided, however*, that until all Allowed Claims in Class 7 (General Unsecured Claims Against Halker Consulting) are paid in full in accordance with the Plan and the Confirmation Order, Halker Consulting shall not declare or pay any dividends or otherwise make any distributions to Holders of Interests in Halker Consulting on account of such Interests except as may be necessary to pay taxes attributable to Halker Consulting.

Voting. Holders of Interests in Halker Consulting are unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted the Plan.

C. Rights And Defenses With Respect To Unimpaired Claims

Except as otherwise provided in this Plan, nothing shall affect the Debtors' or the Reorganized Debtors' rights and defenses, both legal and equitable, with respect to Unimpaired Claims, including all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims. In addition, the Reorganized Debtors reserve the right to withhold any Distribution otherwise payable pursuant to this Plan to the Holder of any Claim that is in possession of property of the applicable Debtor or Reorganized Debtor, as the case may be, and has failed to deliver possession of such property timely to the applicable Debtor, the applicable Reorganized Debtor, or its respective designee after written request has been made by the applicable Debtor or Reorganized Debtor.

ARTICLE IV.

MEANS FOR IMPLEMENTATION

A. Voting on Plan.

Each Holder of a Claim or Claims in Classes 2 (CoBiz Secured Claim), 3 (Coulton Creek Secured Claim), and 7 (General Unsecured Claims against Halker Consulting) shall be entitled to vote to accept or reject the Plan as provided in such order as may be entered by the Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order(s) of the Court.

B. Continued Corporate Existence.

Halker Consulting, as Reorganized Debtor, shall continue to exist after the Effective Date with all of the powers of a limited liability company under the laws of the State

of Colorado and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable law, except as such rights may be limited and conditioned by the Plan, Confirmation Order, and/or the documents and instruments executed and delivered in connection therewith. Halker Consulting, as Debtor and Reorganized Debtor, shall take all steps necessary to revive and/or reinstate its status with the Colorado Secretary of State and remain a limited liability company in good standing with the Colorado Secretary of State. Halker Consulting, as Reorganized Debtor, may operate its business free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, subject only to the terms and conditions of the Plan, the Confirmation Order, and the documents and instruments executed and delivered in connection herewith and therewith.

C. Sources of Consideration for Plan Distributions.

Distributions under the Plan shall be made from the Debtors' and Reorganized Debtors' Cash on hand and post-Effective Date revenues as set forth in this Plan and the Plan Supplement Documents.

D. Distributions.

1. Allowed Claims.

(a) Delivery of Distributions.

Subject to Article V of this Plan, Distributions under the Plan shall be made by the applicable Reorganized Debtor or its designee to the Holders of Allowed Claims at the addresses set forth on the Schedules, unless such addresses are superseded by a proof of claim or transfer of claim filed pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date (or at the last known addresses of such Holders if the Debtor or the Reorganized Debtor, as the case may be, has been notified in writing of a change of address).

(b) Distribution of Cash.

Any payment of Cash by a Reorganized Debtor pursuant to the Plan shall be made, at the option and in the sole discretion of the applicable Reorganized Debtor, by (i) a check drawn on, or (ii) wire transfer from, a domestic bank selected by the Reorganized Debtor.

(c) Unclaimed Distributions.

Any Distribution of Cash under the Plan to the Holder of an Allowed Claim that remains unclaimed for a period of ninety (90) days after it has been delivered (or attempted to be delivered) in accordance with the Plan shall be transferred to and become property of the applicable Reorganized Debtor notwithstanding state or other escheat or similar laws to the contrary, and any and all entitlement by the Holder of such Claim to such Distribution shall be extinguished and forever barred.

- (d) Saturdays, Sundays, or Legal Holidays.

If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, and shall be deemed to have been completed as of the required date.

- (e) Distributions to Holders of Allowed Claims as of the Distribution Record Date.

As of the close of business on the Distribution Record Date, the Claims register shall be closed, and there shall be no further changes in the record holders of any Claims. The Reorganized Debtors shall have no obligation to recognize any Claim filed or transfer of any Claims occurring after the Distribution Record Date. The Reorganized Debtors shall instead be entitled to recognize and deal for purposes of the Plan with only those record holders stated on the Claims register as of the close of business on the Distribution Record Date.

E. Objections to and Resolution of Claims.

From and after the Effective Date, the Reorganized Debtors shall have the exclusive authority, in their sole discretion, to file, settle, compromise, withdraw, or litigate to judgment all objections, if any, to Administrative Claims and Claims, except the CoBiz Secured Claim, the Coulton Creek Secured Claim, and the Chase Secured Claim, which Claims are Allowed under this Plan. Unless otherwise ordered by the Court, objections to, or other proceedings concerning, the allowance of Claims (other than objections to Administrative Claims, as provided in Article III.A.1) shall be filed and served upon the Holders of the Claims as to which the objection is made or otherwise commenced as soon as practicable, but in no event later than sixty (60) days after the Effective Date.

Objections to, or other proceedings contesting the allowance of, Claims may be litigated to judgment, settled or withdrawn, in the Reorganized Debtors' sole discretion.

F. Establishment of Disputed Claim Reserves.

On the initial Distribution Date, the Reorganized Debtors shall establish a Disputed Claim Reserve for all Disputed Claims that would be paid in full under this Plan on the initial Distribution Date if such Disputed Claims were Allowed Claims in an aggregate amount equal to the liquidated, non-contingent face value of such Claims. To the extent any such Disputed Claim is in whole or in part unliquidated and/or contingent as of the Distribution Date, the Reorganized Debtor, in its sole discretion, may elect not to deposit any amount in the Disputed Claim Reserve on account of such unliquidated and/or contingent portion of such Disputed Claim. No later than five (5) Business Days following the entry of a Final Order either (a) Allowing such Disputed Claim (in whole or in part) or (b) disallowing such Disputed Claim (in whole or in part), the Reorganized Debtor shall (i) to the extent such Claim has been Allowed in whole or in part, distribute to the Holder of such Claim an amount equal to the amount such Holder would have received had such Claim (or portion thereof) been an Allowed Claim on the Effective Date, and (ii) to the extent such Claim has been Disallowed, retain the balance of the

funds on deposit in such Disputed Claim Reserve equal to the portion of such Claim that has been Disallowed.

G. Estimation.

The Reorganized Debtors may at any time request that the Bankruptcy Court estimate, subject to 28 U.S.C. § 157, any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Reorganized Debtors have previously objected to such Claim. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during proceedings concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, such estimated amount may constitute either (a) the Allowed amount of such Claim, (b) the estimate to be used by the Reorganized Debtors or their designee in calculating potential Distributions under the Plan, or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganized Debtors may elect to object to ultimate payment of such Claim. All of the aforementioned Claims objection, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another.

ARTICLE V.

SUBSTANTIVE CONSOLIDATION OF THE DEBTORS FOR PLAN PURPOSES

Solely in connection with Distributions to be made under this Plan to holders of Allowed Claims that are Allowed as of the date of such Distributions, the Plan is predicated upon, and it is a condition precedent to confirmation of the Plan, that the Bankruptcy Court provide in the Confirmation Order for the substantive consolidation of the Chapter 11 Cases of the Debtors into a single Chapter 11 Case for purposes of this Plan and the Distributions hereunder. To avoid any doubt, substantive consolidation for the limited purposes of Distributions shall not affect the validity, enforceability, priority, or extent of any Liens, including Liens securing any Allowed Secured Claims.

Pursuant to the Confirmation Order (i) all assets and liabilities of the Debtors will be deemed to be merged solely for purposes of this Plan and Distributions to be made hereunder on the Distribution Date, (ii) the obligations of each Debtor will be deemed to be the obligation of the substantively consolidated Debtors solely for purposes of this Plan and Distributions hereunder, (iii) all Claims and Causes of Action between the Debtors shall be eliminated; (iv) any Claims filed or to be filed in connection with any such obligations will be deemed Claims against the substantively consolidated Debtors, (v) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Case in accordance with the substantive consolidation of the assets and liabilities of the Debtors, (vi) all transfers, disbursements, and Distributions made by any Debtor hereunder will be deemed to be made by the substantively consolidated Debtors, and (vii) all guarantees of the Debtors of the obligations of the other Debtor shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the substantively consolidated Debtors, solely for purposes of this Plan and Distributions made under this Plan. Such substantive consolidation shall not affect (i) the legal and corporate structure of Halker Consulting or

Reorganized Halker Consulting; (ii) the validity, enforceability, priority, extent, or perfection of any creditor's Liens on the assets of either Debtor, which Liens shall remain in effect and in such priority as if there were no substantive consolidation of the Debtors¹; and (iii) each Debtor's obligation to file the necessary operating reports and pay any required fees pursuant to 28 U.S.C. § 1930(a)(6), which obligations shall continue until an order is entered closing, dismissing, or converting each such Debtor's Chapter 11 Case.

Unless the Court has approved the substantive consolidation of the Estates by a prior order, the Plan shall serve as, and shall be deemed to be, a motion for entry of an order substantively consolidating the Estates. If no objection to substantive consolidation is timely filed and served, then the substantive consolidation provided for in this Plan may be approved by the Confirmation Order.

ARTICLE VI.

EFFECT OF CONFIRMATION OF THE PLAN

A. Binding Effect.

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

B. Vesting of Property.

Except for the CoBiz, Coulton Creek, and Chase Liens, and Liens pertaining to Other Secured Claims preserved under the Plan, and as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, the Reorganized Debtors shall be vested with all of the Property free and clear of all Claims, Liens, encumbrances, charges and other interests of creditors and equity security holders. The Reorganized Debtors shall thereafter hold, use, dispose, or otherwise deal with such Property, or operate its business, free of any restrictions imposed by the Bankruptcy Code or by the Court. Except to the extent released herein, all Causes of Action are hereby preserved in full for the Reorganized Debtors' benefit. After the Effective Date, the Reorganized Debtors shall own and retain, and may prosecute, enforce, compromise, settle, release, or otherwise dispose of, the Causes of Action in their sole discretion without the need of any approval by the Bankruptcy Court. The Reorganized Debtors shall also be entitled to assign such rights.

C. Reinstatement and Continuation of Insurance Policies.

Unless otherwise assumed during the pendency of the Chapter 11 Cases, from and after the Effective Date, each of the Debtors' insurance policies in existence on and as of the Confirmation Date shall be reinstated and continued in accordance with its terms and, to the

¹ For example and without limitation, such substantive consolidation shall not cause (i) a creditor's Lien on the assets of M. Halker to attach to or be enforceable against Reorganized Halker Consulting or any of its assets, or (ii) a creditor's Lien on the assets of Reorganized Halker Consulting to attach to or be enforceable against M. Halker or any of his assets.

extent applicable, shall be deemed assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code.

D. Discharge of Halker Consulting.

Except as otherwise provided herein, and conditioned on the making of the Distributions provided for under the Plan and the rights afforded herein, the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction of, discharge, and release of all Claims or Interests of any kind or nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against Halker Consulting, as Debtor or Reorganized Debtor, or any of its assets or properties, arising prior to the Effective Date. Except as otherwise expressly specified in the Plan, the Confirmation Order shall act as of the Effective Date as a discharge of all debts of, Claims against, Liens on, and Interests in Halker Consulting, its Assets and Properties, arising at any time before the Effective Date, regardless of whether a proof of Claim or Interest with respect to thereto was filed, whether the Claim or Interest is Allowed, or whether the holder thereof votes to accept the Plan or is entitled to receive a Distribution hereunder. Except as otherwise expressly specified in the Plan, after the Effective Date, any Holder of such discharged Claim or Interest shall be precluded from asserting any other or further Claim against, or Interest in, the Halker Consulting, as Debtor or Reorganized Debtor, or any of its assets or properties, based on any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the Effective Date.

E. Discharge of M. Halker.

Except as otherwise provided herein, and conditioned on the making of the Distributions provided for under the Plan and the rights afforded herein, the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction of, discharge, and release of all Claims or Interests of any kind or nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the M. Halker, as Debtor or Reorganized Debtor, or any of his assets or properties, arising prior to the Effective Date. Upon the completion of all payments under this Plan, M. Halker will request after notice pursuant to L.B.R. 9013 that the Court enter a discharge pursuant to section 1141(d)(5) of the Bankruptcy Code of all debts of, Claims against and Liens on, M. Halker, his Assets and his Properties, arising at any time before the Effective Date, regardless of whether a proof of Claim or Interest with respect to thereto was filed, whether the Claim or Interest is Allowed, or whether the holder thereof votes to accept the Plan or is entitled to receive a Distribution hereunder. Except as otherwise expressly specified in the Plan, any Holder of such discharged Claim or Interest shall be precluded from asserting any other or further Claim against M. Halker, as Debtor or Reorganized Debtor, or any of his assets or properties, based on any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the Effective Date.

F. Exculpation

Except as otherwise specifically provided in this Plan, or in any contract, instrument, or other agreement or document created pursuant to this Plan, no Exculpated Party shall have or incur any liability to any Entity for any act taken or omitted to be taken

in connection with, or related to formulating, negotiating, soliciting, preparing, disseminating, confirming, or implementing the Plan, or consummating the Plan or the transactions pursuant to the Plan, the Chapter 11 Cases or any contract, instrument, release or other agreement, or document created or entered into in connection with the Plan or any other act taken or omitted to be taken in connection with the restructuring of the Debtors pursuant to the Plan or otherwise in the Chapter 11 Cases; *provided* that the foregoing Exculpation shall have no effect on the liability of any Entity for a breach of the Plan or any other document, instrument, or agreement executed and delivered in connection with the Plan, or that otherwise results from any act or omission that is determined in a Final Order to have constituted gross negligence, bad faith, or willful misconduct; *provided further* that nothing in this Plan shall limit the liability of any retained attorney in violation of Rule 1.8(h)(1) of the Colorado Rules of Professional Conduct.

G. Injunction.

Except as otherwise expressly provided in the Plan or the Confirmation Order, but subject to the occurrence of the Effective Date, all Persons who have held, hold, or may hold Claims against, or Interests in, the Debtors, or who assert rights in or against the Debtors or their Property, that arose before or were held as of the Effective Date, along with their respective Insiders, employees, agents, officers, directors, principals or representatives are permanently enjoined, on and after the Effective Date for Halker Consulting and on and after the date that the Court enters an order granting a discharge for M. Halker, from (a) commencing or continuing in any manner any action or other proceeding of any kind against or affecting the Debtors, their Estates, their Assets, their Property, the Reorganized Debtors, or any of their property or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor with respect to any such Claim or Equity Interest, (b) the enforcement, attachment, collection, levy or recovery by any manner or means of any judgment, award, decree, or order against the Debtors, their Estates, their Assets, the Property, the Reorganized Debtors, or any of the property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor on account of any such Claim or Interest; (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors, their Estates, the Assets, the Property, the Reorganized Debtors, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons on account of any such Claim or Interest; (d) asserting any right of setoff or subrogation of any kind against any obligation due from the Debtors or the Reorganized Debtors or against the property or interests in property of the Debtors or the Reorganized Debtors on account of any such Claim or Interest; (e) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; (f) taking any action to interfere with the implementation of the Plan; and (g) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan, such as commencing or continuing in any manner, any action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to the Plan;

provided, however, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan.

H. Preservation of Causes of Action

The Reorganized Debtors shall retain all rights and all Causes of Action accruing to them and their respective Estates, including Avoidance Actions and those arising under sections 505, 544, 547, 548, 549, 550, 551, 553, and 1123(b)(3)(B) of the Bankruptcy Code, including all tax setoff and refund rights arising under section 505 of the Bankruptcy Code, other than as expressly provided below. Except as expressly provided in this Plan or the Confirmation Order, nothing contained in this Plan or the Confirmation Order shall be deemed a waiver or relinquishment of an Claim, Cause of Action, right of setoff, or other legal or equitable defense that either Debtor has that is not specifically waived or relinquished by this Plan. The Reorganized Debtors shall each have, retain, reserve and be entitled to assert all such Claims, Causes of Action, rights of setoff and other legal or equitable defenses that it has as fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' respective legal and equitable rights respecting any Claim that are not specifically waived or relinquished by this Plan may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

I. Administrative Claims Incurred After the Confirmation Date

Administrative Claims incurred by the Reorganized Debtors after the Confirmation Date, including Claims for Professionals' fees and expenses incurred after such date, may be paid by the Reorganized Debtors in the ordinary course of business and without the need for Bankruptcy Court approval.

J. Term of Bankruptcy Injunction or Stays.

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date in the case of Halker Consulting and until the granting of a discharge in the case of M. Halker.

ARTICLE VII.

RETENTION OF JURISDICTION

The Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, section 105(a) and section 1142 of the Bankruptcy Code and for, among other things, the following purposes: (1) to hear and determine applications for the assumption or rejection of executory contracts or unexpired leases, and the allowance of Claims resulting therefrom; (2) to determine any other applications, adversary proceedings, and contested matters; (3) to ensure that Distributions to holders of Allowed Claims are accomplished as provided herein; (4) to resolve disputes as to the ownership of any Claim or Interest; (5) to hear and determine timely objections to, or other proceedings challenging the allowance of, Administrative Claims and Claims (including proceedings under section 502(c) of the Bankruptcy Code); (6) to enter and

implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated; (7) to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code; (8) to consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Court, including, without limitation, the Confirmation Order; (9) to hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331 and 503(b) of the Bankruptcy Code; (10) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan; (11) to hear and determine any issue for which the Plan requires an order of, or other relief from, the Bankruptcy Court; (12) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code; (13) to hear and determine any Causes of Action preserved under the Plan; (14) to hear and determine any matter regarding the existence, nature, and scope of the releases and exculpation provided in the Plan; and (15) to enter a final decree closing the Chapter 11 Cases.

ARTICLE VIII.

MISCELLANEOUS PROVISIONS

A. Payment of Statutory Fees.

All fees payable on or before the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid by the applicable Debtor on or before the Effective Date and all such fees payable after the Effective Date shall be paid by the applicable Reorganized Debtor as and when such fees become due.

B. Modification of the Plan.

1. Pre-Confirmation Modifications.

The Debtors may alter, amend, or modify the Plan before the Confirmation Date as provided in section 1127 of the Bankruptcy Code.

2. Post-Confirmation Immaterial Modifications.

After the Confirmation Date, the Debtors or the Reorganized Debtors, as the case may be, may, with the approval of the Bankruptcy Court, without notice to all holders of Claims or Interests, insofar as it does not materially and adversely affect the Holders of Claims or Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary to expedite consummation of the Plan.

3. Post-Confirmation Material Modifications.

After the Confirmation Date, the Debtors or the Reorganized Debtors, as applicable, may alter or amend the Plan in a manner which, as determined by the Bankruptcy Court, materially and adversely affects Holders of Claims or Interests, provided that such alteration or modification is made after notice and a hearing as provided in section 1127 of the Bankruptcy Code.

C. Governing Law.

Unless a rule of law or procedure is supplied by Federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Colorado (without reference to the conflicts of laws provisions thereof) shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, unless otherwise specified.

D. Filing or Execution of Additional Documents.

On or before the Effective Date, the Debtors or the Reorganized Debtors, as the case may be, shall file with the Bankruptcy Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

E. No Tax Withholding.

No federal, state, or local income, capital gains, or other taxes shall be deducted from Distributions hereunder and no Person shall be entitled to receive any additional Distribution as a result of any such tax. Each Person receiving any Distribution, forgiveness of any debt, or experiencing any other taxable event hereunder, shall be solely responsible for payment of any such taxes.

F. Waiver of Bankruptcy Rule 3020(e) and Federal Rule of Civil Procedure 62(a).

The Debtor may request that the Confirmation Order include (a) a finding that Bankruptcy Rule 3020(e) and Fed. R. Civ. P. 62(a) shall not apply to the Confirmation Order and (b) authorization to consummate the Plan immediately after entry of the Confirmation Order.

G. Exhibits/Schedules.

All exhibits and schedules to the Plan and the Plan Supplement are incorporated into and constitute a part of the Plan as if fully set forth herein.

H. Notices.

All notices, requests, and demands hereunder to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To Either Reorganized Debtor:

Matthew Halker
c/o Halker Consulting LLC
7936 E. Arapahoe Ct., Suite 3200
Centennial, Colorado 80112

With a copy to:

Adam L. Hirsch, Esq.
Kutak Rock LLP
1801 California St., Suite 3000
Denver, Colorado 80202

ARTICLE IX.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, all Executory Contracts of the Debtor shall be deemed assumed in accordance with the provisions and requirements of Bankruptcy Code §§ 365 and 1123, *except* for those Executory Contracts that: (a) have already been rejected by order of the Bankruptcy Court; (b) are listed as rejected Executory Contracts in the Plan Supplement; or (c) are subject to a motion to reject that is pending on the Effective Date.

Each Executory Contract assumed pursuant to this Plan shall vest and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable law.

B. Cure.

Except as otherwise agreed to by the parties, on the Effective Date, the applicable Debtor or Reorganized Debtor, as the case may be, shall cure any and all undisputed defaults under any Executory Contract that is assumed pursuant to the Plan in accordance with section 365 of the Bankruptcy Code. Unless the parties to the contract or lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later to occur of (i) seven (7) days after the entry of a Final Order determining the amount, if any, of the liability with respect thereto, and (ii) the initial Distribution Date.

C. Rejection Damage Claims.

All Claims for damages arising from the rejection of an Executory Contract pursuant to the Plan shall be filed with the Bankruptcy Court no later than the first Business Day that is twenty-eight (28) days after the Effective Date or the first Business Day that is twenty-

eight (28) days after the entry of the Final Order approving the rejection, if such Final Order is entered after the Confirmation Date. Every such Claim that is timely filed, as and when it becomes an Allowed Claim, shall be treated as a General Unsecured Claim against Halker Consulting under Class 7 of the Plan. Every such Claim that is not timely filed by the deadline to do so shall be forever barred, unenforceable, and discharged, and the Creditor holding the Claim shall not receive or be entitled to any Distribution under the Plan on account of such Claim. Notwithstanding anything contained in this Plan, the applicable Debtor or Reorganized Debtor, as the case may be, reserves the right to object to any Claim arising from the rejection of an Executory Contract.

ARTICLE X.

CONFIRMATION AND EFFECTIVENESS OF THE PLAN

A. Conditions Precedent to Effectiveness.

The Plan shall not become effective unless and until it has been confirmed and the following conditions have been satisfied in full or waived:

1. the Confirmation Order, which shall be, in form and substance, satisfactory to the Debtors in their sole and absolute discretion, shall have been entered;
2. no stay or injunction shall be in effect precluding the consummation of the transactions contemplated by the Plan and the Confirmation Order, and the Confirmation Order shall not have been modified or vacated on appeal;
3. all statutory fees then due and payable to the United States Trustee shall have been paid in full;
4. all documents to be executed, delivered or filed pursuant to the Plan, including all Plan Documents, shall be in a form satisfactory to the Debtors in its sole and absolute discretion and shall be executed, delivered or filed, as the case may be; and
5. all actions, authorizations, filings, consents and regulatory approvals required (if any) shall have been obtained, effected or executed and shall remain in full force and effect.

B. Effect of Failure of Conditions.

In the event that the Effective Date does not occur, upon notification submitted by the Debtors to the Bankruptcy Court: (a) the Confirmation Order shall be vacated and all provisions contained therein, including without limitation, any provisions relating to discharge, shall be null and void, (b) no Distribution under the Plan shall be made, (c) the Debtors and all holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, (d) the obligations with respect to the Claims and Interests shall remain unchanged and nothing

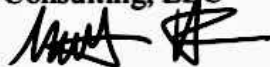
contained in the Plan shall constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors, and (e) nothing contained in the Plan shall (i) prejudice in any manner the rights of the Debtors, (ii) constitute an admission, acknowledgment, offer, or undertaking by the Debtors in any respect, including in any proceeding or case against the Debtors, or (iii) be admissible in any action, proceeding or case against the Debtors in any court or other forum.

C. Vacatur of Confirmation Order.

If a Final Order denying confirmation of the Plan is entered, or if the Confirmation Order is vacated, then the Plan shall be null and void in all respects, and nothing contained in the Plan shall (a) prejudice in any manner the rights of the Debtors, (b) constitute an admission, acknowledgment, offer, or undertaking by the Debtors in any respect, including in any proceeding or case against either Debtor, or (c) be admissible in any action, proceeding or case against the Debtors in any court or other forum.

Respectfully submitted this 28th day of September, 2017

Halker Consulting, LLC

By: 

Name: Matthew Halker

Title: Manager

Matthew Halker



COUNSEL TO HALKER CONSULTING, LLC AND MATTHEW HALKER:

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Denver, Colorado 80202

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Facsimile: (303) 292-7799

e-mail: adam.hirsch@kutakrock.com

Schedule 1

Critical Vendors

1. Applied Control Equipment LLLP
2. Waypoint Technology Solutions
3. Westar – Brian Irwin
4. Harper Hofer & Associates, LLC