THIS IS NOT A SOLICITATION OF ACCEPTANCES OF THE PLAN. ACCEPTANCE MAY NOT BE SOLICITED UNTIL THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT UNDER SECTION 1125 OF THE BANKRUPTCY CODE. THIS FORM OF DISCLOSURE STATEMENT HAS BEEN SUBMITTED TO THE BANKRUPTCY COURT, BUT HAS NOT BEEN APPROVED.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
HARTFORD DIVISION

IN RE:	)	
BACK9NETWORK, INC. AND	)	CHAPTER 11
SWING BY SWING GOLF, INC.,	)	
	)	CASE NO. 15-22192(AMN)
Debtors.	)	JOINTLY ADMINISTERED
	)	
**********	)	June 3, 2016

(PROPOSED) SECOND AMENDED DISCLOSURE STATEMENT WITH RESPECT TO PLAN OF REORGANIZATION OF BACK9NETWORK, INC. AND SWING BY SWING GOLF, INC., DEBTORS AND DEBTORS-IN-POSSESSION

COUNSEL TO DEBTORS AND
DEBTORS-IN-POSSESSION
William S. Fish, Jr.
Thomas J. Farrell
David Hirsch
Hinckley, Allen & Snyder LLP
20 Church Street
18th Floor
Hartford, CT 06103
860 331-2700

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES TO THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN.

ALL CREDITORS AND EQUITY SECURITY HOLDERS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE REORGANIZATION AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES AND ASSUMPTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

I. INTRODUCTION

Pursuant to Section 1125 of the Bankruptcy Code, Back9Network, Inc. and Swing by Swing Golf, Inc., as the Debtors and Debtors-in-Possession in the above-captioned Chapter 11 Cases, (the "Debtors") submit this second amended disclosure statement (the "Disclosure Statement") for the purpose of providing information to Creditors and Equity Security Holders to make an informed decision in exercising their rights with respect to the plan of reorganization submitted by the Debtors (the "Plan"). The Plan, a copy of which accompanies the Disclosure Statement as Exhibit A, is being filed with the Bankruptcy Court simultaneously with the submission of the Disclosure Statement. All capitalized terms not otherwise defined in the Disclosure Statement have the meanings ascribed to them in the Plan.

The Debtors recommend that you vote to accept the Plan. Each Creditor and Equity Security Holder must, however, review the Plan and the Disclosure Statement carefully and in their entirety (including all exhibits) and determine whether or not to accept or reject the Plan. The description of the Plan in the Disclosure Statement is in summary form and is qualified by reference to the actual terms and conditions of the Plan, which should be reviewed carefully before making a decision to accept or reject the Plan.

Except as otherwise expressly indicated, the information contained in the Disclosure Statement has not been subject to audit or independent review. Although great effort has been made to be accurate, the Debtors and counsel do not warrant the accuracy of the information contained herein.

No representations concerning the Debtors other than as set forth in the Disclosure Statement are authorized. Any representations, warranties, or agreements made to secure acceptance or rejection of the Plan other than as contained in the Disclosure Statement, should not be relied upon in voting on the Plan.

THE DEBTORS URGE ALL CREDITORS AND EQUITY SECURITY HOLDERS TO VOTE IN FAVOR OF THE PLAN.

II. PLAN OVERVIEW

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in the Disclosure Statement and the Plan.

CLASS	TYPE OF CLAIM OR INTEREST	TREATMENT	ESTIMATED APPROXIMATE AMOUNT	APPROXIMATE PERCENTAGE DOLLAR RECOVERY
N/A	DIP LENDER CLAIM	THE DIP LENDER (GOLFWORKS) SHALL AGREE TO EXTEND ITS EXISTING DIP LOAN AND TO MAKE A NEW LOAN	$500,000 PLUS INTEREST	100%

		TO THE REORGANIZED DEBTOR ALL IN ACCORDANCE WITH THE GOLFWORKS LOAN DOCUMENTS. THE AGGREGATE LOAN IN THE AMOUNT OF $2,000,000 WILL BE SECURED BY A FIRST PRIORITY SECURITY INTEREST IN ALL ASSETS OF THE REORGANIZED DEBTOR, WHICH SECURITY INTEREST SHALL BE PARI PASSU WITH THE SECURITY INTEREST OF DECD IN ACCORDANCE WITH THE INTERCREDITOR AGREEMENT. GOLFWORKS ALSO SHALL RECEIVE 51% OF THE NEW COMMON STOCK OF THE REORGANIZED DEBTOR IN CONSIDERATION FOR ITS AGREEMENT TO THE FOREGOING		
N/A	ADMINISTRATIVE CLAIMS	UNLESS OTHERWISE AGREED TO BY THE HOLDER OF AN ALLOWED ADMINISTRATIVE CLAIM AND THE DEBTOR, EACH HOLDER OF AN ALLOWED ADMINISTRATIVE CLAIM SHALL RECEIVE IN FULL AND FINAL SATISFACTION OF ITS ALLOWED ADMINISTRATIVE CLAIM, CASH EQUAL TO THE FULL AMOUNT OF SUCH ALLOWED ADMINISTRATIVE CLAIM ON THE EFFECTIVE DATE.	ESTIMATED $400,000	100%
N/A	PRIORITY TAX CLAIMS	EACH HOLDER OF AN ALLOWED PRIORITY TAX CLAIM SHALL RECEIVE IN FULL AND FINAL SATISFACTION OF ITS ALLOWED PRIORITY TAX CLAIM, CASH	ESTIMATED $25,000	N/A

		EQUAL TO THE AMOUNT OF SUCH ALLOWED PRIORITY TAX CLAIM ON THE EFFECTIVE DATE, OR AS SOON AS PRACTICAL THEREAFTER.		
CLASS 1	PRIORITY NON-TAX CLAIMS	UNLESS OTHERWISE AGREED TO BY THE HOLDER OF A PRIORITY NON-TAX CLAIM AND THE DEBTORS, EACH HOLDER OF AN ALLOWED PRIORITY NON-TAX CLAIM SHALL RECEIVE IN FULL AND FINAL SATISFACTION OF ITS CLAIM, CASH EQUAL TO THE AMOUNT OF SUCH ALLOWED PRIORITY NON-TAX CLAIM ON THE EFFECTIVE DATE OR AS SOON AS PRACTICAL THEREAFTER.	$37,425	100%
CLASS 2	DECD CLAIM	THE DECD SECURED CLAIM SHALL BE ALLOWED IN THE AMOUNT OF $4,774,048.94. THE REORGANIZED DEBTOR WILL BE OBLIGATED FOR THE FULL AMOUNT OF DECD'S CLAIM IN ACCORDANCE WITH THE TERMS OF THE DECD AMENDED AGREEMENTS. THE DEBTORS SHALL EXECUTE AND DELIVER TO DECD THE DECD AMENDED AGREEMENTS ON THE EFFECTIVE DATE. THE DECD AMENDED DOCUMENTS WILL PROVIDE AMONG OTHER THINGS THAT THE DECD CLAIM SHALL BE SECURED BY A FIRST PRIORITY SECURITY INTEREST IN ALL ASSETS OF THE REORGANIZED DEBTOR, WHICH SECURITY INTEREST SHALL BE	$4,774,048.94	100%

		PARI PASSU WITH THE SECURITY INTEREST OF GOLFWORKS IN ACCORDANCE WITH THE INTERCREDITOR AGREEMENT.		
CLASS 3	GENERAL UNSECURED CREDITORS	CLASS 3 CONSISTS OF THE HOLDERS OF ALLOWED UNSECURED CLAIMS AGAINST THE DEBTORS EXCLUDING THE CLAIMS OF CONVERTIBLE NOTEHOLDERS. HOLDERS OF ALLOWED CLAIMS IN CLASS 3 SHALL EACH RECEIVE A PRO RATA SHARE OF THE EFFECTIVE DATE PAYMENT IN THE AMOUNT OF $700,000 AND THE POST-EFFECTIVE DATE PAYMENT IN THE AMOUNT OF $300,000 (PAYABLE IN THREE EQUAL INSTALLMENTS OVER EIGHTEEN MONTHS). HOLDERS OF ALLOWED CLAIMS IN CLASS 3 SHALL ALSO RECEIVE THE BENEFIT OF NEW COMMON STOCK OF THE REORGANIZED DEBTOR ON THE EFFECTIVE DATE REPRESENTING A PRO RATA SHARE OF TEN PERCENT (10%) OF THE NEW COMMON STOCK ISSUED TO CLASS 3. ON THE EFFECTIVE DATE, THE CLASS 3 TRUST SHALL BE ESTABLISHED FOR THE BENEFIT OF HOLDERS OF ALLOWED CLAIMS IN CLASS 3 AND THE CORPUS OF THE CLASS 3 TRUST SHALL BE THE TEN PERCENT (10%) OF THE NEW COMMON STOCK ISSUED FOR THE BENEFIT OF HOLDERS OF ALLOWED CLAIMS IN CLASS 3.	ESTIMATED $8,000,000	10-12.5% PLUS 10% OF NEW COMMON STOCK

CLASS 4	CONVERTIBLE NOTEHOLDER CLAIMS	CLASS 4 CONSISTS OF THE ALLOWED CLAIMS OF CONVERTIBLE NOTEHOLDERS. HOLDERS OF ALLOWED CLAIMS IN CLASS 4 SHALL RECEIVE THE BENEFIT OF NEW COMMON STOCK OF THE REORGANIZED DEBTOR ON THE EFFECTIVE DATE REPRESENTING A PRO RATA SHARE OF TWENTY PERCENT (20%) OF THE NEW COMMON STOCK ISSUED TO CLASS 4. ON THE EFFECTIVE DATE, THE CLASS 4 TRUST SHALL BE ESTABLISHED FOR THE BENEFIT OF HOLDERS OF ALLOWED CLAIMS IN CLASS 4 AND THE CORPUS OF THE CLASS 4 TRUST SHALL BE THE TWENTY PERCENT (20%) OF THE NEW COMMON STOCK ISSUED FOR THE BENEFIT OF HOLDERS OF ALLOWED CLAIMS IN CLASS 4.	$6,169,833	20% OF NEW COMMON STOCK
CLASS 5	PREFERRED INTERESTS	CLASS 5 CONSISTS OF THE HOLDERS OF ALLOWED PREFERRED INTERESTS. THE HOLDERS OF ALLOWED PREFERRED INTERESTS IN CLASS 5 SHALL BE CONVERTED INTO A BENEFICIAL INTEREST IN NEW COMMON STOCK OF THE REORGANIZED DEBTOR ON THE EFFECTIVE DATE REPRESENTING A PRO RATA SHARE OF TEN PERCENT (10%) OF THE NEW COMMON STOCK ISSUED TO CLASS 5. ON THE EFFECTIVE DATE, THE CLASS 5 TRUST SHALL BE ESTABLISHED FOR THE BENEFIT OF HOLDERS OF ALLOWED	N/A	10% OF NEW COMMON STOCK

		PREFERRED INTERESTS IN CLASS 5 AND THE CORPUS OF THE CLASS 5 TRUST SHALL BE THE TEN PERCENT (10%) OF THE NEW COMMON STOCK ISSUED FOR THE BENEFIT OF HOLDERS OF ALLOWED PREFERRED INTERESTS IN CLASS 5.		
CLASS 6	INTERESTS	CLASS 6 CONSISTS OF THE HOLDERS OF ALLOWED COMMON INTERESTS. ON THE EFFECTIVE DATE, ALL COMMON INTERESTS IN THE DEBTORS SHALL BE CANCELLED AND BE OF NO FURTHER FORCE AND EFFECT.	N/A	N/A

III. INFORMATION ABOUT THE REORGANIZATION PROCESS

A. Purpose of the Disclosure Statement

The Disclosure Statement includes background information about the Debtors and also identifies the classes (the "Classes") into which Creditors and Equity Security Holders have been placed in the Plan. The Disclosure Statement describes the proposed treatment of each of these Classes if the Plan is confirmed.

Upon approval by the Bankruptcy Court, the Disclosure Statement and the Exhibits attached hereto will have been found to contain, in accordance with the provisions of the Bankruptcy Code, adequate information of a kind and in sufficient detail that would enable a reasonable, hypothetical investor typical of a Holder of an impaired Claim or Interest to make an informed judgment about the Plan. Approval of this Disclosure Statement by the Bankruptcy Court, however, does not constitute a recommendation by the Bankruptcy Court either for or against the Plan.

B. Voting Procedure

All Creditors and Equity Security Holders entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing, and causing the form of ballot (the "Ballot") accompanying the Disclosure Statement to be returned to the following address:

Hinckley, Allen & Snyder LLP
Attorneys for the Debtors-in-Possession
20 Church Street
18th Floor

Hartford, CT 06103
Attention William S. Fish, Jr.

Ballots must be received on or before 4:00 P.M. (Eastern Time) on June 24, 2016 to be counted in the voting. Ballots received after this time will not be counted in the voting unless the Bankruptcy Court so orders. Any properly executed, timely received Ballot that indicates both an acceptance and a rejection of the Plan will be counted as a vote to accept the Plan. Faxed and electronic scanned copies of Ballots will not be accepted.

If you are a Holder of a Claim or Interest entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot, or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact the Debtors' counsel:

Hinckley, Allen & Snyder LLP
20 Church Street
18th Floor
Hartford, CT 06103
(860) 725-6200
Attention William S. Fish, Jr.

The Debtors recommend a vote for "ACCEPTANCE" of the Plan by the members of each Class of Claims or Interests

C. Ballots

Accompanying the Disclosure Statement are appropriate Ballots for acceptance or rejection of the Plan. Each party in interest entitled to vote on the Plan will receive a Ballot for each Class of Claims or Interests to which it belongs. Because some parties in interest may be in more than one Class for voting purposes, in some instances more than one Ballot has been included with the Disclosure Statement.

All Classes of Claims and Interests are impaired under the Plan and are entitled to vote on the Plan. Each member of a voting Class will be asked to vote for acceptance or rejection of the Plan. A party who holds Claims or Interests in more than one Class should complete a Ballot for each Class with respect to the applicable portion of its Claim or Interest included in each Class.

D. The Confirmation Hearing and the Date Set for Filing Objections to Confirmation

The Bankruptcy Court has scheduled a hearing on confirmation (the "Confirmation Hearing") of the Plan to commence on **July 6, 2016 at 3:00 p.m.**, or as soon thereafter as the parties can be heard. The Confirmation Hearing will be held before the Honorable Ann M, Nevins, U.S. Bankruptcy Court Abraham Ribicoff Building 450 Main Street, 7th Floor, Hartford, CT 06103. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and whether it is in the best interests of Creditors. The Bankruptcy Court will also receive and

consider a report prepared by the Debtors summarizing the votes for acceptance or rejection of the Plan by the persons entitled to vote.

Objections to confirmation of the Plan must be filed with the Bankruptcy Court by June 29, 2016 and served so as to be received on or before that date by (a) counsel to the Debtors, Hinckley, Allen & Snyder LLP, 20 Church Street, 18th Floor, Hartford, CT 06103, Attention: William S. Fish, Jr.; (b) counsel to the Committee, Reid and Riege, P.C., One Financial Plaza, Hartford, CT 06103, Attention Eric Henzy; (c) counsel to Golfworks, Zeisler & Zeisler, P.C., 10 Middle Street, 15th Floor, Bridgeport, CT 06604, Attention James Berman; (d) counsel to DECD, Pullman & Comley, LLP, 850 Main Street, P.O. Box 7006, Bridgeport, CT 06601-7006, Attention: Elizabeth Austin; and (e) the Office of the United States Trustee for the District of Connecticut, 150 Court Street, Room 302, New Haven, CT 06510, Attention: Steven E. Mackey

E. Acceptances Necessary to Confirm Plan

At the Confirmation Hearing, the Bankruptcy Court must determine, among other things, whether each impaired Class has accepted the Plan. Under Section 1126(c) of the Bankruptcy Code, an impaired Class is deemed to have accepted the Plan if at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims or Interests of Class members who have voted to accept or reject the Plan have voted for acceptance of the Plan. Further, unless there is acceptance of the Plan by all members of an impaired Class, the Bankruptcy Court must also determine that under the Plan, Class members will receive property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Class members would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

F. Confirmation of the Plan without the Necessary Acceptances

The Plan may be confirmed even if it is not accepted by all of the impaired Classes if the Bankruptcy Court finds that the Plan does not discriminate unfairly against and is fair and equitable as to such Class or Classes. This provision is set forth in Section 1129(b) of the Bankruptcy Code and requires that, among other things, Holders of Claims or Interests must either receive the full value of their Claims or, if they receive less, no class with junior liquidation priority may receive anything.

Specifically, Section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed as long as at least one impaired Class of Claims has accepted it without regard to the votes of Insiders. If a Class rejects the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the request of the proponent upon finding that the Plan "does not discriminate unfairly" and is "fair and equitable" as to each dissenting impaired Class. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting Class is treated equally with respect to other Classes of equal rank.

A plan is fair and equitable as to a class of unsecured claims that rejects a plan if the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the

allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

A plan is fair and equitable as to a class of equity interests that rejects a plan if the plan provides (a) that each holder of an interest included in the rejecting class receives or retains on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or (b) that the holder of any interest that is junior to the interest of such class will not receive or retain under the plan on account of such junior interest any property at all.

The Debtors reserve the right to seek confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code. As set forth below and in the Plan, the Debtors also reserve the right to amend the Plan to satisfy any requirements of the Bankruptcy Code. The Debtors have done this because the proposed treatment of Class 5 is not consistent with the requirements of Section 1129(b) of the Bankruptcy Code because Class 5 (the Holders of Allowed Preferred Interests) are receiving a small percentage of New Common Stock even though Holders of Allowed Claims in Classes 3 and 4 are not being paid in full. The Debtor believes that the proposed treatment of these Classes is appropriate because if the Plan is not accepted and confirmed, an alternative to the Plan would be to sell all of the Debtors' assets to Golfworks (or another bidder), which the Debtors believe would result in Golfworks (or another bidder) owning 100% of the entity that would acquire the Debtors' assets with less proceeds available to distribute to Creditors. Accordingly, under the Plan, the Debtors believe that Golfworks is effectively allowing Classes 3-5 to retain a percentage ownership in the Reorganized Debtor that would not otherwise be available to these Classes if the Debtors' assets were sold under the Bankruptcy Code to Golfworks (or another bidder).

IV. GENERAL INFORMATION

A. Overview of Chapter 11 Process

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business for the benefit of itself and all economic parties in interest. In addition to permitting rehabilitation of a debtor, chapter 11 promotes equality of treatment of similarly situated claims and similarly situated equity interests with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court

makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor of, or holder of an equity interest in, a debtor. Subject to certain limited exceptions, the confirmation order discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes the obligations specified under the confirmed plan.

In order to solicit acceptances of a proposed plan, however, Section 1126 of the Bankruptcy Code requires a debtor and any other plan proponent to conduct such solicitation, pursuant to a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. The Debtors are submitting the Disclosure Statement in accordance with the Disclosure Statement Order and the requirements of Sections 1125 and 1126 of the Bankruptcy Code.

B. Description of the Debtors' Businesses

Back9 was founded and incorporated in July 2010 by a small group of golf industry executives for the purpose of building a premier golf lifestyle and entertainment 24/7-television network and digital media company. Back9 located its headquarters and operations in Hartford, Connecticut because of the State of Connecticut's attractive media tax credit programs and the local availability of qualified and talented employees for its television network.

On or about February 3, 2012, Back9 filed an application with DECD requesting financial loans and assistance for the start-up of Back9's television golf network. DECD approved Back9's application, and on May 11, 2012, Back9 and DECD entered into certain agreements (the "SBA Express Agreements") pursuant to which DECD agreed to extend a grant in an amount not to exceed $100,000 and a loan in an amount not to exceed $250,000 to Back9. Back9's obligations under the SBA Express Agreements were evidenced by a promissory note (the "$250,000 Note") in the principal amount of $250,000 dated May 11, 2012 and secured by a security agreement dated May 11, 2012. DECD's security interest was perfected by a UCC financing statement dated June 1, 2012 and recorded at UCC1 File Number 20122110346. As of the Petition Date, the balance due to DECD under the $250,000 Note was $24,048.94.

On August 15, 2012, DECD agreed to extend additional financial assistance to Back9 in the form of a loan in an amount not to exceed $750,000 (the "Assistance Agreement"). Back9's obligations under the Assistance Agreement were evidenced by a promissory note in the amount of $750,000 (the "$750,000 Note") and secured by an intellectual property security agreement and a security agreement both dated August 15, 2012. DECD's security interest was perfected by a UCC financing statement dated August 22, 2012 and recorded at UCC1 File Number 20123243699.

On February 21, 2013, DECD and Back9 entered into an amendment to the Assistance Agreement, pursuant to which DECD agreed to extend an additional loan in the amount of $4,000,000 to assist Back9 with the second phase of Back9's business project (the "Amended Assistance Agreement"). Back9's additional obligations under the Amended Assistance Agreement were evidenced by a promissory note in the amount of $4,000,000

(the "$4,000,000 Note") and secured by an amended and restated security agreement and an amended and restated intellectual property agreement both dated February 21, 2013. DECD's security interest was perfected by the UCC financing statement dated August 22, 2012 and recorded at UCC1 File Number 20123243699. As of the Petition Date, the balance due to DECD under the $750,000 Note was $750,000 and the balance due to DECD under the $4,000,000 Note was $4,000,000.

In connection with the Borrowing Motion, the Debtors stipulated to the validity, priority, enforceability, and perfection of the various liens held by DECD as of the Petition Date (the "DECD Liens") in connection with the $250,000 Note, the $750,000 Note, and the $4,000,000 Note (collectively, the "DECD Notes"). The Debtors further stipulated to the enforceability of the DECD Notes without any defense or offset. The Debtors believe, however, that the security interest of DECD did not extend to the assets owned by Swing by Swing or to the stock of Swing by Swing owned by Back9. DECD has stated that it disagrees and that it does hold a security interest in all assets of Back9 including the stock of Swing by Swing. For purposes of the Plan and as described below in Article V regarding the treatment of the DECD's Secured Claim, the Debtors are not seeking to resolve this issue as part of the Plan.

In the four years following its founding in 2010, Back9 also raised $32 million of preferred equity from over 200 individual, accredited investors. This equity was raised via series A, B and C fundraising rounds, closing in March 2012, May 2013, and August 2014, respectively. Back9, since September 2014, also raised approximately $6.2 million of unsecured convertible notes from its existing investor base. Back9 used the capital and loan funds to produce online and television programming, renovate and locate its headquarters and production facilities in downtown Hartford, maintain media operations and employ, at one point, more than eighty fulltime employees.

On or about May 30, 2014, Back9 also acquired 100% of the stock of Swing by Swing. The purchase price was $1 million, plus 200,000 shares of Back9 common stock. Swing by Swing was acquired to promote and develop the mobile application business of the same name in conjunction with marketing and driving audience awareness of Back9's content.

On September 29, 2014, Back9 launched its 24/7 cable television network with DIRECTV in approximately 20 million U.S. households. Despite intense efforts to generate additional advertising revenue, raise long term capital, and secure additional television distribution, Back9 ultimately was forced to discontinue its television operations on February 23, 2015. Due to the increasing consolidation within the U.S. pay television distribution industry and the deceleration of U.S. pay television household growth, Back9 was neither able to negotiate additional cable or satellite distribution agreements nor attract the long-term financing needed to grow and operate a 24/7 U.S. cable television network.

Contemporaneously with the cessation of Back9's television operations in February 2015, Back9 was forced to lay off all of its employees, with the exception of a small group of senior executives who remained and took no salaries for an extended period of time as they

worked on restructuring the Debtors. As of the Petition Date, Back9 had only two remaining senior executives.

As part of this restructuring effort, beginning in March 2015, the Debtors retained Cardinal Advisors, LLC ("Cardinal"), who reached out to over ninety financial and strategic investors to explore a revamp of the Debtors' businesses. In April 2015, Back9's board of directors signed a letter of intent with a California-based private equity firm, which proposed to purchase the Debtors' assets and restructure the Debtors' liabilities outside of a bankruptcy process.

In July 2015, DECD determined that in order to best protect its interests, it could not accept this letter of intent because it believed that any restructuring of the Debtors needed to be pursued through a Chapter 11 bankruptcy process. As a result, between July and September 2015, Cardinal again reached out to numerous financial and strategic investors to explore interest in investing in the Debtors' businesses through a Chapter 11 bankruptcy process, ultimately resulting in the proposal from Golfworks to finance and restructure the Debtors. On November 10, 2015, DECD, the Golfworks' investors, and Back9 executed a term sheet to restructure the Debtors consistent with the basic structure set forth in the Plan.

C. The Bankruptcy Case and Significant Post-Petition Events

On December 23, 2015, the petition filing date, the Debtors filed a Motion for Preliminary and Final Orders authorizing the Debtors to obtain post-petition senior secured financing from Golfworks. The Bankruptcy Court entered an Interim Order approving the Borrowing Motion on January 5, 2016. The Bankruptcy Court entered the Final Order approving the Borrowing Motion on January 26, 2016. The Debtors also recently filed a motion to extend the Final Order and borrow additional sums from Golfworks pending the Confirmation Hearing, although this motion does not change the aggregate amount of the loan that Golfworks is willing to make to the Reorganized Debtor in connection with the Plan, which aggregate loan amount remains at $2,000,000.

The United States Trustee appointed the Committee of Unsecured Creditors on January 12, 2016. The Bankruptcy Court approved the Committees' retention of counsel, Reid and Riege, P.C., on February 24, 2016. The Committee then retained TrueNorth Capital Advisors, LLC as its financial advisor. The Debtors, Golfworks, the Committee, and DECD subsequently engaged in extensive negotiations regarding the terms of the Plan and reached an agreement in principle regarding the terms of the Plan, which agreement is reflected in this Disclosure Statement and in the Plan.

The Debtors also filed motions for orders allowing the Debtors to employ Cardinal as its financial advisor and Cohn Reznick as its accountant. On April 27, 2016, the Bankruptcy Court granted the application to employ Cohn Reznick. The Debtors have continued to operate consistent with the business goals and objectives that motivated the decision to file these Chapter 11 Cases. Post-petition obligations are current.

Since the petition filing date, the Debtors have operated a digital media and mobile application-focused business with ten full-time and part-time contributors. The business includes both a golf GPS and scorecard mobile application and golf lifestyle & entertainment websites. Revenue is generated by third-party advertising on both the website and newsletter; and premium subscription fees from those mobile application users that upgrade from the Debtors' free mobile application to its premium mobile application. The Debtors plan to launch new content, features, and digital products over the next twelve to twenty-four months and are currently working to revamp its website properties as well as its golf GPS & scorecard mobile application for the 2016 golf season.

V. THE PLAN OF REORGANIZATION

A. Introduction

The Plan provides for the restructuring of the Debtors' obligations and for the reorganization of the Debtors based on the Debtors' existing digital media platform. The Debtors believe that the proposed restructuring including the new loan from Golfworks will provide the Reorganized Debtor with the necessary working capital to grow and enhance its business. The Debtors also believe that Creditors and Equity Security Holders will receive more value under the Plan than they would receive in a liquidation of the Debtors under Chapter 7 of the Bankruptcy Code.

The following is a general discussion of the provisions of the Plan. The Plan is attached as Exhibit A to the Disclosure Statement. In the event of any discrepancies, the terms of the Plan will govern.

One of the key concepts under the Bankruptcy Code is that only claims and equity interests that are "allowed" may receive distributions under a chapter 11 plan. This term is used throughout the Plan and the descriptions below. In general, an "allowed" claim or "allowed" equity interest simply means that the debtor agrees, or in the event of a dispute, that the Bankruptcy Court determines, that the claim or equity interest, and the amount thereof, is in fact a valid obligation of the debtor. Section 502(a) of the Bankruptcy Code provides that a timely filed claim or equity interest is automatically "allowed" unless the debtor or other party in interest objects. However, Section 502(b) of the Bankruptcy Code specifies certain claims that may not be "allowed" in bankruptcy even if a proof of claim is filed. These include, but are not limited to, claims that are unenforceable under the governing agreement between a debtor and the claimant or applicable non-bankruptcy law, claims for unmatured interest, property tax claims in excess of the debtor's equity in the property, claims for services that exceed their reasonable value, real property lease and employment contract rejection damage claims in excess of specified amounts, late-filed claims, and contingent claims for contribution and reimbursement. Additionally, Bankruptcy Rule 3003(c)(2) prohibits the allowance of any claim or equity interest that either is not listed on the debtor's schedules or is listed as disputed, contingent, or unliquidated, if the holder has not filed a proof of claim or equity interest before the established deadline.

The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims against, and equity interests in, the debtor into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are equity interests of a substantially similar legal nature.

Under a chapter 11 plan, the separate classes of claims and equity interests must be designated either as "impaired" (affected by the plan) or "unimpaired" (unaffected by the plan). If a class of claims is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims, such as the right to vote on the plan, and the right to receive, under the chapter 11 plan, no less value than the holder would receive if the debtor were liquidated in a case under chapter 7 of the Bankruptcy Code. Under Section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" unless the plan (i) does not alter the legal, equitable, and contractual rights of the holders or (ii) irrespective of the holders' acceleration rights, cures all defaults (other than those arising from the debtor's insolvency, the commencement of the case, or nonperformance of a nonmonetary obligation), reinstates the maturity of the claims or interests in the class, compensates the holders for actual damages incurred as a result of their reasonable reliance upon any acceleration rights, and does not otherwise alter their legal, equitable, and contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the consummation date or the date on which amounts owing are actually due and payable, payment in full, in cash, with post-petition interest to the extent appropriate and provided for under the governing agreement (or if there is no agreement, under applicable non-bankruptcy law), and the remainder of the debtor's obligations, if any, will be performed as they come due in accordance with their terms. Thus, other than its right to accelerate the debtor's obligations, the holder of an unimpaired claim will be placed in the position it would have been in had the debtor's case not been commenced. Pursuant to Section 1126(f) of the Bankruptcy Code, holders of unimpaired claims or interests are "conclusively presumed" to have accepted the plan. Accordingly, their votes are not solicited.

B. The Golfworks DIP Loan

Golfworks has agreed to allow the Reorganized Debtor to assume the DIP Loan on the Effective Date in accordance with the Golfworks Loan Documents. On the Effective Date, Golfworks also has agreed to loan an additional amount to the Reorganized Debtor such that this additional loan amount plus the outstanding amount of the DIP Loan on the Effective Date will be in the total aggregate amount of Two Million Dollars ($2,000,000). The Golfworks Loan shall be used to fund in whole or in part the Effective Date Payment to Holders of Allowed Claims in Class 3 and to fund working capital needs of the Reorganized Debtor. The Golfworks Loan shall be secured by a first priority security interest in all assets of the Reorganized Debtor, which security interest shall be pari passu with the security interest held by the DECD with respect to the DECD Secured Claim in accordance with the Intercreditor Agreement. In consideration for agreeing to allow the Reorganized Debtor to assume the DIP Loan, for agreeing to subordinate the assumed DIP Loan to be pari passu with the DECD Secured Claim, and for agreeing to loan the Reorganized Debtor the full amount of the Golfworks Loan, Golfworks shall be issued fifty-one percent (51%) of the New Common Stock in the Reorganized Debtor.

C. Administrative Claims and Other Unclassified Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Reorganized Debtor, each Holder of an Allowed Administrative Claim shall receive in full and final satisfaction of its Allowed Administrative Claim, Cash equal to the full amount of such Allowed Administrative Claim on the Effective Date. If such Administrative Claim is not deemed Allowed as of the Effective Date, payment shall be made within twenty (20) days from the date upon which a Final Order is entered allowing the Administrative Claim. All fees due and owing to the United States Trustee shall be paid in full on or before the Effective Date, and after the Confirmation Date, the Reorganized Debtor will continue to make requisite payments and file quarterly disbursement reports with the United States Trustee until the entry of a final decree pursuant to Bankruptcy Rule 3022.

All Administrative Claims including Professional Fee Claims must be filed with the Bankruptcy Court no later than the Administrative Claim Bar Date.

Each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction of its Allowed Priority Tax Claim, Cash equal to the amount of such Allowed Priority Tax Claim on the Effective Date, or as soon as practical thereafter. If such Priority Tax Claim is not deemed Allowed as of the Effective Date, payment shall be made within twenty (20) days from the date upon which the Bankruptcy Court enters a Final Order allowing the Priority Tax Claim.

D. Classification of Claims and Interests

Except for the Claims addressed above, all Claims against and Interests in the Debtors are placed in six classes and treated as set forth below. In accordance with Section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified the Administrative Claims and the Priority Tax Claims described above.

Summary of Classification and Treatment of Classified Claims and Interests.

CLASS	CLAIM	STATUS	VOTING
1	Priority Non-Tax Claims	Unimpaired	No
2	DECD Secured Claim	Impaired	Yes
3	Unsecured Claims	Impaired	Yes
4	Convertible Noteholder Claims	Impaired	Yes
5	Preferred Interests in Back9	Impaired	Yes
6	Common Interests in the Debtors	Impaired	Yes

Classification and Treatment of Classified Claims and Interests.

Class 1-Priority Non-Tax Claims. Unless otherwise agreed to by the Holder of a Priority Non-Tax Claim and the Debtors, each Holder of an Allowed Priority Non-Tax Claim shall receive in full and final satisfaction of its Claim, Cash equal to the

amount of such Allowed Claim on the Effective Date. Class 1 is unimpaired and is not entitled to vote on the Plan.

Class 2-DECD Secured Claim. Class 2 consists of the Secured Claim of DECD. The DECD Claim shall be Allowed in the amount of $4,774,048.94. The Reorganized Debtor will be obligated for the full amount of DECD's Claim in accordance with the terms of the DECD Amended Agreements. The Debtors shall execute and deliver to DECD the DECD Amended Agreements on the Effective Date. The DECD Amended Documents will provide among other things that the DECD Claim shall be secured by a first priority security interest in all assets of the Reorganized Debtor, which security interest shall be pari passu with the security interest of Golfworks in accordance with the Intercreditor Agreement. Class 2 is impaired and is entitled to vote on the Plan.

Class 3- General Unsecured Claims. Class 3 consists of the Holders of Allowed unsecured Claims against the Debtors excluding the Claims of Convertible Noteholders. Class 3 Claims have been scheduled in the approximate amount of $8,000,000. Holders of Allowed Claims in Class 3 shall each receive a pro rata share of the Effective Date Payment in the amount of $700,000 and the Post-Effective Date Payment in the amount of $300,000 (payable in three equal installments over eighteen months). Holders of Allowed Claims in Class 3 shall also receive the benefit of New Common Stock of the Reorganized Debtor on the Effective Date representing a pro rata share of ten percent (10%) of the New Common Stock issued to Class 3. On the Effective Date, the Class 3 Trust shall be established for the benefit of Holders of Allowed Claims in Class 3 and the corpus of the Class 3 Trust shall be the ten percent (10%) of the New Common Stock issued for the benefit of Holders of Allowed Claims in Class 3. The Class 3 Trust will have one trustee and the beneficiaries of the Class 3 Trust shall be the Holders of Allowed Claims in Class 3. Class 3 is impaired and is entitled to vote on the Plan.

Class 4- Convertible Noteholder Claims. Class 4 consists of the Allowed Claims of Convertible Noteholders. Class 4 Claims have been scheduled in the amount of $6,169,833. Holders of Allowed Claims in Class 4 shall receive the benefit of New Common Stock of the Reorganized Debtor on the Effective Date representing a pro rata share of twenty percent (20%) of the New Common Stock issued to Class 4. On the Effective Date, the Class 4 Trust shall be established for the benefit of Holders of Allowed Claims in Class 4 and the corpus of the Class 4 Trust shall be the twenty percent (20%) of the New Common Stock issued for the benefit of Holders of Allowed Claims in Class 4. The Class 4 Trust will have one trustee and the beneficiaries of the Class 4 Trust shall be the Holders of Allowed Claims in Class 4 All warrants, options, equity, stock certificates, and any shareholder agreement or similar agreement related to the Holders of Allowed Claims in Class 4 will be rejected. Class 4 is impaired and is entitled to vote on the Plan.

Class 5- Preferred Interests. Class 5 consists of the Holders of Allowed Preferred Interests. The Holders of Allowed Preferred Interests in Class 5 shall be converted

into a beneficial interest in New Common Stock of the Reorganized Debtor on the Effective Date representing a pro rata share of ten percent (10%) of the New Common Stock issued to Class 5. On the Effective Date, the Class 5 Trust shall be established for the benefit of Holders of Allowed Preferred Interests in Class 5 and the corpus of the Class 5 Trust shall be the ten percent (10%) of the New Common Stock issued for the benefit of Holders of Allowed Preferred Interests in Class 5. The Class 5 Trust will have one trustee and the beneficiaries of the Class 5 Trust shall be the Holders of Allowed Preferred Interests in Class 5. All warrants, options, equity, stock certificates, and any shareholder agreement or similar agreement related to the Holders of Preferred Interests will be rejected. Class 5 is impaired and is entitled to vote on the Plan.

Class 6- Common Interests. Class 6 consists of the Holders of Allowed Common Interests. On the Effective Date, all Common Interests in the Debtors shall be cancelled and be of no further force and effect. All warrants, options, equity, stock certificates, and any shareholder agreement or similar agreement relating to the Holders of Common Interests will be rejected. Class 6 is impaired and is entitled to vote on the Plan.

E. Acceptance of the Plan

All Classes other than Class 1 are impaired under the Plan, and the Holders of Claims or Interests in all Classes other than Class 1 are entitled to vote on the Plan. If no Holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the Holders of such Claims in such Class. A Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to Section 1129(a)(8) of the Bankruptcy Code. The Debtors reserve the right to seek confirmation under Section 1129(b) of the Bankruptcy Code. The Debtors further reserve the right to modify and amend the Plan.

VI. PROVISIONS FOR THE EXECUTION AND IMPLEMENTATION OF THE PLAN

A. The Golfworks Loan

Golfworks shall agree to allow the Reorganized Debtor to assume the DIP Loan on the Effective Date in accordance with the Golfworks Loan Documents. On the Effective Date, Golfworks shall also loan an additional amount to the Reorganized Debtor such that this additional loan amount (estimated to be $1,500,000) plus the outstanding amount of the DIP Loan on the Effective Date (estimated to be $500,000) will be in the total aggregate amount of Two Million Dollars ($2,000,000). The Golfworks Loan shall be used to fund in whole or in part the Effective Date Payment to Class 3, to make other payments required by the Plan, and to fund working capital needs of the Reorganized Debtor. The Golfworks Loan shall be secured by a first priority security interest in all assets of the Reorganized Debtor, which security interest shall

be pari passu with the security interest held by the DECD with respect to the DECD Secured Claim in accordance with the Intercreditor Agreement. In consideration for agreeing to allow the Reorganized Debtor to assume the DIP Loan, for agreeing to subordinate the assumed DIP Loan to be pari passu with the DECD Secured Claim, and for agreeing to loan the Reorganized Debtor the full amount of the Golfworks Loan on a pari passu basis with the DECD Secured Claim, Golfworks shall be issued fifty-one percent (51%) of the New Common Stock in the Reorganized Debtor.

B. Merger and Continued Corporate Existence

On the Effective Date, Back9 will be merged into Swing by Swing with Swing by Swing being the surviving corporation and the Reorganized Debtor. The Reorganized Debtor will continue to exist as a separate corporate entity following confirmation and consummation of the Plan in accordance with and pursuant to its certificate of incorporation and bylaws in effect prior to the Effective Date as such documents are amended or replaced pursuant to the Plan. From and after the Effective Date, the Reorganized Debtor will be deemed a separate and distinct entity, properly capitalized, vested with all of the assets of the Debtors as they existed prior to the Effective Date and having the liabilities and obligations provided for under the Plan. The Reorganized Debtor shall be responsible for satisfying all of the Allowed Claims in accordance with the terms and provisions of the Plan.

C. Cancellation of Existing Interests

On the Effective Date, all warrants, options, equity, stock certificates, any shareholder agreement or similar agreement, and all other documents evidencing or relating to all existing Interests, or existing rights in or to any Interests, in the Debtors including the Preferred Interests and the Common Interests shall be canceled and terminated and deemed null and void, satisfied, and discharged and of no force and effect as against the Reorganized Debtor or any Holder of the New Common Stock in the Reorganized Debtor, without any further act or action under any applicable agreement, law , regulation, order, or rule. All obligations of the Reorganized Debtor under such warrants, options, equity, stock certificates, any shareholder agreement or similar agreement, and all other documents will be discharged.

D. Issuance of New Common Stock

On the Effective Date, the Reorganized Debtor shall cause the New Common Stock to be issued in accordance with the Plan. On the Effective Date, there will be no other Interests in the Reorganized Debtor other than the New Common Stock issued in accordance with the Plan.

E. Corporate Actions

On the Effective Date, the Reorganized Debtor will file its Amended Certificate of Incorporation with the applicable governmental authority. On the Effective Date, the adoption of the Amended Bylaws for the Reorganized Debtor will be deemed to have been authorized and approved in all respects to be effective as of the Effective Date without further action under applicable law, regulation, order, or rule, including, without limitation, any action by the

stockholders of the Reorganized Debtor pursuant to applicable law. In addition, on the Effective Date, the cancellation of all existing Interests in the Debtors, the authorization and issuance of the New Common Stock in the Reorganized Debtor, and all other matters provided for in the Plan involving the corporate and capital structure of the Debtors or the Reorganized Debtor or corporate or other action by any of the Debtors or the Reorganized Debtor will be deemed to have occurred, be authorized, and will be in effect from and after the Effective Date without requiring further action under applicable law, regulation, order, or rule, including without limitation, any action by the stockholders, officers, or directors of any of the Debtors or the Reorganized Debtor pursuant to applicable law. The chief executive officer, chief financial officer or any other appropriate officer of the Reorganized Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The secretary or assistant secretary of the Reorganized Debtor shall be authorized to certify or attest to any of the foregoing actions. The Amended Certificate of Incorporation and the Amended Bylaws will, to the extent necessary or appropriate, include such provisions as may be necessary to effectuate the Plan and will provide for the corporate governance of the Reorganized Debtor.

F. Board of Directors and Officers of the Reorganized Debtor

On the Effective Date, the board of directors and officers of the Reorganized Debtor shall be designated in accordance with the Amended Certificate of Incorporation and the Amended Bylaws of the Reorganized Debtor. The board of directors shall consist of five directors appointed by Golfworks.

G. Dissolution of the Committee

(i) The Committee shall continue to exercise those powers and perform those duties specified in Section 1103 of the Bankruptcy Code and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date.

(ii) On the Effective Date, the Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities, and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Committee's attorneys, financial advisors, and other agents shall terminate except as provided herein.

(iii) Notwithstanding anything in the Plan, after the occurrence of the Effective Date, the Committee shall continue with respect to: (i) claims for compensation for the Committee's Professional Persons; (ii) any appeals of the Confirmation Order; and (iii) any adversary proceedings or contested matters pending as of the Effective Date to which it is a party, including final resolution of any objections to Claims filed by the Committee.

H. Class 3 Trust, Class 4 Trust, and Class 5 Trust

On or before the Effective Date, and as a condition precedent to the occurrence of the Effective Date, the trustee of the Class 3 Trust and the Reorganized Debtor will execute the Class 3 Trust. Under no circumstances shall any of the Debtors' or the Reorganized Debtor's officers, directors, or other governing authorities be entitled to compensation from any of the Debtors, the Reorganized Debtor, or the Class 3 Trust for services provided after the Effective Date relating to the administration of the Class 3 Trust. In addition, on or before the Effective Date, and as a condition precedent to the occurrence of the Effective Date, the trustee of the Class 4 Trust and the Reorganized Debtor will execute the Class 4 Trust. Under no circumstances shall any of the Debtors' or the Reorganized Debtor's officers, directors, or other governing authorities be entitled to compensation from any of the Debtors, the Reorganized Debtor, or the Class 4 Trust for services provided after the Effective Date relating to the administration of the Class 4 Trust. Finally, on or before the Effective Date, and as a condition precedent to the occurrence of the Effective Date, the trustee of the Class 5 Trust and the Reorganized Debtor will execute the Class 5 Trust. Under no circumstances shall any of the Debtors' or the Reorganized Debtor's officers, directors, or other governing authorities be entitled to compensation from any of the Debtors, the Reorganized Debtor, or the Class 5 Trust for services provided after the Effective Date relating to the administration of the Class 5 Trust.

I. Post-Effective Date Professional Fees

Any services performed or expenses incurred by any Professional Person on behalf of the Debtors or the Reorganized Debtor with respect to these Chapter 11 Cases after the Effective Date shall not be subject to the prior review and approval of the Bankruptcy Court. All fees and expenses of the Reorganized Debtor arising after the Effective Date shall be billed directly to the Reorganized Debtor.

J. Post-Effective Date Management and Management Incentive Plan

After the Effective Date, the officers of the Reorganized Debtor will be Charles Cox (Chief Executive Officer) and Reid Gorman (Chief Revenue Officer). Messrs. Cox and Gorman held those same positions on the Petition Date and have been responsible for managing the Debtors during the Chapter 11 Cases. In addition, after the Effective Date, the Reorganized Debtor will establish an equity incentive plan for its management and employees, which plan will provide for incentive grants of up to nine percent (9%) of the New Common Stock of the Reorganized Debtor.

K. Securities Laws and Exemption from Registration

In reliance upon Section 1145 of the Bankruptcy Code, the issuance of the New Common Stock will be exempt from the registration requirements of the Securities Act of 1933 and equivalent state law provisions. The New Common Stock also will be a "restricted security" under applicable federal law upon the Effective Date. The Reorganized Debtor has no obligation or intention to register the New Common Stock. As a consequence, the holders may only dispose of the New Common Stock in a private placement that is exempt from registration under applicable law. This means that the holders must bear the economic risk of holding the New

Common Stock for an indefinite period of time since there is no public market for these shares. The New Common Stock will bear a legend consistent with the foregoing.

VII. PROVISIONS GOVERNING DISTRIBUTIONS AND PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS

A. In General

Subject to Bankruptcy Rule 9010 and except as otherwise provided for in the Plan, Distributions to the Holders of Allowed Claims and Allowed Interests shall be mailed by first class mail to (a) the address of each Holder as set forth in the Schedules, unless superseded by the address set forth on the Proof of Claim filed by such Holder, or (b) the last known address of such Holder if no Proof of Claim is filed. If any Distribution is returned as undeliverable, the Debtors shall undertake reasonable efforts to determine the current address of the Holder of the Claim with respect to such Distribution. Any Distributions to the Holders of Allowed Claims or Interests shall be in strict compliance with the Plan and the Confirmation Order or as may be subsequently ordered by the Bankruptcy Court.

Checks issued pursuant to the Plan on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Any Claim in respect of such voided check shall be made in writing on or before the first anniversary of the Distribution Date. After such date, all Claims in respect of void checks shall be released and forever barred.

In connection with making Distributions under the Plan, to the extent applicable, the Debtors shall comply with all tax reporting requirements imposed on it by any governmental unit. All Distributions pursuant to the Plan shall be subject to such reporting requirements. If the Holder of an Allowed Claim or an Allowed Interest fails to provide the information necessary to comply with any reporting requirements of any governmental unit within six (6) months from the date the Holder was first notified of the need for such information, such Holder's Distribution shall be treated as an undeliverable Distribution in accordance with Section 6.5 herein.

Except as otherwise provided herein, on or after the Effective Date, a Claim may not be filed or amended without the prior authorization of the Bankruptcy Court. Any such new or amended Claim shall be deemed Disallowed and expunged without any further notice to or action, order or approval of the Bankruptcy Court.

Each and every Holder of an Allowed Claim or Interest that receives a Distribution under the Plan warrants that it is authorized to accept, in consideration of such Claim or Interest, the Distribution provided for in the Plan and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by it under the Plan.

B. Objections to Disputed Claims and Interests

Any objections to Claims or Interests shall be filed no later than the Claims Objection Bar Date, which is the date that is fifteen (15) days after the Effective Date, unless extended by an order of the Bankruptcy Court.

After the Effective Date, the Reorganized Debtor shall maintain any and all rights and defenses that the Debtors had with respect to any Disputed Claim or Disputed Interest. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases (including the Confirmation Order and Final DIP Order), no Disputed Claim or Disputed Interest shall become an Allowed Claim or an Allowed Interest unless and until such Claim or Interest shall be Allowed pursuant to a Final Order of the Bankruptcy Court. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court under Bankruptcy Rule 9019, or otherwise, shall be binding on all parties in interest.

C. Disputed Claim Reserve

If a timely objection to a Claim or Interest or portion thereof is filed prior to the Distribution Date, no payment or Distribution provided under this Plan shall be made on account of such Claim or Interest, or portion thereof, unless and until such Disputed Claim or Interest becomes an Allowed Claim or Interest pursuant to a Final Order. To the extent that a Disputed Claim or Interest becomes an Allowed Claim or Interest, Distributions, if any, shall be made to the Holder of such Allowed Claim or Interest in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Interest becomes a Final Order, the Debtors shall provide the Distribution to which such Holder is entitled under the Plan.

VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Deemed Rejection of Certain Executory Contracts and Unexpired Leases

Unless otherwise assumed or rejected by Final Order of the Bankruptcy Court, all executory contracts and unexpired leases that are either (1) not expressly assumed, (2) not the subject of a pending motion to assume as of thirty (30) days after the Effective Date, or (3) not insurance contracts provided for in Section 8.2 of the Plan, shall be deemed rejected. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejection pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

B. Insurance Policies

All of the Debtor's insurance policies and any related agreements are treated as executory contracts under the Plan and are hereby expressly assumed by the Reorganized Debtor. Nothing herein shall constitute or be deemed a waiver of any right or cause of action that the Debtors or the Reorganized Debtor may have against any insurer under any of such policies.

C. Rejection Damages Claims

Any Person who has a Claim as a result of the rejection of any executory contract or unexpired lease shall have thirty (30) days after the Effective Date to file a Proof of Claim; failing which any such Claim will be disallowed in full.

IX. EFFECT OF CONFIRMATION

A. Discharge

Except as provided in the Plan with respect to Allowed Claims and Interests, the occurrence of the Effective Date shall and does act to discharge and release all Claims and all Interests against the Debtors and the Reorganized Debtor. The Debtor shall be discharged from its status as Debtor-in-Possession and the affairs and business of the Debtor shall thereafter be conducted without Bankruptcy Court involvement except as otherwise provided for in the Plan. Notwithstanding any provision in the Plan to the contrary, any Holder of a Claim or Interest that obtained relief from stay against a Debtor to pursue a Claim or Interest to the extent of insurance shall retain such rights to the extent of insurance and shall not be enjoined from exercising such rights to the extent of insurance in any action or other proceeding.

B. Exculpation

To the maximum extent permitted by applicable law and except as otherwise provided for in the Plan, none of the Exculpated Parties shall have or incur any liability to any Holder of any Claim or Interest, or any other Entity, for any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, including, but not limited to, filing of the Chapter 11 Cases and formulation, dissemination, approval, confirmation, implementation, or consummation of the Plan, the Disclosure Statement, or the Plan Supplement; except for bad faith, willful misconduct, criminal conduct, gross negligence, fraud, or self-dealing, or, in the case of an attorney professional and as required under Rule 1.8(h)(1) of the Connecticut Rules of Professional Conduct, malpractice; and, in all respects, the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Following entry of the Confirmation Order, the Bankruptcy Court shall retain exclusive jurisdiction to consider any and all claims against the Exculpated Parties involving or relating to any aspects of the Debtors' Chapter 11 Cases for the purpose of determining whether such claims belong to the Debtors' estates or third parties. In the event it is determined that any such claims belong to third parties, then, subject to any applicable subject matter jurisdiction limitations, the Bankruptcy Court shall have exclusive jurisdiction with respect to any such litigation, subject to any determination by the Bankruptcy Court to abstain and consider whether such litigation should more appropriately proceed in another forum.

C. Injunction

Except as otherwise provided for in the Plan or the Confirmation Order, all Persons that have held, currently hold, or may hold Claims or Interests that have been discharged or terminated pursuant to the Plan (or will be discharged upon completion of the Distributions and other actions under the Plan), are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtor or their property or assets, on account of any such

discharged Claim, debt, liability, Interest, or otherwise: (1) commencing or continuing, in any manner or in any place, any action or other proceeding; (2) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (3) creating, perfecting, or enforcing any Lien or encumbrance; (4) asserting a setoff right or recoupment; and (5) commencing or continuing any action in any manner and in any place that does not comply with the Plan. Notwithstanding any provision in the Plan to the contrary, any Holder of a Claim or Interest that obtained relief from stay against a Debtor to pursue a Claim or Interest to the extent of insurance shall retain such rights to the extent of insurance and this injunction clause shall not operate to bar such Holder from exercising such rights to the extent of insurance in any action or other proceeding.

D. Protection Against Discriminatory Treatment

Consistent with Section 525 of the Bankruptcy Code and the Supremacy Clause of the United States Constitution, all Persons, including governmental units, shall not discriminate against the Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors or other Person with whom the Debtors have been associated, solely because a Debtor has been a Debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Case (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

E. Binding Nature of the Plan

The Plan shall bind all Holders of Claims against and Interests in the Debtors to the maximum extent permitted by applicable law, whether or not such Holder (a) will receive or retain any property or interest in property under the Plan, (b) has filed a proof of claim or interest in the Chapter 11 Cases, or (c) failed to vote to accept or reject the Plan or voted (or is deemed to have voted) to reject the Plan. The Confirmation Order shall ratify all transactions effected by the Debtors during the pendency of the Chapter 11 Cases.

F. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain the maximum legally permissible jurisdiction over the Chapter 11 Cases and all Persons with respect to all matters related to the Chapter 11 Cases, the Debtors, and the Plan, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim, the resolution of any and all objections to the allowance or priority of any Claim, and the resolution of any and all issues related to the release of Liens upon payment of a Secured Claim;

2. for periods ending on or before the Effective Date, grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to the assumption, assignment, or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable; and to adjudicate and, if necessary, liquidate, any Claims arising therefrom;

4. ensure that Distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

5. decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other causes of action that are pending as of the date hereof or that may be commenced in the future, and grant or deny any applications involving the Debtors that may be pending on the Effective Date or after the Effective Date;

6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures, and other agreements or documents adopted in connection with the Plan or the Disclosure Statement;

7. resolve any cases, controversies, suits, or disputes that may arise in connection with the Effective Date, interpretation or enforcement of the Plan, or any Person's obligations incurred in connection with the Plan;

8. issue injunctions and enforce them, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with the Plan after the Effective Date or enforcement of the Plan, except as otherwise provided in the Plan;

9. enter and implement such orders, or take such other actions as may be necessary or appropriate, if the Confirmation Order is modified, stayed, reversed, or vacated;

10. resolve any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement; and

11. enter an order concluding the Chapter 11 Cases.

X. CERTAIN FACTORS TO BE CONSIDERED

The Holder of a Claim against or Interest in the Debtors should read and carefully consider the following factors, as well as the other information set forth in the Disclosure Statement before deciding whether to vote to accept or reject the Plan.

A. Certain Bankruptcy Law Considerations

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate re-solicitation of votes.

Although the Debtors believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing.

B. Additional Factors to Be Considered

1. The Debtors Have No Duty to Update

The statements contained in the Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of the Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update the Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in the Disclosure Statement. Any representations or inducements made to secure your acceptance, or rejection, of the Plan that are other than as contained in, or included with, the Disclosure Statement should not be relied upon.

3. Projections and Other Forward Looking Statements Are Not Assured, and Actual Results Will Vary

Certain of the information contained in the Disclosure Statement is, by nature, forward looking, and contains estimates and assumptions that might ultimately prove to be incorrect, and contains projections that may be materially different from actual future experiences. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be Allowed.

4. No Legal or Tax Advice is Provided by the Disclosure Statement

The contents of the Disclosure Statement should <u>not</u> be construed as legal, business, or tax advice. Each Holder of a Claim or Interest should consult his, her, or its own legal counsel and accountant as to legal, tax, and other matters concerning his, her, or its Claim or Interest.

5. No Admission Made

Nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or on Holders of Claims or Interests.

6. Economic Factors and Real Estate Market Conditions

The Debtors have assumed that the general economic conditions of the United States economy will be stable over the next year. The stability of economic conditions is subject to many factors outside the Debtors' control, including interest rates, inflation, unemployment rates, consumer spending, war, terrorism, and other such factors. Any one of these or other economic factors could have a significant impact on the ability of the Debtor to perform and operate as projected..

7. Modification of Plan

Effective as of the date hereof and subject to the limitations and rights contained in the Plan: (1) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan before the entry of the Confirmation Order; and (2) after the entry of the Confirmation Order, the Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission, or reconcile any inconsistency in, the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

8. Revocation or Withdrawal of the Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Hearing and to file subsequent Chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or unexpired leases effected by the Plan, if any, and any document or agreement executed pursuant hereto, shall be deemed null and void; and (3) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (b) prejudice the Debtors or any other Person's rights in any manner, or (c) constitute an admission, acknowledgement, offer, or undertaking by the Debtors or any other Person.

9. Successors and Assigns

The rights, benefits, and obligations of any Person named or referred to herein shall be binding on, and shall inure to the benefit of, such Person's heir, executor, administrator, successor, or assign.

10. Reservation of Rights

The Plan shall be of no force and effect unless and until the Bankruptcy Court enters a Final Order confirming the Plan. Neither the filing of the Plan, any statement or provision

contained herein, nor the taking of any action by the Debtors with respect to the Plan, shall be, or shall be deemed to be, an admission or waiver of any rights of: (1) the Debtors with respect to the Holders of Claims against, or Interests in, the Debtors, or (2) any Holder of a Claim or an Interest, or other Person, before the Effective Date.

11. Severability

If any term or provision hereof is held by the Bankruptcy Court to be invalid, void, or unenforceable before the Confirmation Date, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision then will be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation by the Bankruptcy Court, the remainder of the terms and provisions of the Plan shall remain in full force and effect. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12. Filing and Execution of Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors may execute such documents, take such other actions, and perform all acts necessary or appropriate to implement the terms and conditions of the Plan without the need for further Bankruptcy Court approval. Upon application by the Debtors, the Bankruptcy Court may issue an order directing any necessary party to execute or deliver, or to join in the execution or delivery of, any instrument or document, and to perform any act, necessary for the consummation or implementation of the Plan.

13. Integration

The Plan is the complete, whole, and integrated statement of the binding agreement among the Debtors, the Holders of Claims or Interests, and other parties in interest upon the matters herein. Parole evidence shall not be admissible in any action regarding the Plan or any of its provisions.

C. Certain Federal Income Tax Consequences of the Plan

The potential material federal tax consequences of the Plan on any Class of Creditors or Equity Security Holders as well as on any particular Creditor or Equity Security Holder within a Class is dependent upon numerous circumstances known only to the Holders of such Claims or Interests and not to the Debtors. Some of the circumstances that make it impossible to determine the material federal tax consequences to a Class of Creditors or Equity Security Holders or a particular Creditor or Equity Security Holder include, but are not limited to: (1) the entity type (individual, corporation, s-corporation, partnership, limited liability company, limited liability partnership, limited partnership, trust, or any other entity allowed by various federal and state

laws); (2) the Person may be a parent or a subsidiary of another entity, which may or may not have filed for bankruptcy protection; (3) the Person may be for profit or not-for-profit; (4) the Person may have unused and unexpired net operating losses, alternative minimum tax net operating losses, contributions carryovers, alternative minimum contribution carryovers, short or long-term capital loss carryovers, or general business credits as defined in the Internal Revenue Code and related regulations; (5) the method of accounting used by a Person may be cash or accrual and whether the Claim or Interest is a capital or ordinary asset of the Person; (6) a Person's basis in its Claim or Interest against or in the Debtors, if any, is not known; (7) whether the Person is deemed to have participated in an exchange for federal income tax purposes, and, if so, whether such exchange transaction constitutes a tax-free recapitalization or a taxable transaction; (8) whether the Person's present Claim or Interest constitutes a "security" for federal income tax purposes; and, (9) the relative size of a Person's Claim or Interest to the size of the Person's entity.

Because the tax consequences of the Plan vary based on individual circumstances, each Holder of a Claim or Interest should consult with its own tax advisor as to the consequences of the Plan to it under federal and applicable state, local and foreign tax laws.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, the following: (1) certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds; and (2) certain transactions in which the taxpayer's book-tax differences exceed a specified threshold in any tax year. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

XI. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

A. Requirements of Section 1129(a) of the Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in Section 1129 of the Bankruptcy Code have been satisfied:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.

2. The Debtors have complied with the applicable provisions of the Bankruptcy Code.

3. The Plan has been proposed in good faith and not by any means proscribed by law.

4. Any payment made or promised by the Debtors or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and

any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.

5. The Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Reorganized Debtor, an affiliate of the Debtor participating in a Plan with the Debtor, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy, and the Debtor has disclosed the identity of any Insider that will be employed or retained by the Debtor, and the nature of any compensation for such Insider. With respect to each Class of Claims or Interests, each Holder of an impaired Claim or impaired Interest either has accepted the Plan or will receive or retain under the Plan on account of such Holder's Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such Holder would receive or retain if the Debtor was liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. See discussion of "Best Interests Test" below.

6. Except to the extent the Plan meets the requirements of Section 1129(b) of the Bankruptcy Code (discussed below), each Class of Claims or Interests has either accepted the Plan or is not impaired under the Plan.

7. Except to the extent that the Holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and priority Claims other than priority tax Claims will be paid in full on the Effective Date and that priority tax Claims will receive on account of such Claims deferred Cash payments, over a period not exceeding six years after the date of assessment of such Claims, of a value, as of the Effective Date, equal to the Allowed amount of such Claims.

8. At least one Class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any Insider holding a Claim in such Class.

9. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. See discussion of "Feasibility" below.

B. Best Interests Test/Liquidation Analysis

As described above, the Bankruptcy Code requires that each Holder of an impaired Claim or Interest either (a) accepts the Plan or (b) receives or retains under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The first step in meeting this test is to determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of a chapter 7 liquidation case. The gross amount of Cash available would be the sum of the proceeds from the disposition of these assets. The next step is to reduce that total by the amount of any Claims secured by such assets, the costs and expenses of the liquidation, and such additional Administrative Claims and priority Claims that may result from the use of chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to Creditors and Equity Security Holders in strict priority in accordance with Section 726 of the Bankruptcy Code (see discussion below). Finally, taking into account the time necessary to accomplish the liquidation, the present value of such allocations would be compared to the value of the property that is proposed to be distributed under the Plan.

Based on market feedback in response to the work performed by Cardinal, including indications of value provided by prospective acquirers in the restructuring process prior to the Petition Date, the aggregate amount owed to Golfworks and to DECD would be expected to exceed the value of the Debtors' assets in a chapter 7 liquidation. This is especially so in the "forced sale" environment that would exist in connection with such a process, as it would further reduce the value of the Debtors' assets. To the extent that the value of the Debtors' assets did exceed the aggregate secured claims of Golfworks and DECD, the costs of liquidation under chapter 7 would include the fees payable to a chapter 7 trustee, plus the unpaid expenses incurred by the Debtors in the Chapter 11 Cases such as compensation for attorneys, financial advisors, accountants, and other professionals. These amounts would be paid in full from the liquidation proceeds before the balance of those proceeds could be used to pay Allowed priority and unsecured Claims against the Debtors. This is so even if the Secured Claim of DECD did not apply to the assets owned by Swing by Swing because the Debtors estimate that the value of those assets is not more than one million dollars ($1,000,000) based on the indications of value provided by prospective acquirers in the restructuring process performed by Cardinal, the Debtors' financial advisor, prior to the Petition Date. In addition, in a liquidation, the unsecured deficiency claim of DECD and the unsecured claims of the convertible noteholders would be aggregated with the claims of general unsecured creditors, which would materially dilute any payment to the general unsecured creditors. For all of these reasons, the Debtors believe that in a chapter 7 case, Holders of unsecured Claims would receive a distribution that is materially less than what is proposed under the Plan and that the Plan therefore satisfies the best interests test. Attached as Exhibit B are financial projections that demonstrate that the Plan satisfies the best interests test. These projections make the conservative assumption that expenses all are allocated to the value of the Back9 assets and not the Swing by Swing assets and even with this conservative assumption, the Plan satisfies the best interests test.

C. Feasibility

The Bankruptcy Code requires a debtor to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. Based on an analysis of their business and prospects, the Debtors believe that the Reorganized Debtor will be able to make all payments and other Distributions required to be made pursuant to the Plan and that they

will need no further reorganization. Attached as Exhibit C are financial projections that establish that the Plan satisfies the feasibility test.

D. Requirements of Section 1129(b) of the Bankruptcy Code

The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by a Class of Claims or Interests if the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such class.

1. No Unfair Discrimination

This test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair."

2. Fair and Equitable Test

This test applies to Classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no Class of Claims receive more than 100% of the Allowed amount of the Claims in such Class. As to the dissenting Class, the test sets different standards, depending on the type of Claims or Interests in such Class.

3. Secured Claims

Each Holder of an impaired secured Claim either (i) retains its liens on the property (or if sold, on the proceeds thereof) to the extent of the Allowed amount of its secured Claim and receives deferred Cash payments having a value, as of the effective date of the Plan, of at least the Allowed amount of such Claim or (ii) receives the "indubitable equivalent" of its Allowed secured Claim.

4. Unsecured Claims

Either (i) each Holder of an impaired unsecured Claim receives or retains under the Plan property of a value equal to the amount of its Allowed unsecured Claim or (ii) the Holders of Claims and Interests that are junior to the Claims of the dissenting Class will not receive or retain any property under the Plan.

5. Equity Interests

Either (i) each Interest Holder will receive or retain under the Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such Interest and (b) the value of the Interest, or (ii) the Holders of Interests that are junior to the Interests of the dissenting Class will not receive or retain any property under the Plan.

XII. CONCLUSION

The Debtors believe that confirmation and implementation of the Plan is in the best interests of all Creditors and Equity Security Holders, and urges all Holders that are entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by timely returning their Ballots.

By: /s/ Charles Cox
Charles Cox
Chief Executive Officer