

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

In re:)	Chapter 11
)	
ADI Liquidation, Inc. (f/k/a AWI)	Case No. 14-12092 (KJC)
Delaware, Inc.), <i>et al.</i> , ¹)	
)	
Debtors.)	Jointly Administered
)	
)	

**DISCLOSURE STATEMENT RELATING TO DEBTORS'
FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

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Dated: July 11, 2016

Attorneys for the Debtors and Debtors-in-Possession

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE "BANKRUPTCY COURT") UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE PLAN DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISTRIBUTION OF THIS DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SOLICITATION OF ACCEPTANCES OF SUCH PLAN. THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THIS DISCLOSURE STATEMENT CONTAINS "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE.

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: ADI Liquidation, Inc. (f/k/a AWI Delaware, Inc.) (3683); AW Liquidation, Inc. (f/k/a Associated Wholesalers, Inc.) (7857); NK Liquidation, Inc. (f/k/a Nells, Inc.) (1195); Co-Op Agency Inc. (4081); AL Liquidation, Inc. (f/k/a Associated Logistics, Inc.) (1506); WR Liquidation, Inc. (f/k/a White Rose Inc.) (1833); RT Liquidation Corp. (f/k/a Rose Trucking Corp.) (2630); WRSC Liquidation Corp. (f/k/a WR Service Corp.) (5698); WRSC II Liquidation Corp. (f/k/a WR Service II Corp.) (9444); WRSC V Liquidation Corp. (f/k/a WR Service V Corp.) (4224); and White Rose Puerto Rico, LLC (4914). The Debtors' address is AW Liquidation, Inc. (f/k/a Associated Wholesalers, Inc.), c/o Douglas A. Booth, Route 422, P.O. Box 233, Robesonia, PA 19551.

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I. INTRODUCTION

All capitalized terms used in this disclosure statement (the "Disclosure Statement") and not otherwise defined herein shall have the meanings ascribed to them in the Debtors' First Amended Chapter 11 Plan of Liquidation, dated May __, 2016, attached hereto as Exhibit "A" (the "Plan") (see Article I of the Plan entitled "Defined Terms and Rules of Interpretation").

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THE EXHIBITS ANNEXED TO THE PLAN AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF MAY __, 2016, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW(S) OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS OF THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THE DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS AND DEBTORS-IN-POSSESSION IN THESE CHAPTER 11 CASES. YOU ARE STRONGLY URGED TO CONSULT WITH YOUR FINANCIAL, LEGAL AND TAX ADVISORS TO FULLY UNDERSTAND THE PLAN AND DISCLOSURE STATEMENT.

THE DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN. CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS, BY ITS NATURE, FORWARD-LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE

MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS. THERE CAN BE NO ASSURANCE THAT ANY FORECASTED OR PROJECTED RESULTS CONTAINED HEREIN WILL BE REALIZED, AND ACTUAL RESULTS MAY VARY FROM THOSE SHOWN, POSSIBLY BY MATERIAL AMOUNTS.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, IF ANY, THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

THE DEBTORS BELIEVE THAT THE PLAN IS IN THE BEST INTERESTS OF, AND PROVIDES THE HIGHEST AND BEST RECOVERIES TO, HOLDERS OF ALL CLASSES OF CLAIMS. ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ARE URGED TO VOTE IN FAVOR OF THE PLAN. TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED, EXECUTED AND RECEIVED BY 5:00 P.M., EASTERN TIME, ON _____, 2016 (THE "VOTING DEADLINE").

THE DEBTORS RESERVE THE RIGHT TO FURTHER AMEND THIS DISCLOSURE STATEMENT AND THE ATTACHED PLAN.

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II. NOTICE TO HOLDERS OF CLAIMS

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) have prepared and filed the Debtors’ First Amended Chapter 11 Plan of Liquidation (as may be amended, the “Plan”). The Plan provides for the consolidation of the Debtors, for Plan purposes only, into two groups – defined below as the “AWI Debtors” and the “WR Debtors” – based on the Debtors’ principal lines of business, and contains sub-plans for each of these groups. The Plan further provides for the wind down and liquidation of each of the Debtors.

The purpose of this Disclosure Statement is to enable all voting creditors to make an informed decision when exercising their right to accept or reject the Plan. As such, each Holder of a Claim entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Moreover, except for the Debtors and certain of the Debtors’ Professionals, no person has been authorized to use or promulgate any information concerning the Debtors, their businesses or the Plan, other than the information contained in this Disclosure Statement, and if given or made, such information may not be relied upon as having been authorized by the Bankruptcy Court.

III. INSTRUCTIONS FOR VOTING

A. Voting Deadline

The Bankruptcy Court has fixed _____, 2016 as the Voting Record Date. Only holders of Claims on the Voting Record Date and certain other parties specified by the Bankruptcy Court are entitled to receive a copy of this Disclosure Statement and related materials.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting for or against the Plan on the enclosed Ballot and return the same to the address set forth on the Ballot in the enclosed, postage prepaid, return envelope so that it will be received by Epiq Bankruptcy Solutions, LLC (the “Voting Agent”) no later than _____, 2016 (the “Voting Deadline”).

Any Vendor that desires to be excluded from the C&S Plan Release may exercise the Vendor Opt-Out Election on such Vendor’s Ballot. Any Vendor that exercises the Vendor Opt-Out Election waives its right to share in the \$1.0 million C&S Plan Release Contribution. As set forth in Section VII(K) of the Disclosure Statement, if the Vendor Opt-Out Election is exercised by Vendors from whom C&S has collected, applied or otherwise deducted in excess of \$3.2 million of C&S Credits, a condition precedent to the effectiveness of the C&S Settlement Agreement will not be satisfied and the Plan may not become effective.

BALLOTS SENT BY FACSIMILE TRANSMISSION OR ELECTRONIC MAIL ARE NOT PERMITTED AND WILL NOT BE COUNTED.

DO NOT RETURN ANY OTHER DOCUMENTS WITH YOUR BALLOT.

You may be bound by the Plan if it is accepted by the requisite holders of Claims even if you do not vote to accept the Plan or you are the holder of an Unimpaired Claim.

B. Further Information/Additional Copies

If you have any questions about (1) the procedures for voting your Claim, (2) the packet of materials that you have received or (3) the amount of your Claim for Voting purposes, or if you wish to obtain an additional copy of the Plan or this Disclosure Statement, please contact:

ADI Liquidation, Inc. (f/k/a AWI Delaware, Inc.)
c/o Epiq Bankruptcy Solutions, LLC
Ballot Processing Center
P.O. Box 4422
Beaverton, OR 97075-4422
(646) 282-2500
tabulation@epiqsystems.com

C. Objections to Confirmation/Confirmation Hearing

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a Confirmation Hearing commencing on _____, 2016 at _____ a.m./p.m., prevailing Eastern Time, before the Honorable Kevin J. Carey, at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Courtroom #5, Wilmington, Delaware 19801. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before _____, 2016 at 4:00 p.m., prevailing Eastern Time.

THE DEBTORS AND THE CREDITORS' COMMITTEE SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS TO VOTE TO ACCEPT THE PLAN. THE CREDITORS' COMMITTEE HAS PREPARED A LETTER IN SUPPORT OF CONFIRMATION OF THE PLAN, WHICH IS INCLUDED WITH THIS DISCLOSURE STATEMENT. UNSECURED CREDITORS AND VENDORS SHOULD REVIEW THE CREDITORS' COMMITTEE'S LETTER IN CONNECTION WITH THEIR EVALUATION OF THE PLAN.

IV. EXPLANATION OF CHAPTER 11

A principal goal of a chapter 11 bankruptcy case is to reorganize or liquidate a debtor's business for the benefit of creditors and parties in interest. The plan of reorganization or liquidation is the blueprint for accomplishing this goal, as it sets forth the means for satisfying the holders of claims against, and interests in, the debtor's estate. Upon confirmation of a plan, the plan becomes binding on the debtor and all of its creditors and equity holders, and the obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan.

After a plan of reorganization or liquidation has been filed, the holders of impaired claims against, and interests in (if any), a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires the debtor to prepare 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. **This Disclosure Statement is presented to holders of Claims against**

the Debtors in order to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Debtors' solicitation of votes on the Plan.

A bankruptcy court may confirm a plan of reorganization or liquidation even though fewer than all the classes of impaired claims and equity interests accept such plan. For a plan to be confirmed despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without counting the votes of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not voted to accept the plan. **The Debtors believe the Plan is structured so that it will satisfy the foregoing requirements as to any rejecting class of Claims and can therefore be confirmed, if necessary, over the objection of any (but not all) classes of Claims.**

V. BRIEF OVERVIEW OF THE PLAN

The Plan provides for the treatment of Claims against, and Interests in, each of the Debtors in *In re ADI Liquidation, Inc. (f/k/a AWI Delaware, Inc.), et al.*, Case No. 14-12092-KJC (Jointly Administered). The following is a brief overview of the material provisions of the Plan and is qualified in its entirety by reference to the full text of the Plan. In summary, the Plan provides for, among other things the: (i) classification and treatment of unclassified and classified Claims and Interests; (ii) incorporation of the terms of the C&S Settlement Agreement; (iii) liquidation of the Debtors' Remaining Assets; (iv) wind down of the Debtors' Estates; and (v) reconciliation of Claims.

A. Summary of Classifications under the Plan, Asserted Claims and Estimated Recoveries and Treatment

The following is a summary of Claims asserted and estimated Allowed Claims and recoveries under the Plan, as well as a brief description of the treatment afforded in the Plan on account of Allowed Claims and Interests. It is qualified in its entirety by reference to the full text of the Plan, which is attached to this Disclosure Statement as Exhibit "A." The Claim amounts and recoveries set forth below reflect the Debtors' mid-range calculations or estimates. The actual Allowed amount of Claims may differ from the amounts set forth in the summary below as reflected in Exhibit "B." The amounts utilized further differ from the outstanding filed Claim amounts. Any creditor that filed a Proof of Claim in an amount, or with a priority, different from that set forth in the applicable Debtor's Schedules is subject to potential dispute regarding the appropriate amount and/or priority of such creditor's Allowed Claim.

Over 2,000 Proofs of Claim have been filed with the Debtors' Claims Agent. In addition, other Claims that were scheduled as non-contingent, liquidated and non-disputed for which no Proof of Claim was filed. To determine the validity of the Proofs of Claim submitted in the Chapter 11 Cases, the Debtors and their Professionals will continue to review the Proofs of Claim, including any supporting documentation, and compare the Claims asserted with the Debtors' books and records. Based upon this review, the Debtors may file procedural and substantive objections to Claims both before and after the Effective Date.

<i>Class</i>	<i>Class Name</i>	<i>Debtor (defined below)</i>	<i>No. of Claims/Interests Asserted</i>	<i>Amount (\$) of Claims Asserted²</i>	<i>Estimated Amount of Allowed Claims (Mid-Range Estimate)</i>	<i>Proposed Treatment</i>
Unclassified	Administrative	AWI Debtors	278	\$111,502,555.50	\$15.7 million	Cash equal to 100% of Allowed Claim to be paid as soon as reasonably practicable after the Effective Date (but in no event later than thirty (30) days after the Effective Date if the Administrative Claim is an Allowed Administrative claim on the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
Unclassified	Administrative	WR Debtors	144	\$61,337,431.86	\$7.7 million	Cash equal to 100% of Allowed Claim to be paid as soon as reasonably practicable after the Effective Date (but in no event later than thirty (30) days after the Effective Date if the Administrative Claim is an Allowed Administrative claim on the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
Unclassified	Priority Tax	AWI Debtors	9	\$6,666,208.78	\$4.0 million	Cash equal to 100% of Allowed Claim to be paid as soon as reasonably practicable after the Effective Date (but in no event later than thirty (30) days after the Effective Date if the Priority Tax Claim is an Allowed Priority Tax claim on the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
Unclassified	Priority Tax	WR Debtors	5	\$3,145.41	\$1,234.47	Cash equal to 100% of Allowed Claim to be paid as soon as reasonably practicable after the Effective Date (but in no event later than thirty (30) days after the Effective Date if the Priority Tax Claim is an Allowed Priority Tax claim on the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
1A	Priority Non-Tax Claims	AWI Debtors	194	\$76,915,987.00	\$1.4 million	Cash equal to 100% of Allowed Claim to be paid as soon as reasonably practicable after the Effective Date (but in no event later than thirty (30) days after the Effective Date if the Priority Non-Tax Claim is an Allowed Priority Non-Tax claim on the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
1B	Priority Non-Tax Claims	WR Debtors	96	\$6,142,646.98	\$1.5 million	Cash equal to 100% of Allowed Claim to be paid as soon as reasonably practicable after the Effective Date (but in no event later than thirty (30) days after the Effective Date if the Priority Non-Tax Claim is an Allowed Priority Non-Tax claim on the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
2A	Secured Claims	AWI Debtors	34	\$7,785,038.15	\$1.0 million	Cash equal to 100% of Allowed Claim, release of collateral securing Allowed Claim or other agreed-upon treatment, to be paid on, or as soon as is reasonably practicable after, the Effective Date (but in no event later than thirty (30) days after the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.

² In summarizing the number and amount of Claims asserted, the Debtors have attempted to exclude Claims that have been withdrawn or expunged to date, as well as duplicative and amended Claims.

<i>Class</i>	<i>Class Name</i>	<i>Debtor (defined below)</i>	<i>No. of Claims/Interests Asserted</i>	<i>Amount (\$) of Claims Asserted²</i>	<i>Estimated Amount of Allowed Claims (Mid-Range Estimate)</i>	<i>Proposed Treatment</i>
2B	Secured Claims	WR Debtors	37	\$16,397,690.01	\$1.6 million	Cash equal to 100% of Allowed Claim, release of collateral securing Allowed Claim or other agreed-upon treatment, to be paid on, or as soon as is reasonably practicable after, the Effective Date (but in no event later than thirty (30) days after the Effective Date) or the date upon which such Claim becomes an Allowed Claim, whichever is later.
2A/Bank	Secured Bank Claims	AWI Debtors	15	Unliquidated	Unliquidated	Allowed Secured Bank Claims shall be paid and satisfied from the Bank Reserve (as defined below) as and when liquidated. Upon the Effective Date, Holders of Secured Bank Claims shall be deemed to forever release and discharge their security interest in, and liens on, the Debtors' assets, with the exception of BOA, which shall retain certain liens.
2B/Bank	Secured Bank Claims	WR Debtors	6	Unliquidated	Unliquidated	Allowed Secured Bank Claims shall be paid and satisfied from the Bank Reserve (as defined below) as and when liquidated. Upon the Effective Date, Holders of Secured Bank Claims shall be deemed to forever release and discharge their security interest in, and liens on, the Debtors' assets, with the exception of BOA, which shall retain certain liens.
3A	General Unsecured Claims ³	AWI Debtors	1,135	\$187,170,577.62	\$149 million	Cash on the Initial, Subsequent and Final Distribution Dates in the amount of the Allowed General Unsecured Claim multiplied by the Initial, Subsequent or Final Distribution Percentage, as applicable, and, if applicable, a Catch-Up Distribution. Range of recovery: 7.1% - 17.7%.
3B	General Unsecured Claims	WR Debtors	540	\$122,934,921.02	\$132 million	Cash on the Initial, Subsequent and Final Distribution Dates in the amount of the Allowed General Unsecured Claim multiplied by the Initial, Subsequent or Final Distribution Percentage, as applicable, and, if applicable, a Catch-Up Distribution. Range of recovery: 5.7% - 18.5%.

³ Asserted General Unsecured Claim totals include scheduled Claims that have not been matched to filed Claims. They also include withdrawal liability and PBGC Claims, which the Debtors believe are General Unsecured Claims.

<i>Class</i>	<i>Class Name</i>	<i>Debtor (defined below)</i>	<i>No. of Claims/Interests Asserted</i>	<i>Amount (\$) of Claims Asserted²</i>	<i>Estimated Amount of Allowed Claims (Mid-Range Estimate)</i>	<i>Proposed Treatment</i>
3AV	Vendor Claims ⁴	AWI Debtors	To Be Provided	To Be Provided	To Be Provided	Cash on the Initial, Subsequent and Final Distribution Dates in the amount of the Allowed General Unsecured Claim multiplied by the Initial, Subsequent or Final Distribution Percentage, as applicable, and, if applicable, a Catch-Up Distribution, <u>plus</u> a pro rata share of the C&S Plan Release Contribution on the first Subsequent Distribution Date after the Allowance or Disallowance of all Vendor Claims held by Vendors that have not exercised the Vendor Opt-Out Election, if such Vendor has not exercised the Vendor Opt-Out Election. Range of recovery: ____% - ____%.
3BV	Vendor Claims	WR Debtors	To Be Provided	To Be Provided	To Be Provided	Cash on the Initial, Subsequent and Final Distribution Dates in the amount of the Allowed General Unsecured Claim multiplied by the Initial, Subsequent or Final Distribution Percentage, as applicable, and, if applicable, a Catch-Up Distribution, <u>plus</u> a pro rata share of the C&S Plan Release Contribution on the first Subsequent Distribution Date after the Allowance or Disallowance of all Vendor Claims held by Vendors that have not exercised the Vendor Opt-Out Election, if such Vendor has not exercised the Vendor Opt-Out Election. Range of recovery: ____% - ____%.
4A	Interests	AWI Debtors	104	N/A	N/A	No recovery. Interests shall be cancelled upon the Effective Date.
4B	Interests	WR Debtors	2	N/A	N/A	No recovery. Interests shall be cancelled upon the Effective Date.

VI. GENERAL INFORMATION

The Debtors consist of ADI Liquidation, Inc. (f/k/a AWI Delaware, Inc.), AW Liquidation, Inc. (f/k/a Associated Wholesalers, Inc.), NK Liquidation, Inc. (f/k/a Nells, Inc.), Co-Op Agency Inc., AL Liquidation, Inc. (f/k/a Associated Logistics, Inc.), WR Liquidation, Inc. (f/k/a White Rose Inc.), RT Liquidation Corp. (f/k/a Rose Trucking Corp.), WRSC Liquidation Corp. (f/k/a WR Service Corp.), WRSC II Liquidation Corp. (f/k/a WR Service II Corp.), WRSC V Liquidation Corp. (f/k/a WR Service V Corp.) and White Rose Puerto Rico, LLC.

⁴ Vendor Claim figures are currently included in the General Unsecured Claim figures. The Debtors will update this summary to separately reflect the Vendor Claim amounts from the General Unsecured Claim amounts upon receiving a list of Vendors from C&S in accordance with the C&S Settlement Agreement.

A. Businesses of the Debtors

(a) The AWI Debtors

AW Liquidation, Inc. (f/k/a Associated Wholesalers, Inc.) ("AWI"): Founded in 1962, AWI was a leading cooperative food distributor that provided distribution and retail services to member retailers. AWI served approximately 800 supermarkets, specialty stores, convenience stores and superettes with grocery, meat, produce, dairy, frozen foods and general merchandise/health and beauty care products. AWI also provided a wide array of retail services to its customers, which were located primarily in the mid-Atlantic United States. AWI owned two distribution facilities: one in Robeson, Pennsylvania and one in York, Pennsylvania. AWI is owned by approximately 500 members, which operated supermarkets. AWI is a Pennsylvania corporation.

AL Liquidation, Inc. (f/k/a Associated Logistics, Inc.) ("ALI"): ALI was incorporated in 1999 as a wholly-owned subsidiary of AWI. ALI was a freight, shipping and trucking company that provided all freight and logistics services to AWI and to a limited number of third parties. AWI provided all back office support (including payroll, insurance, legal, treasury, human resources and other administrative functions) and employees for ALI. ALI operated from a facility in Robeson, Pennsylvania owned by AWI and physically adjacent to the AWI distribution and warehouse facility. ALI is a Pennsylvania corporation.

ADI Liquidation, Inc. (f/k/a AWI Delaware, Inc.) ("ADI"): ADI was incorporated in 2001 as a wholly-owned subsidiary of AWI. ADI licensed and sublicensed certain intellectual property to the Debtors. ADI is a Delaware corporation.

Co-Op Agency Inc. ("Co-Op"): Co-Op was incorporated in 1973 as a wholly-owned subsidiary of AWI for the purpose of providing insurance brokerage services to member retailers and others. As a full-service independent insurance broker, Co-Op maintained a commercial division that specialized in placing insurance for supermarket and convenience stores, a division that placed various personal lines of coverage and offered corporate and other individual products. Co-Op is a Pennsylvania corporation.

NK Liquidation, Inc. (f/k/a Nells, Inc.) ("Nells"): Nells was incorporated in 1983 and is a wholly-owned subsidiary of AWI. Nells was formed for the purpose of owning and operating retail grocery stores, which were supplied primarily by AWI. As of the Petition Date, Nells employed 352 employees and owned four (4) retail stores. Nells is a Pennsylvania corporation.

(b) The White Rose Debtors⁵

WR Liquidation, Inc. (f/k/a White Rose Inc.) ("WR"): WR was a leading independent food wholesaler and distributor serving the greater New York metropolitan area. It was formed in 1886, when brothers Joseph and Sigel Seeman founded Seeman Brothers & Doremus

⁵ In addition to the WR subsidiaries described below, WR has six direct or indirect subsidiaries that did not file Chapter 11 proceedings. None of these entities conducted business operations as of the Petition Date and none has any material assets.

("Seeman Brothers") to provide grocery deliveries in the New York metropolitan area. Ultimately, Seeman Brothers gave the "White Rose" name to their entire product line. In 1965, DiGiorgio Corporation ("DiGiorgio") purchased Seeman Brothers' wholesale business, including the White Rose label, as well as another wholesale food distribution business. This combined wholesale operation was the largest wholesale grocery operation in the New York metropolitan market. In June 2006, AWI acquired the stock of DiGiorgio and changed its name to White Rose, Inc. WR is a Delaware corporation.

WR and its affiliates distributed a wide assortment of food and non-food items, as well as a highly-regarded private label offering, to their approximately 495 customers through three main channels: (i) independent grocery stores; (ii) regional and national supermarket chain stores; and (iii) diverters, including downstream distributors. The company also maintained a trade name "banner" program under which it offered banner members certain additional services, including weekly advertising circulars, shelf labels and other merchandising support materials.

RT Liquidation, Inc. (f/k/a Rose Trucking Corp.) ("Rose Trucking"): Rose Trucking was incorporated in 1993 and is a wholly-owned subsidiary of WR. Rose Trucking provided freight, shipping and logistics services primarily to WR as well as, to a limited extent, certain third-party customers. Rose Trucking operated from WR's primary facility in Carteret, New Jersey. WR provided all back office support (including human resources, treasury, insurance and other administrative functions) for Rose Trucking. Rose Trucking is a New Jersey corporation.

WRSC Liquidation Corp. (f/k/a WR Service Corp.) ("WRSC"): WRSC was incorporated in 1985 for the purpose of holding an interest in a collateral assignment of a customer lease. WRSC is a New York corporation.

WRSC II Liquidation Corp. (f/k/a WR Service II Corp.) ("WRSC II"): WRSC II was incorporated in 1992 for the purpose of holding an interest in a collateral assignment of a customer lease. WRSC II is a New York corporation.

WRSC V Liquidation Corp. (f/k/a WR Service V Corp.) ("WRSC V"): WRSC V was incorporated for the purpose of holding a license for certain trademarks. WRSC V is a New York corporation.

White Rose Puerto Rico, LLC ("WR Puerto Rico"): WR Puerto Rico was formed in 2003 for the purpose of facilitating the shipment of products to customers in Puerto Rico. WR Puerto Rico is a Delaware limited liability company.

B. Facilities and Products

(a) AWI Debtors

AWI historically operated as a cooperative, providing products and services to its shareholders. AWI's shareholders benefited from the "economies of scale" achieved by purchasing products and services from AWI, and through patronage distributions (annual distributions to shareholders based on each shareholder's volume of purchases). AWI provided its customers with an assortment of more than 19,000 food and non-food products, including

grocery, frozen, dairy, produce, meat, cigarettes and health and beauty products. In addition, as indicated above, AWI offered a broad spectrum of retail services to its customers, including advertising, insurance, marketing, merchandising and store development services.

AWI's operations were carried out through its distribution facilities in Robesonia and York, Pennsylvania. The facility in Robesonia was an 800,000 square foot facility that served as the company's headquarters, as well as a distribution center for grocery, frozen, meat, produce and dairy products. The facility in York was a 200,000 square foot facility that was used for the distribution of health and beauty products and cigarettes. AWI's products were distributed to customers from these facilities via a fleet of 99 tractors and 246 trailers.

As of the Petition Date, the AWI Debtors had approximately 1,459 employees, including 529 union members. AWI was a party to collective bargaining agreements with the Teamsters Local Union No. 429 ("Local 429") and the Teamsters Local Union No. 776 ("Local 776").

(b) WR Debtors

WR carried out its operations through three leased warehouse and distribution centers, two of which were located in Carteret, New Jersey. The first Carteret facility was an 810,000 square foot facility that served as the company's headquarters, as well as a distribution center for groceries and non-perishable items. The second Carteret facility was a 279,000 square foot facility that served as a distribution center for frozen food products. WR also had a facility in Woodbridge, New Jersey, which was a 200,000 square foot facility that was used for the distribution of refrigerated products. Products were distributed to customers from these facilities using a fleet consisting of 111 tractors and 353 trailers.

As of the Petition Date, the WR Debtors employed approximately 777 employees, including 588 union members. The WR Debtors were parties to five collective bargaining agreements: (a) an agreement with Teamsters Local Union No. 97 ("Local 97"), covering grocery warehouse employees; (b) an agreement with Teamsters Local Union No. 641 ("Local 641"), covering grocery trucking employees; (c) an agreement with Teamsters Local Union No. 863 ("Local 863"), covering dairy warehouse employees; (d) an agreement with Local 863, covering dairy trucking employees; and (e) an agreement with Teamsters Local Union No. 805 ("Local 805"), covering frozen warehouse employees and frozen trucking employees.

C. Management

As of the Petition Date, the officers and directors of the Debtors were as follows:

(a) AWI:

Directors: Michael Rothwell, Charles W. Wetzel, David McKay, Elizabeth Sandra Banthem, George W. Hassler, III, Greg Musser, Gregory V. Saubel, Jeffrey Krenitsky, Jeffrey M. Stauffer, John D. Yoder, Joyce Fasula, Martin R. Brown, Matthew R. Saunders, Michael J. Weaver, PK Hoover, Walter G. Clocker, Wilmer Hurst, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer) and David M. Lieb (Secretary and Executive Vice President)

(b) Nells:

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer) and David M. Lieb (Secretary and Executive Vice President)

(c) Co-Op:

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer) and David M. Lieb (Secretary and Executive Vice President)

(d) ALI:

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer) and David M. Lieb (Secretary and Executive Vice President)

(e) ADI:

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: David M. Lieb (Secretary and Executive Vice President)

(f) WR:

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer), and David M. Lieb (Secretary and Executive Vice President)

(g) Rose Trucking:

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer), and David M. Lieb (Secretary and Executive Vice President)

(h) **WRSC:**

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer), and David M. Lieb (Secretary and Executive Vice President)

(i) **WRSC II:**

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer), and David M. Lieb (Secretary and Executive Vice President)

(j) **WRSC V:**

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer), and David M. Lieb (Secretary and Executive Vice President)

(k) **WR Puerto Rico:**

Directors: Michael Rothwell, James B. Shein and Bradley Dietz.

Officers: Matthew R. Saunders (President and Chief Executive Officer), David J. Firek (Treasurer), and David M. Lieb (Secretary and Executive Vice President)

D. Summary of Prepetition Indebtedness

Prepetition Credit Facility. As of the Petition Date, Debtors AWI, Nells, ALI and WR (the "Borrowers") were parties to a Second Amended and Restated Credit Agreement dated as of June 30, 2010 (as amended, the "Pre-Petition Credit Facility") with a group of lenders (collectively, the "Lenders"): BOA, Banc of American Securities LLC as sole lead arranger and joint book runner, Wells Fargo Capital Finance, LLC as joint book runner and syndication agent, and RBS Business Capital, as documentation agent (collectively with the Lenders and BOA, the "Bank Group"). In addition to being a member of the Bank Group, BOA also served as issuer and agent for the Bank Group with respect to the Pre-Petition Credit Facility. Debtors ADI, Co-Op and Rose Trucking (collectively, the "Guarantors") were guarantors under the Pre-Petition Credit Facility.

The Pre-Petition Credit Facility consisted of (a) a revolving credit facility of up to \$225 million and (b) term loans from each lender equaling a percentage of \$15 million. The Pre-Petition Credit Facility also provided for the issuance of letters of credit on behalf of the Borrowers, not to exceed \$25 million at any time.

On June 30, 2010, AWI, Nells, ALI, WR, ADI, Co-Op and Rose Trucking (collectively, the "Credit Parties") entered into a Second Amended and Restated Loan and Security Agreement (the "Security Agreement") with BOA, as agent. Pursuant to the Security Agreement, the obligations owed to the Bank Group under the Pre-Petition Credit Facility were secured by liens on substantially all of the Borrowers' and Guarantors' assets (the "Pre-Petition Collateral").

On December 4, 2013, the Borrowers, the Guarantors, the Lenders and BOA entered into a Consent and Third Amendment to the Pre-Petition Credit Facility that, among other things, provided for certain amendments to be made to the Pre-Petition Credit Facility in order to reflect the terms of the ASG Supply Agreement (as defined in Section VII(M)(a) below) and certain related agreements. The Consent and Third Amendment also required the Borrowers to retain Carl Marks Advisory Group, LLC ("Carl Marks") to, *inter alia*, provide financial and management consulting services to the Borrowers.

On February 28, 2014, the Borrowers, the Guarantors, the Lenders and BOA entered into a Waiver and Fourth Amendment to the Pre-Petition Credit Facility that, among other things, waived certain existing defaults under the Pre-Petition Credit Facility and provided for the sale of certain real estate. After entering into the Waiver and Fourth Amendment, AWI received a series of default notices from BOA, on May 1, 2014, June 5, 2014 and June 18, 2014, which arose primarily from the Debtors' failure to comply with certain financial covenants set forth in the Pre-Petition Credit Facility. As of the Petition Date, the Debtors owed the Bank Group an aggregate principal amount of not less than \$116,971,283.64 (exclusive of outstanding letters of credit), plus accrued interest.

Trade Debt. The Debtors' Schedules reflected that the Debtors had, in the aggregate, approximately \$92 million in unsecured trade debt as of the Petition Date. Approximately \$58 million of this amount was unsecured trade debt of the AWI Debtors and approximately \$34 million of this amount was unsecured trade debt of the WR Debtors.

Pension Plans. As of the Petition Date, certain of the Debtors participated in multi-employer pension plans with certain union pension funds, including the Teamsters Local 641 Pension Trust, the Teamsters Local 11 Pension Fund, the Central Pennsylvania Teamsters Pension Fund and the Local 805 Pension and Retirement Fund. Certain of the Debtors also made contributions to the following debtor sponsored pension plans within the six-year period prior to the commencement of the Chapter 11 Cases:

- Associated Wholesalers, Inc. and White Rose Employee Savings Plan
- Associated Wholesalers, Inc. Bargaining Employees Savings Plan
- Nells Inc. Salary Savings Plan
- Third Restated Di Giorgio Retirement Plan

Intercompany Claims. The Debtors' books and records reflect certain intercompany obligations existing between one or more of the Debtors as of the Petition Date. The Debtors' books and records reflected amounts owing: (i) from Nells to AWI of approximately \$11 million; (ii) from AWI to Co-Op of approximately \$890,000; (iii) from ALI to AWI of

approximately \$462,000; (iv) from AWI to WR in the amount of approximately \$5 million; (v) from WR to RT in the amount of approximately \$9 million; and (vi) from WR Puerto Rico to WR in the amount of approximately \$116,000.

E. Events Leading to the Commencement of the Chapter 11 Cases

At the time that it acquired WR, AWI believed that the companies could be integrated to take advantage of certain synergies that would enhance both businesses. Unfortunately, AWI was never able to capitalize on the perceived benefits of combining the businesses. In addition, WR's customer base significantly eroded as a result of a number of factors, including compressed margins and fierce competition. AWI experienced a material decline in business beginning in 2013.

Annual revenue for the Debtors, on a consolidated basis, was approximately \$2.2 billion in each of the fiscal years ending on July 29, 2011, August 3, 2012 and August 2, 2013.

Net income for the AWI Debtors over the three fiscal years preceding the Petition Date was as follows:⁶

2011:	\$22.5 million
2012:	\$22.9 million
2013:	(\$19.0 million)

Net income for the WR Debtors over the three fiscal years preceding the Petition Date was as follows:⁷

2011:	\$1.8 million
2012:	\$2.4 million
2013:	(\$2.6 million)

Carl Marks conducted a business review of the impact of the ASG Supply Agreement (as defined below) on WR's operations and assisted the Debtors in developing strategic options for WR. The Board of Directors of AWI formed a special committee to oversee the restructuring efforts of WR (the "Restructuring Committee"). Although this process led to the identification of several initiatives that could improve profitability and stability in the business, unfortunately the Borrowers experienced additional defaults under the Pre-Petition Credit Facility as the business continued to decline.

F. Sale and Marketing Efforts

On May 13, 2014, the Debtors hired Lazard Middle Market, LLC ("LMM") as their exclusive investment banker. Upon its retention, LMM prepared marketing materials and developed an extensive electronic data room. On June 6, 2014, LMM began actively marketing

⁶ These figures reflect net income before patronage and income taxes.

⁷ These figures reflect net income before patronage and income taxes.

the WR Debtors, sending teasers and non-disclosure agreements to 18 strategic buyers and 37 financial buyers.

As LMM proceeded to market the WR Debtors for sale, it found, based on discussions and feedback from potential buyers, that many potential strategic buyers were primarily interested in the potential purchase of the AWI Debtors' assets, or that such buyers would only consider a purchase of the WR Debtors' assets as part of a broader purchase of *all* of the Debtors' assets. LMM concluded that the WR Debtors could not be sold as a stand-alone business. At the same time, the AWI Debtors' businesses continued to decline, due in part to WR's ongoing working capital requirements, and it became clear that AWI would not be able to absorb the debts that likely would remain if the WR Debtors' assets were sold. Accordingly, the Debtors concluded that the best way to maximize value for all of their constituents was to market all of their assets for sale. Accordingly, the role of the Restructuring Committee was then expanded to oversee the restructuring efforts for all of the Debtors. As part of this expanded role, two independent directors were appointed to the Restructuring Committee – James B. Shein and Bradley Dietz.

After expanding the scope of the sale process to incorporate all of the Debtors' assets, LMM sent teasers to 40 strategic buyers and 42 financial buyers, generating substantial interest in the Debtors' assets. As of the Petition Date, thirty-six parties had executed non-disclosure agreements to conduct due diligence in connection with a possible acquisition. LMM also distributed a Confidential Information Memorandum to those parties and provided access to the electronic data room. The data room contained significant information about all aspects of the businesses, and the Debtors and LMM fielded multiple requests for additional information from interested parties. Additionally, LMM and the Debtors' management conducted in-person meetings with potential bidders to show them the facilities and further explore their interest in purchasing all or a portion of the Debtors' assets.

Following this marketing process, the Debtors received letters of intent from three strategic buyers. Thereafter, following negotiations, the Debtors entered into an Asset Purchase Agreement with C&S on September 9, 2014 (the "Stalking Horse APA"), which served as the stalking horse bidder in a competitive bidding process before the Bankruptcy Court.

VII. THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

On September 9, 2014 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Chapter 11 Cases have been jointly administered for procedural purposes only.

B. Continuation of Business after the Petition Date

Subsequent to the Petition Date, the Debtors continued to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. During the period immediately following the Petition Date, the Debtors sought and obtained authority from the Bankruptcy Court with respect to a number of matters

that were, in the Debtors' view, essential to the Debtors' orderly transition into chapter 11 and the stabilization of the Debtors' operations.

(a) First Day Relief

On the Petition Date, the Debtors sought various types of "first day" relief intended to facilitate the transition of the Debtors' ordinary business operations into chapter 11. The Bankruptcy Court entered several "first day" orders, which authorized, among other things:

- (i) the joint administration of the Debtors' related bankruptcy cases [D.I. 45];
- (ii) the Debtors' payment of certain prepetition sales, use, fuel, property and other similar taxes, tolls, fees, licenses and other similar charges and assessments, and banks to receive, process, honor and pay checks related thereto [D.I. 48];
- (iii) the maintenance, renewal, cancellation or replacement of existing insurance programs and payment of all premiums, fees and costs in connection therewith [D.I. 49];
- (iv) the (i) payment of certain prepetition wages, salaries, bonuses and other compensation, reimbursable employee expenses, employee medical and similar benefits, (ii) continuance of prepetition employee programs, and (iii) the honoring of all related checks and electronic payment requests [D.I. 50];
- (v) the continuation of the Debtors' use of their existing cash management system and maintenance of the Debtors' existing bank accounts and business forms and the grant of administrative expense priority to post-petition intercompany claims [D.I. 53];
- (vi) the honoring of certain pre-petition obligations to customers and continuation of certain pre-petition customer practices and programs [D.I. 54];
- (vii) the payment in the ordinary course of business of pre-petition claims of shippers and warehousemen and pre-petition claims for goods delivered post-petition [D.I. 55];
- (viii) the payment of pre-petition claims asserted under the Perishable Agricultural Commodities Act [D.I. 56]; and
- (ix) the retention of Epiq Bankruptcy Solutions, LLC as claims and noticing agent [D.I. 57].

(b) The DIP Facility

In addition to the relief described above, the Debtors also filed a motion (the "DIP/Cash Collateral Motion") for authority to, among other things: (i) incur post-petition secured indebtedness with administrative super-priority status pursuant to a Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement between AWI, WR, Nells and ALI, as borrowers, and ADI, Co-Op and Rose Trucking, as guarantors, certain lenders, including C&S, and BOA, as issuing bank and agent (the "DIP Credit Agreement"); (ii) grant certain liens; and (iii) use cash collateral and provide adequate protection.

The DIP/Cash Collateral Motion was approved on an interim basis on September 10, 2014 [D.I. 58], and a final order approving the motion was entered on October 6, 2014 [D.I. 279] (the "Final DIP/Cash Collateral Order"). Under the Final DIP/Cash Collateral Order, the Debtors were authorized to borrow up to \$175,000,000 (the "DIP Facility"), which included amounts outstanding under the Pre-Petition Credit Facility and certain letters of credit as of the Petition Date, in order to fund the Debtors' working capital needs.

The DIP Facility was funded by two sources: (i) secured revolving loans, with a maximum available amount of \$152,110,000, plus outstanding letters of credit as of the Petition Date; and (ii) a secured revolving last out loan from C&S of up to \$18 million. The lenders were not required to advance any revolving loans to the Debtors until C&S had advanced the full amount of its revolving loan. In addition, under the DIP Credit Agreement, C&S would receive payment from the Debtors only after the lenders were paid in full.

Pursuant to the Final DIP/Cash Collateral Order, the Bankruptcy Court also authorized the Debtors to provide adequate protection in the form of: (i) superpriority administrative claim status with respect to all obligations arising under the DIP Credit Agreement, (ii) first priority, priming, valid, perfected and enforceable liens on all of the Debtors' real and personal property; and (iii) repayment of the principal amount of the Pre-Petition Credit Facility, as well as payment for interest, fees and costs related thereto.

C. Representation of the Debtors

On September 12, 2014, the Debtors filed an application to retain Saul Ewing LLP as bankruptcy counsel [D.I. 88], which was approved by the Bankruptcy Court on October 2, 2014 [D.I. 262]. On September 17, 2014, the Debtors filed an application to retain Lazard Freres & Co. LLC and LLM as their investment banker [D.I. 124], which was approved by the Bankruptcy Court on October 27, 2014 [D.I. 486].

On October 17, 2014, the Debtors filed an application to retain Rhoads & Sinon LLP as special counsel to the Debtors [D.I. 339], which was approved by the Bankruptcy Court on November 21, 2014 [D.I. 984].

On February 26, 2015, the Debtors filed an application to retain ROCK Commercial Real Estate, LLC ("ROCK") as real estate broker to assist the Debtors with the sale of two parcels of real property located in Pennsylvania, as described below [D.I. 1814]. ROCK's retention was approved by the Bankruptcy Court on March 19, 2015 [D.I. 1881].

On March 19, 2015 the Debtors filed an application to retain McGladrey LLP to provide tax preparation and tax consulting services [D.I. 1884]. This application was approved by the Bankruptcy Court on May 1, 2015 [D.I. 2039]. Lastly, on April 2, 2015, the Debtors filed an application to employ Mercer (US) Inc. and its affiliates to provide actuarial and consulting services to the Debtors [D.I. 1945], which application was approved on May 1, 2015 [D.I. 2037].

D. The Chief Restructuring Officer

By order dated October 2, 2014 [D.I. 263], the Bankruptcy Court approved the Debtors' motion to retain Carl Marks to (i) provide the Debtors with a Chief Restructuring Officer ("CRO") and additional personnel, and (ii) designate Douglas A. Booth as the Debtors' CRO, *nunc pro tunc* to the Petition Date. Since then, the Bankruptcy Court has entered orders dated February 19, 2015 [D.I. 1764] and October 27, 2015 [D.I. 2469], revising, among other things, the terms of Carl Marks' fee structure.

E. Formation and Representation of the Creditors' Committee

On or about September 17, 2014, the United States Trustee appointed the Official Committee of Unsecured Creditors of ADI Liquidation Inc. (f/k/a AWI Delaware, Inc.), *et al.* (the "Creditors' Committee") [D.I. 86]. The members of the Creditors' Committee are, as of the date hereof, as follows:

ConAgra Foods, Inc.
Nestle Holdings
Kraft Foods Group
McKesson Corporation
IBT Warehouse Division
Pension Benefit Guaranty Corporation

By orders dated October 27, 2014, the Bankruptcy Court approved the Creditors' Committee's applications to retain the law firms of Pepper Hamilton LLP and Hahn & Hessen LLP [D.I. 487, 488, respectively] as its counsel. In addition, on October 27, 2014 the Bankruptcy Court entered an order approving the Creditors' Committee's application to retain Capstone Advisory Group, LLC and Capstone Valuation Services, LLC as its financial advisor [D.I. 489]. On June 24, 2015, the Creditors' Committee filed an application to retain Berkeley Research Group, LLC ("BRG Capstone") as substitute financial advisor [D.I. 2192], which application was granted on July 30, 2015 [D.I. 2273].

F. Schedules and Bar Date

On September 10, 2014, the Bankruptcy Court entered an order extending the deadline by which the Debtors were required to file their Schedules to the later of October 17, 2014 or the date that was one week prior to the auction of substantially all of the Debtors' assets [D.I. 47]. Consistent with this order, on October 21, 2015, each of the Debtors filed their Schedules [D.I. 374-395]. Among other things, the Schedules set forth the Claims of known creditors against the Debtors as of the Petition Date, based upon the Debtors' books and records.

By Order entered December 17, 2014 [D.I. 1208], the Bankruptcy Court established (i) February 6, 2015 at 4:00 p.m. (prevailing Eastern Time) (the "General Bar Date") as the deadline for filing non-governmental Proofs of Claim against the Debtors, including administrative expense requests pursuant to section 503(b)(9) of the Bankruptcy Code and claims allegedly secured by a right of setoff, and (ii) March 9, 2015 at 4:00 p.m. (prevailing Eastern Time) as the deadline for governmental units to file Proofs of Claim against the Debtors (the "Governmental Bar Date"). Additionally, by Orders entered on December 17, 2014 [D.I. 1209, 1210], the Bankruptcy Court (a) established February 6, 2015 at 4:00 p.m. (prevailing Eastern Time) as the deadline to file applications for the allowance of administrative expense claims that may have arisen, accrued or otherwise become due and payable on or after September 9, 2014, through and including November 11, 2014, and (b) established February 6, 2015 at 4:00 p.m. (prevailing Eastern Time) as the deadline to assert claims arising under the Perishable Agricultural Commodities Act (the "PACA Bar Date").

G. Exclusivity

Throughout the Chapter 11 Cases, the Debtors have received extensions of the time periods in which they have the exclusive right to file a chapter 11 plan (the "Exclusive Filing Period") and solicit acceptances of such filed plan (the "Exclusive Solicitation Period"). On December 23, 2015, the Debtors filed a motion to further extend the Exclusive Filing Period and the Exclusive Solicitation Period through March 9, 2016 and May 4, 2016, respectively [D.I. 2610]. On February 16, 2016, the Creditors' Committee filed an objection to such motion, and on February 29, 2016, the Debtors filed a reply to the Creditors' Committee's objection [D.I. 2765]. On March 14, 2016, the Court entered an order, with the consent of the Creditors' Committee, extending the Exclusive Filing Period and the Exclusive Solicitation Period to May 4, 2016 [D.I. 2796].

H. Sale of Substantially All of the Debtors' Assets to C&S

On September 9, 2014, the Debtors filed a motion for authority to sell substantially all of their assets to C&S pursuant to the terms of the Stalking Horse APA or to the highest and best bidder for the Debtors' assets at auction [D.I. 18] (the "Sale Motion"). On the same date, the Debtors also filed a motion for an order approving the Debtors' proposed bid procedures, which contemplated the use of the Stalking Horse APA as a stalking horse bid [D.I. 19] (the "Bid Procedures Motion").

(a) The Stalking Horse APA

The purchase price set forth in the Stalking Horse APA contemplated a minimum purchase price equal to either the outstanding amounts owed under the Pre-Petition Credit Facility and the DIP Credit Agreement or \$152,110,000, whichever was lower, plus certain additional amounts that took into account, among other things, outstanding letters of credit as of the closing date, the amount owed to LMM as of the closing date and the amount of wages accrued for the Debtors' employees during a specified time period.

If C&S was not the successful bidder at auction, the Stalking Horse APA further provided that C&S would be paid a total fee equal to \$5,103,600 (the "Break-Up Fee") and an expense reimbursement of up to \$1,500,000.

(b) The Court-Approved Bid Procedures

By Order entered October 3, 2014 [D.I. 271] (the "Bid Procedures Order"), the Bankruptcy Court approved the Debtors' proposed bid procedures, which, among other things, contemplated the use of the Stalking Horse APA as the stalking horse bid, scheduled an auction for October 24, 2014, and scheduled a sale hearing for October 29, 2014. Notably, the Bid Procedures Order approved the Break-Up-Fee in an agreed, reduced amount of \$3,750,000 and included certain additional limitations on C&S' option to terminate the Stalking Horse APA.

(c) The Auction

Following the entry of the Bid Procedures Order, the Debtors received a qualified bid for the Debtors' assets from Supervalu Inc. ("Supervalu"). The auction, which was held on October 24 and 25, 2014, involved twenty-three rounds of competitive bidding and concluded with C&S' final bid, in the aggregate amount of more than \$288 million. Supervalu's final bid, in the amount of \$284 million, served as the back-up bid.

In addition to the increase in purchase price, certain assets originally included in the Stalking Horse APA were withdrawn from the sale, including the assets of Co-Op and two parcels of real estate owned by AWI. The exclusion of these assets permitted the Debtors to market and sell these assets separately, as described below, and further enhanced value for the benefit of the Debtors' estates.

(d) The C&S Asset Purchase Agreement

Following the auction, each of the Debtors other than Co-Op and WR Puerto Rico (together, the "Sellers") and C&S entered into an amended asset purchase agreement dated as of October 25, 2014 (the "C&S APA"). Assets excluded from the C&S Sale ("Excluded Assets") included, without limitation, assets conveyed in the ordinary course of business, all rights and interests in connection with any Employee Benefit Plan (as defined in the C&S APA), shares of capital stock or other equity interests in any Seller, the Debtors' interest in certain insurance policies, all contracts that were not Assigned Contracts and all avoidance actions (subject to the conditions noted below).

With respect to avoidance actions, the C&S APA prohibited the Sellers from pursuing any avoidance actions prior to closing. Thereafter, following the closing, the C&S APA provided for the release of all Avoidance Actions (as defined in the C&S APA) against each and every (a) supplier of inventory that supplied inventory to C&S during the six month period after the closing, and (b) customer that purchased any goods or services from C&S during the six month period after the closing. Notwithstanding the foregoing, Avoidance Actions against Associated Food Stores LLC and its affiliates were not released or waived, provided that any recovery of Intellectual Property (as defined in the C&S APA) in connection with an Avoidance Action against Associated Food Stores LLC and its affiliates shall be an Acquired Asset (as

defined in the C&S APA). Pursuant to C&S APA, the Debtors also released all claims and causes of action against any Transferred Employee (as defined in the C&S APA) other than current and former officers and directors.

The C&S APA also established a process for the assumption and assignment of Assigned Contracts. In particular, recognizing the possibility that additional executory contracts and unexpired leases could be discovered subsequent to closing, as well as the fact that additional time was needed to locate complete versions of certain executory contracts and unexpired leases, this process permitted C&S to prepare supplemental designations of executory contracts and unexpired leases that it intended to treat as Assigned Contracts (the “Incomplete/Omitted Contract Procedures”).

(e) Objections to the Sale/Sale Hearing

Excluding objections based on the Debtors’ proposed cure amounts for Assigned Contracts, the Debtors received 41 objections to the C&S Sale, all of which were resolved at, or prior to, the sale hearing. As such, by order dated October 29, 2014 [D.I. 614] (the “October 29, 2014 Order”), the Bankruptcy Court approved the C&S Sale pursuant to the terms of the C&S APA.

The objections filed to the C&S Sale can be broken into several groups. First, certain objections related to the proposed sale of accounts receivable free and clear of setoff and recoupment rights. These objections were resolved by the inclusion of language in the October 29, 2014 Order expressly providing that (i) all setoff claims attached to the proceeds of the C&S Sale; and (ii) assets subject to the C&S Sale were not free and clear of recoupment rights and any affirmative defenses.

Second, other objections asserted that the Debtors were holding cash that either did not belong to the Debtors or that was subject to a constructive trust, and thus such cash could not be transferred in connection with the sale. These objections were addressed by language providing that the C&S Sale did not include any transfers of cash.

Third, several parties objected to the C&S Sale by asserting that the Debtors were holding property owned by them (and not by the Estates). These issues were resolved through language in the October 29, 2014 Order providing that such property would not be transferred to C&S unless determined to be property of the Debtors’ estates.

Finally, the objection filed by the Local 11 Pension Fund, which asserted that the C&S Sale could not be approved unless the Debtors’ obtained relief under section 1113 of the Bankruptcy Code, was withdrawn, to be resolved through the claim process.

As noted above, there were several objections that were limited to disputes regarding the Debtors’ proposed cure amounts for Assigned Contracts. To the extent these objections were not resolved prior to the sale hearing on October 29, 2014, they were continued to later hearing dates and resolved by subsequent Bankruptcy Court Orders. In this regard, in connection with the assumption and assignment of the Assigned Contracts, the Bankruptcy Court entered several supplemental orders to approve the assumption and assignment of Assigned Contracts to C&S

[D.I. 702, 1005, 1199, 1204] (the “Supplemental Sale Orders, and together with the October 29, 2014 Order, the “C&S Sale Order”).

(f) Sale Closing/Purchase Price Allocation

The Sale to C&S closed on November 12, 2014 (the “Closing”). Upon Closing, C&S paid \$152,739,122 to BOA: (a) in full satisfaction of the Pre-Petition and DIP Facilities (which represented \$146,610,000 of the C&S payment), (b) to collateralize certain letters of credit (which represented \$5,929,122 of the C&S payment) and (c) to fund an indemnity account pursuant to the Final DIP Order (which represented \$200,000 of the C&S payment). C&S further delivered cash at closing in the amount of \$77,861,113.73, of which \$74,725,119.00 was paid to the Debtors following the payment of, *inter alia*, real estate taxes, municipal utilities, title charges and fees. C&S also paid \$2,458,397 to Fulton Bank to collateralize certain letters of credit issued by the bank. In connection with the Closing, the Debtors and C&S entered into a Transition Services Agreement by which C&S agreed to provide to the Debtors certain services to facilitate the ongoing administration of the Debtors’ bankruptcy estates. These services included provision of access to financial information and office space at the Debtors’ former facility in Robeson, Pennsylvania. Subsequent to the Closing, the Debtors and C&S entered into an Additional Services Agreement (the “ASA”), pursuant to which the Debtors made available to former employees of the Debtors certain employee benefit programs and benefits through December 31, 2014. Pursuant to the terms of the ASA, C&S reimbursed the Debtors for the direct cost of such benefit programs. The Debtors incurred significant unanticipated professional fees in connection with the administration of the ASA. Such fees were not reimbursable thereunder.

The Debtors, in consultation with the Creditors’ Committee, considered various methodologies by which to allocate the sale proceeds received from the C&S Sale. The Distribution Model Methodology ultimately agreed to by the Debtors and the Creditors’ Committee, as reflected in the Distribution Model attached to the Plan as Exhibit “B”, utilizes a two tiered approach, with Tier 1 based upon the book value of the assets subject to the C&S Sale and Tier 2 based upon an allocation of the residual amount in excess of book value, using EBITDA.

(g) Debtors’ Name Changes

Following the Closing, and in accordance with the C&S APA, the Sellers changed their names as follows:

Former Debtor Names	New Debtor Names
AWI Delaware, Inc.	ADI Liquidation, Inc.
Associated Wholesalers, Inc.	AW Liquidation, Inc.
Nells, Inc.	NK Liquidation, Inc.
Associated Logistics, Inc.	AL Liquidation, Inc.
White Rose Inc.	WR Liquidation, Inc.
Rose Trucking Corp.	RT Liquidation Corp.
WR Service Corp.	WRSC Liquidation Corp.
WR Service II Corp.	WRSC II Liquidation Corp.

I. Matters Relating to Unexpired Leases and Executory Contracts

Pursuant to the C&S APA, certain of the Debtors' executory contracts and unexpired leases were assumed and assigned to C&S. These Assigned Contracts were listed on exhibits to the Supplemental Sale Orders, which were entered on November 7, 2014, November 25, 2014, December 16, 2014 and December 17, 2014.

By Orders dated November 25, 2014 [D.I. 1004], December 16, 2014 [D.I. 1198], January 26, 2015 [D.I. 1442], May 26, 2015 [D.I. 2120], November 19, 2015 [D.I. 2532, 2533], December 9, 2015 [D.I. 2573] and January 20, 2016 [D.I. 2661], the Bankruptcy Court granted the Debtors' motions to reject a number of executory contracts and unexpired leases that were not assumed and assigned to C&S and that were no longer needed by the Debtors in connection with their remaining operations.

J. Post-Closing Disputes with C&S

Following the Closing, a number of disputes arose between the Debtors and C&S (the "Post-Closing Disputes"), which the Debtors believe had a material impact on the Debtors' resolution of various Claims and the administration of the Debtors' estates.

In an attempt to address certain of these disputes, on January 29, 2015, the Debtors and the Committee filed the *Joint Motion of the Official Committee of Unsecured Creditors and the Debtors for an Order Pursuant to Bankruptcy Code Sections 105, 363, 541 and 558 (I) Clarifying Certain of the Parties' Rights (A) Under the Sale Order and Related Asset Purchase Agreement, and (B) with Respect to Recoupment and Setoff, and (II) Authorizing the Debtors to Setoff Trade Credits and Vendor Overpayments First Against the Administrative or Secured Portion of Creditors' Claims* [D.I. 1489] (the "Post-Closing Disputes Motion").

Pursuant to the Post-Closing Disputes Motion, the Debtors and the Creditors' Committee sought a determination that the Debtors retained all rights to (i) all overpayments that the Debtors made to vendors prior to the closing, or for products not received for periods prior to the closing (the "Vendor Overpayments"), (ii) various promotions, volume discounts, advertising and warehousing allowances, rebates or similar refunds under vendor supply or other agreements (the "Trade Credits") and/or (iii) other amounts owed by vendors to the Debtors (collectively with the Vendor Overpayments, Trade Credits, and transportation allowances, swell and shrink payments under the Debtors' vendor supply agreements or separate agreements or arrangements with vendors, the "Credits"). The Post-Closing Disputes Motion also sought confirmation that, in reconciling and resolving various Claims asserted against their Estates, the Debtors could apply Credits first against Administrative and/or Section 503(b)(9) Claims, in their discretion.

The Post-Closing Disputes Motion has been continued while the Debtors, the Creditors' Committee and C&S worked to resolve their various disputes. Moreover, certain of the relief requested in the Post-Closing Disputes Motion was subsequently addressed by the Court through a separate motion, as discussed below.

The Post-Closing Disputes can be broken down into several categories, including the following:

(a) Excluded Asset Disputes

Under the terms of the C&S APA and the C&S Sale Order, C&S acquired substantially all assets of the Debtors. Excluded from the C&S Sale were what were called "Excluded Assets" under the C&S APA. Among the Post-Closing Disputes between the Debtors/Creditors' Committee and C&S are disputes regarding whether certain assets are Excluded Assets. These assets and disputes include the following:

Credits. The parties disagree as to whether all Vendor Overpayments and certain Trade Credits are acquired assets under the C&S APA. The Debtors/Creditors' Committee estimate, based upon information received from C&S and reviewed by the Debtors and the Creditors' Committee, that the amount at issue regarding this dispute is approximately \$32 million in the aggregate, exclusive of pre-petition Vendor Overpayments that remain unknown. The Debtors believe that the amount of Vendor Overpayments represents approximately thirty-five percent (35%) of the total amount of Credits in dispute.

Cigarette Refunds. The parties disagree as to the ownership of certain cigarette stamp tax refunds in the amount of approximately \$568,000.

Interest in ROFDA. The parties disagree as to the ownership of (i) amounts that will arise from the redemption of the Debtors' interests in Retailer Owned Food Distributors & Associates, Inc. ("ROFDA"), a cooperative formed to facilitate and enhance the success of independent retail grocers (valued at approximately \$13,775 as of August 31, 2014) and (ii) any patronage payments due under ROFDA's bylaws (valued at approximately \$178,723 as of August 31, 2014).

Utility Deposits. The parties disagree as to the ownership of certain security deposits that WR maintained in connection with certain equipment leases associated with utilities. The value of the remaining deposits held by C&S is approximately \$34,000.

EZ Pass Deposits. As of the Closing, the Debtors maintained certain EZ Pass accounts with unused balances of approximately \$42,000. The Debtors/Creditors' Committee assert that these balances are Excluded Assets under the C&S APA.

(b) Working Capital Disputes

The C&S APA contained certain waivable conditions to closing. Among these conditions was the requirement that the Debtors' "Working Capital" (as such term was defined in the C&S APA) was at least \$165 million prior to closing; if the Debtors' Working Capital was less than this amount, C&S could terminate the C&S APA. The C&S APA provided that, prior to Closing, the Debtors and C&S would cooperate to determine the amount of the Debtors' Working Capital. The C&S APA further provided a mechanism for the parties to resolve disputes relating to the calculation of Working Capital.

Prior to closing, the Debtors informed C&S that their Working Capital was approximately \$163.2 million, which was below the \$165 million threshold. C&S did not exercise its right to terminate the C&S APA, and closing on the C&S Sale took place. Subsequent to the closing, C&S asserted that the Debtors overstated the Debtors' Working Capital calculation by more than \$12 million, \$5 million of which was on account of inventory that C&S alleges was double counted. The Debtors/Creditors' Committee strongly disagree with C&S' assertions. The Debtors/Creditors' Committee also contend that C&S waived its right under the C&S APA to challenge the Debtors' Working Capital calculation by failing to timely raise an objection to the calculation presented by the Debtors.

(c) C&S' Pre-Closing DIP Facility Actions

In addition to the disputes described above, the Creditors' Committee asserted claims against C&S for damages of not less than \$5.5 million. In particular, the Committee asserted that, on the eve of closing, C&S negotiated a side deal with BOA that the Creditors' Committee and the Debtors believed reduced the Debtors' availability under the DIP Facility by \$5.5 million. The Creditors' Committee contends that this in turn effectively reduced the purchase price under the C&S APA and prevented the Debtors from obtaining \$5.5 million in financing, which would otherwise have been available to pay claims asserted against the Debtors' Estates or purchase inventory, thereby increasing the amount of Working Capital. The Creditors' Committee and the Debtors assert that this conduct gives rise to claims against C&S. C&S strongly disputes these claims.

(d) C&S' Proofs of Claim and Administrative Claim Motion

On February 5, 2015, C&S filed proof of claim number 1852 against AWI ("POC 1852") seeking payment of a trade debt in an amount up to \$2,000,875.75 and purportedly reserving any and all rights with respect thereto including, but not limited to, right of setoff, recoupment and to amend, supplement or file additional proofs of claim related to the subject matter of POC 1852. On such date, C&S also filed proof of claim number 1957 against WR ("POC 1957" and together with POC 1852 as, the "C&S Proofs of Claim") asserting a claim in the aggregate amount of \$34,489.10 for claims of former WR customers purchased by C&S related to amounts owed to such customers for coupons honored prepetition for which the Debtors allegedly failed to remit payment. In POC 1957, C&S also purportedly reserved any and all of its rights with respect to POC 1957 including, but not limited to, rights of setoff, recoupment and to amend, supplement or file additional proofs of claim related to the subject matter of POC 1957.

On February 6, 2015, C&S file a motion for allowance and payment of an administrative expense [D.I. 1561], and filed on February 9, 2015 an amended motion for allowance and payment of an administrative expense [D.I. 1578] (together as the "C&S Admin. Claim Motion"). In the C&S Admin. Claim Motion, C&S asserts the following claims: (i) \$52,268.78 for the provision of goods and services to certain of the Debtors' customers, including certain stores owned by debtor Nell's Inc., postpetition; (ii) \$242,384.65 for claims of former WR customers purchased by C&S related to the amounts owed to such customers for coupons honored postpetition for which the Debtors failed to remit payment; (iii) \$1,213,627.00 for claims of former WR vendors purchased by C&S related to amounts owed under postpetition agreements related to the "Bill-to-Ship-to Program" for which the Debtors failed to pay; and

(iv) an unliquidated amount for postpetition claims and potential damage claims arising out of alleged breaches of the C&S APA and postpetition acts allegedly committed by the Debtors as further specified therein (which were still under investigation by C&S at the time the C&S Admin. Claim Motion was filed). In total, at the time the C&S Administrative Claim was filed, C&S calculated the amount of the claims asserted therein at \$1,508,280.43, plus additional unliquidated amounts under the C&S APA.

The C&S Admin. Claim Motion also reserves any and all rights to, among other things, assert additional claims and related damages arising out of any applicable theory of law or equity. The Debtors dispute that any such claims exist or should be Allowed.

K. The C&S Settlement Agreement

Since February 2015, the Debtors, the Creditors' Committee and C&S have engaged in substantial and prolonged negotiations in an effort to resolve the Post-Closing Disputes. The Debtors/Creditors' Committee and C&S exchanged position papers and supporting documents for their respective positions and held several meetings in an effort to reach a resolution.

In full and final settlement of the Post-Closing Disputes, the Debtors, the Committee and C&S have negotiated the terms of a settlement agreement (the "C&S Settlement Agreement"), the terms of which are required to be, and have been, incorporated into the Plan. The C&S Settlement Agreement is attached to the Plan as Exhibit "A." **The Debtors encourage all parties, and particularly Vendors, to closely review the terms of the C&S Settlement Agreement, including without limitation the provisions regarding the C&S Plan Release, as such term is defined below.**

Pursuant to the C&S Settlement Agreement, among other things, and as further described therein⁸:

- (i) C&S will, on the Effective Date, pay the Debtors \$6,750,000 (the C&S Credits Payment") in accordance with the payment provisions of the C&S Settlement Agreement. Such amount represents the proceeds of Credits collected/applied by C&S and identified on a schedule attached to the C&S Settlement Agreement (defined in the C&S Settlement Agreement as "Collected Debtor Credits");
- (ii) the Collected Debtor Credits will be deemed Excluded Assets under the C&S APA and owned by the Debtors;
- (iii) the Debtors will pay C&S the "Net C&S Settlement Payment" of \$1,403,259, the calculation of which is set forth on Schedule 1 hereto;
- (iv) C&S will be deemed to own all Credits other than (A) the Collected Debtor Credits; (B) Credits owed by Western Family Foods, Inc. ("WFFT"); and (C) the

⁸ Although the Debtors have attempted to describe the key terms of the C&S Settlement Agreement herein, in the event of any discrepancy between the within description of the C&S Settlement Agreement and its actual terms, the terms of the C&S Settlement Agreement shall apply.

"Identified/Uncollected Overpayments", as such term is defined in the C&S Settlement Agreement⁹ (collectively, the "Debtor Credits");

- (v) C&S has provided the Debtors and the Creditors' Committee with a schedule of Credits that C&S asserts are reflected on the Debtors' books and records, as maintained by the Debtors in the ordinary course (the "C&S Uncollected Credits"), including but not limited to swell credits (the "Swell Credits"). The total amount of C&S Uncollected Credits that relate to Swell Credits shall not exceed \$750,000. Other than with respect to the C&S Uncollected Credits, C&S shall not, either directly or indirectly, engage in any affirmative or active collection and/or application efforts with respect to any Credits, and C&S shall not, either directly or indirectly, conduct, commission, employ or retain any person or entity to audit, identify, recover, or collect any Credits. No other person or entity, including the Debtors, or their estates, the Creditors' Committee, and any respective successors and assigns of the Creditors' Committee or the Debtors, shall have any right, claim or interest in any C&S Credits, including any C&S Credit that has not been collected by C&S, and shall not seek to directly or indirectly engage in any affirmative or active collection and/or application efforts with respect to any Credits other than the Debtor Credits and C&S shall not directly or indirectly collect or apply any of the Debtor Credits. Notwithstanding these limitations, if and to the extent a former AWI or WR vendor voluntarily offers payment of a C&S Credit, C&S shall be entitled to accept and apply any such Credit (a "C&S Voluntary Credit");
- (vi) prior to accepting, taking and/or applying any C&S Voluntary Credit, C&S will either (i) obtain a prior written waiver by the applicable vendor of any and all claims arising out of such C&S Voluntary Credit against the Debtors and the Debtors' estates and promptly provide a copy of such waiver to the Debtors or (ii) in the absence of obtaining a prior written waiver by the applicable vendor of any and all claims relating to such C&S Voluntary Credit, C&S will (y) provide written notice to the Debtors of any C&S Voluntary Credit proposed to be accepted or applied and (z) indemnify the Debtors and the Debtors' estates to the extent of any distribution made with respect to any claim asserted by a vendor directly arising from C&S's collection of such C&S Voluntary Credit;
- (vii) all Credits, including the C&S Uncollected Credits and the C&S Voluntary Credits, other than the Debtor Credits (collectively referred to as the "C&S Credits") are deemed Acquired Assets under the C&S APA, and C&S shall be deemed to own the C&S Credits. Likewise, all Accounts Receivable (as defined in the C&S APA) owned by any of the Debtors at the time of the Closing of the C&S Sale are Acquired Assets under the C&S APA and, as such, are owned by C&S. Neither the Debtors nor the Creditors' Committee nor their respective

⁹ The "Identified/Uncollected Overpayments" total approximately \$2.1 million and are specified in C&S Settlement Agreement.

successors and assigns shall have any right, claim or interest in the C&S Credits or the Accounts Receivable;

- (viii) the Debtors' right to exercise their recoupment/setoff rights in a manner in which the Debtors believe, after consultation with the Creditors' Committee or the Plan Oversight Committee, as applicable, is in the best interest of their estates in accordance with the Offset Order, is preserved with respect to Vendors in an amount not to exceed the amount of the Collected Debtor Credits;
- (ix) to the extent that the Debtors seek to exercise their recoupment/setoff rights by applying the amount of any Collected Debtor Credits owed by a Vendor against such Vendor's administrative claim, secured claim, 503(b)(9) claim and/or general unsecured claim, the Debtors will satisfy their recoupment/setoff rights solely from the Collected Debtor Credits in lieu of deducting such Collected Debtor Credits from the Vendor's claim. As a result, the Vendor will not be placed in the position of having paid the amount of the Credits twice (once to C&S and again to the Debtors);
- (x) other than the C&S Plan Release (which is described in Section VIII(I) of this Disclosure Statement), the C&S Settlement Agreement will not alter any Vendor's rights and defenses preserved in the Offset Order, and C&S will not contest or otherwise challenge any attempt by the Debtors to exercise their setoff and/or recoupment rights to the extent of the amount of the Debtor Credits;
- (xi) C&S will, on the Effective Date, pay to the Debtors, to be distributed on a pro rata basis to Holders of Claims in Classes 3AV and 3BV who do not exercise the Vendor Opt-Out Election, the \$1.0 million C&S Plan Release Contribution, which shall be deposited into the Vendor Plan Release Account, in consideration for the C&S Plan Release (described below);
- (xii) on the Effective Date, the C&S Adm. Claim Motion shall be deemed resolved and C&S shall have an allowed Administrative Claim in the total amount of \$1,400,754 (the "C&S Allowed Claim"), which amount is included in the calculation resulting in the Net C&S Settlement Payment, as set forth on Schedule 1, and the C&S Proofs of Claim shall be deemed satisfied and of no further effect;
- (xiii) subject to the resolution of the *Motion of the Debtors for an Order Approving Stipulation Between the Debtors and Renaissance Trading, Inc. Resolving Claims* (D.I. 1981) by which, among other things, Renaissance Trading, Inc. ("Renaissance") shall agree to release all pre- and post-petition claims against the Debtors' estates and C&S, C&S shall receive payment from the Debtors of \$470,700 which amount is included in the calculation resulting in the Net C&S Settlement Payment, as set forth on Schedule 1;
- (xiv) the parties to the C&S Settlement Agreement will release each other from all claims addressed in the C&S Settlement Agreement, including, but not limited to, claims related to the ownership of the Credits, claims asserted in the C&S

Admin. Claim Motion, claims related to the parties' Working Capital disputes and the claims asserted by the Creditors' Committee regarding C&S' pre-closing actions; provided, however, that any claims not addressed in the C&S Settlement Agreement are not released and shall remain subject to the terms and conditions of the C&S APA and the C&S Sale Order; and

- (xv) The C&S Settlement Agreement also resolves the parties' disputes regarding, among other things, the ownership of the disputed assets due from third parties as described above.

The C&S Settlement Agreement also provides, among other things, that the parties thereto acknowledge that C&S was entitled to deduct, apply or otherwise collect all Collected Debtor Credits, subject to certain designated provisions of the C&S Settlement Agreement, and that C&S was and is entitled to deduct, apply or otherwise collect all C&S Credits, subject to the provisions of the C&S Settlement Agreement.

The C&S Settlement Agreement also requires the Debtors to include in the Plan, and the Plan accordingly includes, the following release and waiver for the benefit of C&S:

On the Effective Date, all Vendors (as defined in the Plan) entitled to vote on the Plan other than those who have timely exercised the Vendor Opt-Out Election shall be deemed to forever (i) release unconditionally C&S of and from any and all claims, liabilities, actions, causes of action, suits, demands, costs, expenses, losses, cross-claims, counterclaims, controversies, damages, rights of action, rights to legal remedies, rights to equitable remedies, rights to payment under any applicable law, whether at law or equity, whether based on contract (including, without limitation, quasi-contract or estoppel), statute, regulation, tort (including, without limitation, intentional torts, fraud, recklessness, gross negligence and willful misconduct) or otherwise, known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, suspected, unsuspected, secured or unsecured, and whether asserted or assertable directly or derivatively, in law, equity or otherwise, and (ii) waive any right or defense of recoupment, that such Vendors may hold relating to or concerning the Debtors' or C&S' deduction, application or other collection of Credits (the "C&S Plan Release").

The maximum amount of the Vendor Opt-Out Election cannot exceed \$3.2 million, calculated based on the C&S Credits attributable to Vendors that exercise the Vendor Opt-Out Election. To the extent the C&S Plan Release is not approved, the Debtors, the Creditors' Committee and C&S will not be bound by the C&S Settlement Agreement absent written agreement among such parties. In the event the C&S Settlement Agreement becomes null and void, any order confirming the Plan shall be deemed vacated and the Plan shall be null and void in all respects. Moreover, C&S will not provide the \$1.0 million C&S Plan Release Contribution. If the Plan is not consummated, distributions to General Unsecured Creditors will be delayed and may likely be reduced.

The C&S Settlement Agreement contains various conditions to effectiveness, including without limitation that the Plan become effective on or before October 31, 2016 and that the Vendor Opt-Out Election is not exercised by Vendors from whom C&S collected, applied or otherwise deducted, prior to the hearing to consider approval of the Disclosure Statement, in excess of \$3.2 million (in the aggregate) of C&S Credits (as defined in the C&S Settlement Agreement).

The complete list of conditions to the effectiveness of the C&S Settlement Agreement is as follows:

(a) Execution and delivery of the Settlement Agreement by each of the parties thereto;

(b) The Motion to Clarify (as defined in the Settlement Agreement) has been withdrawn with prejudice;

(c) The parties to the Settlement Agreement shall have entered into a stipulation, that shall have been approved by the Court, providing for the modification of the 503(b)(9) Order (as defined in the Settlement Agreement) and the related 503(b)(9) Procedures (as defined in the Settlement Agreement) to remove C&S from participation in the claim reconciliation process;

(d) A Final Order approving the confirmation of the Plan has been entered which, among other things, (i) incorporates the terms of and approves the Settlement Agreement, without material modification and (ii) contains the C&S Plan Release;

(e) The Plan and the ballots served in connection with the Plan, as approved by the Bankruptcy Court, permit Vendors who vote on the Plan to opt-out of the C&S Plan Release, to the extent consistent with applicable Third Circuit law (the "Vendor Opt-out Election") and the Plan provides that such opt-out election means that the Vendor waives its right to participate in, and recover any portion of the C&S Plan Release Contribution;

(f) The Vendor Opt-Out Election shall not have been exercised by Vendors from whom C&S collected, applied or otherwise deducted in excess of \$3.2 million (in the aggregate) of C&S Credits prior to the hearing to consider approval of the Disclosure Statement;

(g) A Final Order shall have been entered approving the *Stipulation Between the Debtors, Renaissance Trading, Inc. and C&S Wholesale Grocers, Inc. Resolving Claims and Credits* (see Footnote 7 to Settlement Agreement); and

(h) The Debtors shall have sought the entry of an order allowing the secured and unsecured claims of the claimants listed on Schedule 5 to the Settlement Agreement, in the amounts, with the priorities, and against the applicable Debtor, as specified on Schedule 5. The Debtors shall seek entry of such order in good faith and shall not withdraw their request for the entry of such order.

The terms of the C&S Plan Release are described in Section VIII(I) of this Disclosure Statement.

L. Resolution of Claims

(a) The Application of Credits/The Joint Offset Motion

As noted above, among the Post-Closing Disputes is a dispute between the Debtors, the Creditors' Committee and C&S as to whether, and to what extent, the Debtors own, and are entitled to apply, the Credits. In addition, the Debtors, C&S and certain other Vendors disputed whether the Debtors could exercise their discretion in applying Credits to first reduce the secured or administrative portion of Vendor Claims before applying such Credits to the general unsecured portions of such Claims.

On February 20, 2015, the Court entered an *Order Pursuant to Sections 105(a) and 503 of the Bankruptcy Code and Bankruptcy Rules 3002 and 3003, Approving Procedures Governing the Treatment of Claims Arising under 503(b)(9) of the Bankruptcy Code* [D.I. 1781] (the "503(b)(9) Procedures Order"). The 503(b)(9) Procedures Order required the Debtors and the Creditors' Committee to file a motion for authority to utilize the Credits to reduce Section 503(b)(9) Claims, setoff claims or other Claims of claimants, in the Debtors' discretion. The 503(b)(9) Procedures Order also required C&S to participate in the 503(b)(9) Claims reconciliation process. One of the conditions precedent to the effectiveness of the C&S Settlement Agreement is that a stipulation has been entered modifying the 503(b)(9) Procedures Order and the related procedures to remove C&S from being required to participate in the claim reconciliation process.

In accordance with the 503(b)(9) Procedures Order, on February 27, 2015, the Debtors and the Creditors' Committee filed the *Joint Motion of the Debtors and the Official Committee of Unsecured Creditors for Entry of an Order (I) Authorizing the Debtors to Offset Trade Credits, Vendor Overpayments and/or Any Other Amounts Owed to the Debtors First Against the Administrative or Secured Portion of Creditors' Claims; and (II) Disallowing Claims for Post-Petition Interest in Connection with Claims Asserted Under 11 U.S.C. §503(b)(9)* [D.I. 1821] (the "Joint Offset Motion"), pursuant to which the Debtors and the Creditors' Committee sought authority from the Bankruptcy Court to apply, at their election, the Credits to reduce Section 503(b)(9) Claims, setoff Claims, and/or general unsecured Claims. In addition, the Joint Offset Motion sought a determination as to whether claimants holding Section 503(b)(9) Claims could properly assert claims for post-petition interest in connection with their Section 503(b)(9) Claims.

On May 20, 2015, the Bankruptcy Court entered the *Order Authorizing the Debtors to Offset Trade Credits, Vendor Overpayments and/or Any Other Amounts Owed to the Debtors First Against the Administrative or Secured Portion of Creditors' Claims; and (II) Disallowing Claims for Post-Petition Interest in Connection with Claims Asserted under 11 U.S.C. § 503(b)(9)* [D.I. 2098] (the "May 20, 2015 Order"), a copy of which is attached hereto as Exhibit "C." In the May 20, 2015 Order, the Court ruled, *inter alia*, that, to the extent the Debtors have a valid right of setoff and/or recoupment, and to the extent the Debtors own the Credits, the Debtors are authorized, in their sole discretion, to setoff or recoup any valid Credits to reduce secured Claims, Section 503(b)(9) Claims, other Administrative Claims and/or General Unsecured Claims. The May 20, 2015 Order further precluded Claimants from setting off or

recouping such Credits in a manner inconsistent with the Debtors' exercise of setoff or recoupment.

Lastly, the Court ruled that claimants holding Section 503(b)(9) Claims would not be entitled to post-petition interest in connection with their Section 503(b)(9) Claims.

(b) Section 503(b)(9) Claims

Numerous Vendors have asserted Section 503(b)(9) Claims against the Debtors by filing a Proof of Claim, and/or a motion requesting payment of such Section 503(b)(9) Claim. Given the number of Section 503(b)(9) Claim allowance motions filed against the Debtors' Estates, as well as the Debtors' need to resolve ownership disputes with C&S before resolving such Claims, the Bankruptcy Court agreed on February 9, 2015 to adjourn indefinitely the hearings on the various pending 503(b)(9) motions while the Debtors/Creditors' Committee worked to resolve their disputes with C&S [D.I. 1580]. The Bankruptcy Court further required the Debtors and the Creditors' Committee, in consultation with all parties in interest, to develop procedures governing the timing and process for reconciling and paying Section 503(b)(9) Claims, and to establish a briefing schedule for any common unresolved legal issues with respect to such Claims.

Consistent with the Bankruptcy Court's directive, the Debtors and the Creditors' Committee, in consultation with all parties in interest, prepared such procedures, and on February 23, 2015, the Bankruptcy Court entered the 503(b)(9) Procedures Order, which approved the *Procedures Governing the Treatment of Motions Asserting Claims Arising Under Section 503(b)(9) of the Bankruptcy Code and Requests for Expedited Consideration of 503(b)(9) Claims* (the "503(b)(9) Procedures"). To date, of the approximately 330 Section 503(b)(9) Claims asserted against the Debtors' Estates, approximately 146 such claims are being addressed in accordance with the 503(b)(9) Procedures. The Debtors have also reconciled the remaining Section 503(b)(9) Claims that are not subject to the 503(b)(9) Procedures, and are currently working to resolve any disputes relating to such Claims.

(c) PACA Claims

As of the Petition Date, certain of the Debtors' creditors asserted claims under the Perishable Agricultural Commodities Act of 1930, as amended, 7 U.S.C. §§ 499a, *et seq.* ("PACA"). PACA protects sellers of "perishable agricultural commodities" – by, among other things, establishing a statutory constructive trust for the benefit of PACA Claimants that includes proceeds from the sale of the commodities.

The Debtors estimated that as of the Petition Date, PACA Claimants held up to \$2.9 million in unpaid claims (collectively, the "PACA Claims"). Accordingly, at the outset of the Chapter 11 Cases, the Debtors filed the *Motion of the Debtors for the Entry of an Order: (I) Authorizing the Payment of Prepetition Claims Asserted Under the Perishable Agricultural Commodities Act; and (II) Granting Related Relief* [D.I. 14] (the "PACA Payment Motion"), pursuant to which the Debtors requested authority to pay valid, pre-petition PACA Claims in the ordinary course of business. On September 10, 2014, the Bankruptcy Court entered an order approving the PACA Payment Motion and authorizing the Debtors to pay pre-Petition Date

Allowed PACA Claims in an aggregate amount not to exceed \$2.9 million [D.I. 56] (the “PACA Order”).

Consistent with the PACA Order, from the Petition Date through November 26, 2014, the Debtors reconciled and paid approximately \$1.7 million to suppliers on account of Allowed PACA Claims. Thereafter, on November 26, 2014, the Debtors’ filed the *Motion of Debtors for Entry of an Order Pursuant to 11 U.S.C. § 105(a) for Establishment of Certain Procedures for the Resolution of Remaining Claims Asserted Pursuant to the Perishable Agricultural Commodities Act* [D.I. 1043] (the “PACA Procedures Motion”), which sought authority to implement certain procedures for the final resolution of any and all remaining PACA Claims. The Bankruptcy Court entered an Order granting the PACA Procedures Motion on December 17, 2014 [D.I. 1210] (the “PACA Procedures Order”). Among other things, the PACA Procedures Order established the PACA Bar Date and set deadlines for the Debtors to object to disputed PACA Claims.

Consistent with the approved PACA Procedures, on February 23, 2015, the Debtors filed the *Debtors’ Report with Respect to Remaining Claims Asserted Pursuant to the Perishable Agricultural Commodities Act* [D.I. 1788]. The report noted that one PACA Claim was challenged by the Debtors as invalid. This disputed Claim was ultimately resolved pursuant to a Court-approved settlement stipulation. [D.I. 2115].

On March 24, 2015, the Debtors filed the *Debtors’ Supplemental Report with Respect to Remaining Claims Asserted Pursuant to the Perishable Agricultural Commodities Act* [D.I. 1908]. As set forth therein, all remaining PACA Claims were determined to be valid, either in the amounts requested or in reduced amounts, and would be paid in accordance with the PACA Payment Motion and PACA Procedures Order. The Debtors ultimately paid such PACA Claims and believe that no valid PACA Claims remain unpaid.

(d) Pension-Related Claims

Multi-Employer Plan Withdrawal Liability Claims: As indicated above, the Debtors are parties to several multi-employer pension plans, certain of which have asserted withdrawal liability claims in these Chapter 11 Cases. As further described below, the aggregate asserted amount of these Claims is approximately \$66.8 million.

On February 6, 2015, the Local 11 Pension Fund (the “Local 11 Fund”) filed a *Request for Payment of Administrative Expense Claim of the Local 11 Pension Fund Pursuant to 11 U.S.C. § 503(b)(2) and 1113(f)* [D.I. 1551] (the “Local 11 Administrative Claim”). The Local 11 Fund is a multiemployer employee benefit plan, as defined under the Employee Retirement Income Security Act of 1974 (“ERISA”). Following the Closing, the Debtors withdrew from the Local 11 Fund, thereby allegedly giving rise to withdrawal liability under ERISA. The Local 11 Fund asserts that this withdrawal liability is \$13,104,216, and also seeks liquidated damages in the amount of \$2,620,843.30. The Local 11 Fund asserts that each of the Debtors is a member of a “controlled group” and thus could be treated as a single employer. As a result, the Local 11 Fund has asserted its claim against each Debtor. The Fund also asserts that its Claim is entitled to administrative expense priority under section 503(b) of the Bankruptcy Code.

On February 16, 2016, the Debtors filed an objection to the Local 11 Administrative Claim [D.I. 2714]. Thereafter, on March 30, 2016, the Court entered an order [D.I. 2838] capping the potential amount of the Local 11 Administrative Claim at \$2 million, without prejudice to the rights of any parties in interest to contest the capped amount on any grounds, including whether all or any portion of the capped amount is entitled to priority under section 503(b) of the Bankruptcy Code. The Debtors intend to further challenge the Local 11 Administrative Claim.

The Teamsters Local 641 Pension Plan, the Local 805 Pension and Retirement Plan and the Central Pennsylvania Teamsters Fund Defined Benefit Plan also have filed claims asserting alleged withdrawal liability. Together with the claims asserted by the Local 11 Fund (collectively, the "MPPAA Claims"), the aggregate amount of the MPPAA Claims is approximately \$66.8 million, as stated above.

On March 24, 2016, the Debtors filed an omnibus objection to the MPPAA Claims [D.I. 2824]. Pursuant to this objection, the Debtors have asserted that some or all of the MPPAA Claims should be disallowed or, alternatively, reduced by fifty percent because of certain statutory limitations set forth in ERISA. As of the preparation of this Disclosure Statement, this objection remains pending.

The SPA Escrow: As noted above, in June 2006, AWI acquired the stock of Di Giorgio Corporation pursuant to a Stock Purchase Agreement (the "SPA") and changed its name to White Rose, Inc. Di Giorgio was the plan sponsor for the Di Giorgio Defined Benefit Retirement Plan (as subsequently amended) (the "WR Pension Plan"). The WR Pension Plan was frozen prior to the Petition Date.

The WR Pension Plan provides for an Administrative Committee and an Investment Committee. Richard B. Neff and Emil Solomine allege that they are members of the Investment Committee and that the Investment Committee has certain rights and obligations regarding the administration of the WR Pension Plan. The Investment Committee has filed two contingent and unliquidated Claims against AWI and WR asserting, on its own behalf and on behalf of the beneficiaries of the WR Pension Plan, Claims arising in connection with the WR Pension Plan and the SPA Escrow (as defined below). The Investment Committee has also filed a motion for allowance of an Administrative Claim for its attorneys' fees and costs. The Debtors anticipate that they will contest the allowance of such Claim.

WR and AWI are parties to certain agreements relating to the WR Pension Plan, including a Frozen DGC Retirement Plan Agreement dated as of December 7, 2011 with Rose-WR Partners, LP, Richard B. Neff and Steven R. Bokser (the "Frozen Plan Agreement"). The Frozen Plan Agreement references a so-called "SPA Escrow," which was established by the SPA for the resolution of post-closing purchase price adjustments and indemnification claims.

The Frozen Plan Agreement provides that the funds in the SPA Escrow are to be held in a custodial account, and that such funds may be disbursed as contributions to the WR Pension Plan or used to reimburse AWI and/or WR for expenses incurred in connection with the administration of the WR Pension Plan and for their contributions to the WR Pension Plan (a) in advance of a termination of the WR Pension Plan in order to avoid "at risk" status or otherwise

to maintain compliance with ERISA and other applicable laws, or (b) in connection with termination of the WR Pension Plan, in order to reduce or eliminate any funding shortfall to satisfy termination liabilities. The Custodial Account is held by Bank of America Merrill Lynch and is in the name of AW Liquidation, Inc. Other than as provided in the Pre-Petition Credit Facility and the DIP Credit Agreement, it is the Debtors' belief that there are no restrictions on the Debtors' use of the funds contained in the Custodial Account. The Frozen Plan Agreement also contains provisions that provide for excess funds remaining in the SPA Escrow to be paid to former shareholders of WR under certain circumstances that include the termination of the WR Pension Plan, the satisfaction of all plan liabilities and obligations and the issuance of an IRS determination letter approving the termination. Richard B. Neff, Stephen R. Bokser and Rose-WR Partners, LP (together, the "Rose Parties") thus claim to hold reversionary ownership interests in the SPA Escrow in the event any portion of such escrow is not used for its prescribed purposes.

As of May 31, 2016, the SPA Escrow contained approximately \$7.9 million in cash or cash equivalents.

PBGC Notice of Determination and Claims against the Debtors: On October 23, 2014, the PBGC issued a Notice of Determination (the "NOD"), stating that it had determined that the WR Pension Plan should be terminated by means of an involuntary termination. The NOD also set forth the PBGC's intent to proceed with the termination of the WR Pension Plan, the appointment of the PBGC as the WR Pension Plan's statutory trustee, and the establishment of October 27, 2014 as the WR Pension Plan's termination date. The PBGC requested that WR consent to such relief without the need for formal judicial proceedings by signing a plan termination agreement.

Separately, the PBGC filed certain Claims against each of the Debtors, including: (i) a Claim in the estimated amount of \$30,332,982 on account of the alleged underfunding of the WR Pension Plan; (ii) a Claim in the estimated amount of \$3,170,388 on account of contributions alleged to be owed to the WR Pension Plan; and (iii) a Claim in the estimated amount of \$5,257,500 on account of asserted termination premiums (collectively, the "PBGC Claims"). The Debtors dispute the asserted amounts, validity and/or priority of some or all of the PBGC Claims but ultimately agreed that a termination of the WR Pension Plan is appropriate, and that a standard termination is not feasible.

As such, on January 28, 2015, the Debtors, the PBGC and the Creditors' Committee entered into a stipulation that established a process for the termination of the WR Pension Plan (the "PBGC Stipulation"). The PBGC Stipulation further provides, in part (i) that the Debtors may, in their discretion, cause funds to be contributed to the WR Pension Plan from the SPA Escrow to the extent authorized by further order of the Court, (ii) for a ninety-day standstill period during which the Debtors, the PBGC and the Creditors' Committee will not commence litigation regarding the disposition of the PBGC Claims or the disposition of the Custodial Account. In addition, the PBGC Stipulation preserves all rights with respect to the parties' disputes concerning the NOD and the PBGC Claims.

On January 29, 2016, the Debtors filed a motion to approve the PBGC Stipulation. [D.I. 2680] (the "PBGC Settlement Motion"). The Rose Parties and the Investment Committee filed

objections to the PBGC Settlement Motion, to which the Debtors and the PBGC responded [D.I. nos. 2723 and 2727]. The Debtors reached agreement with the Investment Committee on an agreed form of order resolving the Investment Committee's objection to the PBGC Settlement Motion. Among other things, this agreed form of order requires Court approval before any funds can be removed from the Custodial Account. On February 23, 2016, the Court overruled the Rose Parties' objection and entered an Order, in the form agreed to by the Debtors and the Investment Committee, granting the PBGC Settlement Motion and approving the PBGC Stipulation [D.I. 2747]. The WR Pension Plan subsequently was terminated in accordance with the terms of the PBGC Stipulation.

M. Significant Vendor Claims

(a) Associated Supermarket Group, LLC (f/k/a Associated Food Stores, LLC)

In 2013, AWI, WR and Associated Supermarket Group, LLC (f/k/a Associated Food Stores, LLC) ("ASG") entered into an Amended and Restated Supply Agreement (the "ASG Supply Agreement"), pursuant to which the Debtors provided various grocery products to ASG's network of retail grocery store customers. In addition, on December 4, 2013, AWI, White Rose and ASG entered into a Transfer Agreement in connection with the conveyance to ASG of certain retail grocery business banners and the related distribution business (the "Transfer Agreement") licensed by WR and a Transition Services Agreement which provided for certain revenue sharing and the provisions of certain support services by WR, for a prescribed period of time. The Debtors are investigating whether sufficient consideration was received in connection with these transactions and whether the Debtors may have certain affirmative claims against ASG and its affiliates based on fraudulent conveyance or other legal theories. All such affirmative claims have been expressly preserved under the Plan.

On December 10, 2014, ASG submitted a setoff notice (the "ASG Setoff Notice") in accordance with the procedures set forth in the C&S Sale Order, asserting a setoff Claim against one or more of the Debtors' Estates in the amount of not less than \$20,138,188.

On February 6, 2015, ASG filed the *Application of Associated Food Stores L.L.C. for Allowance and Payment of Administrative Expense Claim* [D.I. 1553] (the "ASG Admin. Claim Motion"), asserting an Administrative Claim in the amount of \$3,102,466.95 against the Debtors' Estates. The ASG Admin. Claim Motion was premised on the Debtors' alleged failure to fulfill their obligations under the ASG Supply Agreement by, *inter alia*, failing to meet performance standards set forth in the ASG Supply Agreement for the delivery of grocery products and failing to remit various credits and rebates allegedly owed under the ASG Supply Agreement. ASG also sought to recover certain "profit sharing payments" that it claimed to be owed under the Transfer Agreement.

Following discovery and negotiations between the Debtors and ASG, the Debtors, ASG and the Creditors' Committee entered into a stipulation (the "ASG Setoff Stipulation") on October 23, 2015, pursuant to which ASG agreed to withdraw the ASG Setoff Notice. ASG further stipulated that it neither holds nor has any secured or other priority claim under the Bankruptcy Code with respect to any alleged setoff or Secured Claims. ASG also agreed to revise its pending Proofs of Claim to reflect the terms of the ASG Setoff Stipulation. All other rights with respect to the ASG's pending Proofs of Claim and the ASG Admin. Claim Motion

were reserved. On October 26, 2015, the Bankruptcy Court entered an Order approving the ASG Setoff Stipulation [D.I. 2457].

On December 22, 2015, the Debtors and ASG entered into a stipulation, (the "ASG Admin. Claim Stipulation") pursuant to which the Debtors agreed to pay ASG \$190,000 in satisfaction of all Administrative Claims asserted by ASG in the Chapter 11 Cases, including any Administrative Claims asserted in the ASG Admin. Claim Motion and any Proofs of Claim filed by ASG. The Bankruptcy Court entered an Order approving the ASG Admin. Claim Stipulation on February 2, 2016 [D.I. 2681].

(b) Western Family Foods, Inc.

Prior to and following the Petition Date, WFFI served as a supplier of private label products to the Debtors. On November 25, 2014, WFFI filed a motion for allowance of a Section 503(b)(9) Claim [D.I. 1018], in the aggregate amount of \$4,597,180.42. In connection with the Debtors' reconciliation of WFFI's Section 503(b)(9) Claim, the Debtors asserted that WFFI's Section 503(b)(9) Claim is subject to setoff and that it should be reduced by certain Credits. WFFI asserts that such Credits should be applied against its General Unsecured Claims.

On January 16, 2015, WFFI filed its *Motion of Western Family Foods, Inc. for Relief From the Automatic Stay in Order to Exercise Asserted Setoff Rights* [D.I. 1365] (the "WFFI Stay Relief Motion"), in which WFFI sought to set off pre-petition Credits owing to the Debtors against WFFI's General Unsecured Claim. The Debtors and the Creditors' Committee jointly objected to the WFFI Stay Relief Motion, arguing that such Credits may be used by the Debtors as a setoff against WFFI's 503(b)(9) Claim.

The issues concerning the Debtors' ability to offset Credits against Section 503(b)(9) Claims were not unique to WFFI; accordingly, the Debtors sought to adjourn the hearings on WFFI's motions. WFFI refused to adjourn its motions and threatened to exercise its setoff rights pursuant to section 362(e) of the Bankruptcy Code against its General Unsecured Claim if a substantive hearing did not go forward within 30 days. Faced with these threatened actions, on February 18, 2015, the Debtors notified WFFI that they were exercising their valid right of setoff under Bankruptcy Code section 553 by offsetting Credits against WFFI's Section 503(b)(9) Claim (the "February Setoff").

Thereafter, despite the fact that, on February 23, 2015, the Bankruptcy Court entered the 503(b)(9) Procedures Order, WFFI, on February 26, 2015, filed the *Motion of Western Family Foods, Inc. Under 11 U.S.C. 363(b) and (e) for Order Prohibiting Debtors' Attempted Exercise of Setoff Rights or Conditioning Use of Property as is Necessary to Provide Adequate Protection* [D.I. 1817] (the "WFFI Invalidation Motion"), in which it requested that the Bankruptcy Court declare the February Setoff to be invalid. Both the Debtors and the Creditors' Committee objected to the WFFI Invalidation Motion.

On May 6, 2015, the Bankruptcy Court issued a Memorandum Order [D.I. 2057], denying the WFFI Stay Relief Motion and the WFFI Invalidation Motion and ruling that the Debtors' rights to setoff Credits against WFFI's Section 503(b)(9) Claims takes precedence over WFFI's right to offset such amounts against its General Unsecured Claims.

On February 24, 2016, WFFI filed a motion for a protective order [D.I. 2754] with respect to certain pending discovery requests served upon it by the Debtors (the "WFFI Protective Order Motion"). The Debtors filed a response to this motion on March 21, 2016. Thereafter, on April 1, 2016, WFFI withdrew the WFFI Protective Order Motion, without prejudice [D.I. 2849].

On March 7, 2016, in accordance with the 503(b)(9) Procedures, the Debtors filed a *Notice Scheduling Hearing Regarding Disputed Factual Issues Regarding 503(b)(9) Claims of Western Family Foods, Inc.* [D.I. 2779], pursuant to which the Debtors scheduled a hearing to address certain disputed issues between the Debtors and WFFI. A hearing to address such issues is tentatively scheduled for August 9, 2016.

(c) Pepsi/Frito Claims

On October 9, 2014, Pepsi-Cola Advertising and Marketing, Inc. ("Pepsi") and Frito-Lay North America, Inc. ("Frito") filed a joint motion requesting an Order determining that Pepsi and Frito may undertake collection efforts against non-debtors without obtaining relief from the automatic stay or, alternatively, modifying the automatic stay to permit such collection efforts [D.I. 295] (the "Pepsi Motion"). In the Pepsi Motion, Pepsi and Frito argued that they contracted directly with certain non-debtor grocery stores; referred to as the "ShurSave Supermarkets," to provide products to such stores, and directly invoiced the stores for the products delivered. Pepsi and Frito asserted that they hold claims against the stores for outstanding amounts owed, which are not subject to the automatic stay.

The Debtors filed an objection to the Pepsi Motion on October 31, 2014 [D.I. 624]. The Creditors' Committee joined the Debtors' objection [D.I. 625]. The Debtors dispute the underlying factual assertions in the Pepsi Motion on the grounds that neither Pepsi nor Frito have any direct contractual relationship with the ShurSave Supermarkets and that all of the contractual arrangements with Pepsi and Frito are with the Debtors. The Debtors assert that any payments owed to Pepsi and Frito with respect thereto is a Claim owed by the Debtors only. Furthermore, the Debtors believe that any payments owed by the ShurSave Supermarkets for products delivered by Pepsi or Frito are accounts receivable of the Debtors and that, as such, any efforts by Pepsi and/or Frito to collect such receivables is a direct violation of the automatic stay. The Debtors and Pepsi have exchanged written discovery regarding the Pepsi Motion; an evidentiary hearing with respect thereto has not yet been scheduled.

On February 6, 2015, Pepsi filed the *Motion of Pepsi-Cola Advertising and Marketing, Inc., and Its Affiliates for Allowance and Payment of Administrative Expense Claim* [D.I. 1548], pursuant to which Pepsi seeks the allowance and payment of an Administrative Expense claim in the amount of \$646,842.34, of which \$148,628.63 was asserted as a Section 503(b)(9) Claim. It also filed the *Motion of Frito-Lay North America, Inc. for Allowance and Payment of Administrative Expense Claim* [D.I. 1550], pursuant to which it seeks allowance and payment of an Administrative Expense Claim in the amount of \$1,437,410.56, of \$117,040.21 was asserted as a Section 503(b)(9) Claim. Both motions are currently pending before the Bankruptcy Court.

(d) McKesson Corp.

Prior to the Petition Date, McKesson Corp. ("McKesson") and AWI were parties to a supply agreement whereby McKesson supplied prescription drugs and other health and beauty products to participating pharmacies. Goods were delivered directly by McKesson to the participating pharmacies, and amounts due to McKesson were centrally billed through AWI.

On October 21, 2014, McKesson filed *McKesson Corporation's Application for Allowance of Administrative Claim and Proof of Setoff Right*, asserting an administrative claim in the amount of \$748,076.18 for products delivered by McKesson to the participating pharmacies pre-petition, for which the Debtors were paid by the participating pharmacies post-petition [D.I. 1554] (the "McKesson Admin Claim Motion"). The Debtors dispute McKesson's entitlement to an Administrative Claim and filed a preliminary objection to the McKesson Admin Claim Motion on August 26, 2015 [D.I. 2327].

A threshold issue underlying the McKesson Admin Claim Motion is whether McKesson can stand in the shoes of the participating pharmacies, which have asserted Administrative Claims against the Debtors for the Debtors' alleged failure to remit their payments to McKesson. It is the Debtors' position that by taking an assignment of all claims of the participating pharmacies (which assignment included a release), McKesson released all of its claims against them. Thus, any potential claims that the participating pharmacies could have against the Debtors are null and void.

The Bankruptcy Court heard argument on this issue on September 17, 2015 and took the matter under advisement. Further discovery and litigation on the McKesson Admin Claim Motion is stayed pending the resolution of this issue. The Debtors also have objected to McKesson's General Unsecured Claim in the approximate amount of \$27 million on the grounds that the Claim is substantially overrated and cannot properly be asserted against Debtors other than AWI. As of the date of this Disclosure Statement, this objection remains pending.

In addition to the McKesson Admin Claim Motion, McKesson asserted general unsecured claims against five of the Debtors, each in the amount of approximately \$27.7 million. The Debtors have objected to McKesson's General Unsecured Claims on the grounds that the Claims are substantially overstated and cannot properly be asserted against any Debtors other than AWI. In its response to the Debtors' objection, McKesson has acknowledged that the Debtors' aggregate liability to McKesson does not exceed \$2.5 million. As of the date of this Disclosure Statement, this objection remains pending.

N. Pending Adversary Proceedings

(a) CRF Program Dispute

On or about September 22, 2014, Better Fruit Inc. and Prince Food Corp. (collectively, the "CRF Plaintiffs") commenced an adversary proceeding (the "CRF Complaint") against WR, BOA, Wells Fargo Bank, N.A., Santander Bank, N.A., City National Bank, Fulton Bank, Cathay Bank and C&S (collectively, excluding WR, the "CRF Bank Defendants").

The CRF Plaintiffs were customers of WR and participated in the WR Customer Reserve Fund Program (the "CRF Program"). The CRF Program provided WR customers with a means of enhancing their credit standing with WR while also accumulating funds for purposes such as store acquisitions or product purchases. Under the terms of the CRF Program, upon a customer's request, a charge of between 1% to 5% was added to the requesting customer's invoices. This charge appeared as part of the total balance due on the invoice, and was included in the customer's accounts receivable balance. WR was obligated to repay the surcharges upon demand, subject to certain conditions and/or rights of WR (such as setoff).

The CRF Plaintiffs assert that the CRF Program created a trust or fiduciary relationship such that funds paid into the CRF Program remained property of the customers and did not become property of WR's Estate. The CRF Plaintiffs seek the return of amounts they paid into the CRF Program as damages for an alleged violation of fiduciary duty, the imposition of a constructive trust, and/or a judgment for fraud. Better Fruit Inc. seeks to recover \$673,410 and Prince Food Corp. seeks to recover \$2,349,044 in connection with the pending action.

The Debtors dispute the contentions set forth in the CRF Complaint. The Debtors believe that the terms of the CRF Program clearly provide that WR is not acting in a fiduciary capacity under the CRF Program. Moreover, all funds paid by customers into the CRF Program were commingled in the Debtors' general operating account and applied to the Debtors' credit facility in the ordinary course of the Debtors' business.

The Debtors filed an answer denying the material allegations of the CRF Complaint on October 30, 2014. Thereafter, on November 24, 2014, the CRF Bank Defendants filed a motion to dismiss the CRF Complaint. The Debtors filed a motion for judgment on the pleadings on December 2, 2014. The CRF Plaintiffs opposed both the CRF Bank Defendants' motion and the Debtors' motion. The CRF Plaintiffs also filed a motion to amend their complaint, which was opposed by WR and the CRF Bank Defendants. The foregoing motions were briefed and argument was held on July 1, 2015. The Bankruptcy Court has taken these matters under advisement.

(b) Travelers Casualty and Surety Company of America

The Debtors maintained various surety bonds for the benefit of certain government entities for potential liability arising regarding, *inter alia*, cigarette tax stamps, workers' compensation insurance, the payment of tolls and claims arising out of a failure to pay freight charges under freight contracts (together, the "Bonds"). Travelers Casualty and Surety Company of America ("Travelers") issued such Bonds for the benefit of various state and federal governmental agencies on behalf of the Debtors.

Among the Bonds is a surety bond for the benefit of the Secretary of Transportation that RT was required to maintain in order to operate as a freight broker (the "Transportation Bond"). The Transportation Bond was in the amount of \$75,000, and was intended to be available to pay claims asserted against RT in the event that RT failed to pay certain freight charges.

Travelers' Request for Stay Relief. On October 17, 2014, Travelers filed the *Motion of Travelers Casualty and Surety Company of America for Relief from the Automatic Stay and for*

Adequate Protection [D.I. 334], pursuant to which Travelers sought: (i) relief from the automatic stay to cancel the Bonds in the event the C&S Sale did not close; (ii) adequate protection with respect to the Transportation Bond; and (iii) a determination as to whether the federal statute governing the Transportation Bond applied in the context of a bankruptcy proceeding.

On November 3, 2014, the Debtors objected to the Travelers' Motion [D.I. 635] on the following grounds: (i) Travelers was adequately protected; (ii) Travelers' request was procedurally improper; and (iii) Travelers' arguments were moot because the Debtors expected the Transportation Bond to be drawn in full to pay pre-petition Claims covered by the Bond. The Creditor's Committee joined in the Debtors' objection [D.I. 641].

On November 25, 2014, the Bankruptcy Court entered the *Order Granting, in Part, Motion of Travelers Casualty and Surety Company of America for Relief from the Automatic Stay* [D.I. 1003], pursuant to which the Bankruptcy Court granted Travelers relief from the automatic stay to cancel certain of the Bonds, including the Transportation Bond, and determined that certain provisions of the federal statute were not applicable to the Transportation Bond (the "Travelers Stay Relief Order").

Travelers Adversary Proceeding. On January 9, 2015, Travelers filed an adversary complaint for interpleader against RT and 134 bond claimants (the "Bond Claimants") that have asserted, or may assert, demands for payment under the Transportation Bond. Because it anticipates that claims asserted against the Transportation Bond will exceed the amount of the Bond, Travelers requested that the Bankruptcy Court enter an order of interpleader, directing Travelers to deposit the Transportation Bond proceeds into the registry of the Court for ultimate pro rata distribution to Bond Claimants, and discharging and releasing the Transportation Bond and Travelers from any further liability under the Bond. The Debtors filed an answer to the complaint on March 16, 2015. This adversary proceeding remains pending as of the date of this Disclosure Statement.

Travelers' Admin and 2004 Motions. On February 5, 2015, Travelers filed an *Application for Allowance and Payment of Claim as an Expense of Administration Pursuant to 11 U.S.C. § 503(b)* [D.I. 1528] (the "Travelers Admin Motion"), pursuant to which Travelers asserted a claim for any amounts that it would be owed in the event the Debtors failed to satisfy post-petition bond obligations. Travelers also filed the *Motion of Travelers Casualty and Surety Company of America for the Entry of an Order Authorizing the Examination of the Debtors Pursuant to Federal Rule of Bankruptcy Procedure 2004* [D.I. 1529] (the "Travelers 2004 Motion"), by which Travelers sought to compel the Debtors to appear for an examination relating to the Debtors' payment of obligations under the Bonds. The Debtors objected to both the Travelers Admin Motion and the Travelers 2004 Motion. Ultimately, Travelers withdrew the Travelers Admin Motion [D.I. 17] and the Travelers 2004 Motion [D.I. 2531].

O. Settled CRF Claims

Prior to the General Bar Date, the following entities filed proofs of claim against the Debtors based on, among other things, amounts owed to each of them based on their participation in the CRF Program: (i) Bowne Supermarket Inc.; (ii) ET&K Foods, Inc.; (iii) BET-BR By Far Meats, Inc. ("BET-BR"); (iv) Merrick Meat Farms Inc. (d/b/a Met – Merrick

Blvd.); (v) Morningside Supermarket Corp.; (vi) Rola Food Corp.; and (vii) Veipas Food Plaza (d/b/a Met Foods) (collectively, the “Settled CRF Claimants”) (Claim Nos. 1544, 1761-1766).

In accordance with the procedures set forth in the C&S Sale Order for asserting a setoff claim, each of the Settled CRF Claimants (except BET-BR, which owed no Accounts Receivable) served the Debtors and the Creditors’ Committee with a *Notice of Setoff Claim* (each a “Setoff Notice” and collectively, the “Setoff Notices”) asserting claims based on their alleged setoff rights. The Debtors and the Creditors’ Committee disputed the Setoff Notices.

On June 10, 2015, certain of the Settled CRF Claimants filed the *Motion of Certain Setoff Claimants for Allowance and Payment of Setoff Claims Pursuant to the Sale Order* [D.I. 2156] (the “Setoff Motion”) seeking allowance and payment of the Settled CRF Claimants’ alleged setoff claims. Prior to the expiration of the deadline to object to the Setoff Motion, the Settled CRF Claimants agreed to continue the response deadline and the hearing on such motion while the parties worked to achieve a consensual resolution of these issues.

On _____, 2016, the Debtors and the Settled CRF Claimants entered into that certain *Stipulation Resolving Claims of Certain CRF Claimants* (the “CRF Stipulation”). The CRF Stipulation provides for the resolution of all of the Settled CRF Claimants’ claims that arise from the CRF Program and for the payment of such claims in accordance with the provisions of the Plan as either a secured or unsecured claim, as applicable. Any claims asserted in the Settled CRF Claimants’ proofs of claim that are unrelated to the CRF Program are expressly reserved.

P. Liquidation of Miscellaneous and Other Assets

(a) Sale of Co-Op

Co-Op’s exclusion from the C&S Sale enabled the Debtors to market and sell its assets, including its book of insurance business, to maximize value for their Estates. The Debtors marketed the Co-Op assets and engaged in discussions with several potential purchasers.

The Debtors contacted approximately twelve parties in the insurance brokerage industry to provide a general overview of the available assets. Five such parties executed non-disclosure agreements and two parties executed letters of intent. Ultimately, Strickler Insurance Agency, Inc. (“Strickler”) was selected as having submitted the highest and best offer for Co-Op’s assets, with a purchase price of approximately \$246,000, and a possible upward purchase price adjustment. On October 9, 2015, the Bankruptcy Court entered the *Order Authorizing Debtors to Sell Substantially All Assets of Co-Op Agency, Inc., Free and Clear of All Interests* [D.I. 2412] (the “Co-Op Sale Order”). The Co-Op Sale Order approved the sale to Strickler in its entirety. Closing on the sale took place on October 22, 2015, and the cash consideration paid at closing was \$246,610.

(b) Sale of Pennsylvania Real Property

Two parcels of real property were treated as Excluded Assets under the C&S APA: (i) 4.16 acres of land located at 3025 Carlisle Road in Dover Township, Pennsylvania, which

contained a vacant 41,000 square foot building (the “Dover Property”); and (ii) 5.52 acres of unimproved land located at the intersection of South Richland Avenue and Indian Rock Dam Road in Spring Garden Township, Pennsylvania (the “Spring Garden Property”).

Prior to the Debtors’ bankruptcy filing, AWI had been seeking to sell the Dover Property and the Spring Garden Property with the assistance of a series of real estate brokers. As of the Petition Date, the Debtors were parties to agreements of sale with respect to each of these properties, which ultimately failed to close.

The Debtors retained ROCK as their real estate broker to market the properties for sale. On January 18, 2015, the Debtors entered into agreements of sale with Spring Lane, LLC (“Spring Lane”) for the purchase of the properties. The purchase price obtained for the Dover Property was \$2.5 million and the purchase price obtained for the Spring Garden Property was \$2.58 million.

On April 7, 2015 the Debtors filed the *Motion of the Debtors, Pursuant to 11 U.S.C. §§ 150(a), 363(b) and 363(f), for Authority to Sell Real Property Pursuant to Sale Agreements, Free and Clear of Liens, Claims, Encumbrances and Interests* [D.I. 1953] (the “Real Estate Sale Motion”), seeking approval to sell the Dover Property and the Spring Garden Property to Spring Lane. On May 1, 2015, the Court entered the *Order Authorizing Debtors to Sell Real Property Pursuant to Sale Agreements, Free and Clear of Liens, Claims, Encumbrances and Interests* [D.I. 2038].

Closing on the sale of the Dover Property to Spring Lane occurred on November 20, 2015, resulting in net cash to the Debtors’ Estates of \$2,032,364.49. Closing on the sale of the Spring Lane Property to Spring Lane, occurred on January 5, 2016, resulting in net cash to the Debtors’ Estates of \$2,451,385.38.

(c) Recovery from Breach of Contract Action

Excluded from the sale of Co-Op’s assets were claims held by Co-Op against Richard Gercak (“Gercak”), a former Co-Op employee, and First National Insurance Agency, LLC (“FNIA”), Gercak’s new employer, relating to alleged violations of certain covenants contained in Gercak’s employment contract with Co-Op. On November 21, 2014, Gercak voluntarily terminated his relationship with Co-Op. Thereafter, Gercak commenced a business relationship with FNIA pursuant to which Gercak procured policies of insurance issued by FNIA.

On or about May 7, 2015, Co-Op instituted an action in the Pennsylvania Court of Common Pleas, Lebanon County, captioned Co-Op Agency, Inc. v. Richard Gercak, et al., Case No. 2015-818 (the “Lawsuit”), and filed a petition for preliminary or special injunction, seeking, *inter alia*, to bar Gercak from violating a restrictive covenant contained in his employment agreement with Co-Op. In addition to injunctive relief, Co-Op sought compensatory damages from both Gercak and FNIA.

Following negotiations, the parties reached a settlement, pursuant to which, among other things, FNIA agreed to pay to Co-Op the sum of \$35,000 and Gercak agreed to remain bound by the remaining terms of the covenant until November 21, 2016. The Bankruptcy Court entered an Order approving this settlement on February 11, 2016 [D.I. 2702].

VIII. THE CHAPTER 11 PLAN

A. Introduction

The following is a summary of certain terms and provisions of the Plan. This summary of the Plan is qualified in its entirety by reference to the full text of the Plan, which is attached to this Disclosure Statement as Exhibit "A."

B. Classification of Claims and Interests against the Debtors

The following is a classification of Claims and Interests under the Plan. As provided by section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims and Priority Tax Claims are not classified under the Plan, and are instead treated as Unclassified Claims on the terms set forth in Article III of the Plan.

Classes of Claims against, and Interests in, the Debtors are as follows:

- (a) Unclassified Claims (not entitled to vote on the Plan)**
 - o Administrative Claims against any of the Debtors.
 - o Professional Fee Claims against any of the Debtors.
 - o Priority Tax Claims against any of the Debtors.
- (b) Unimpaired Classes of Claims (deemed to have accepted the Plan and, therefore, not entitled to vote on the Plan)**
 - o Class 1A: Priority Non-Tax Claims against any of the AWI Debtors.
 - o Class 1B: Priority Non-Tax Claims against any of the WR Debtors.
 - o Class 2A: Secured Claims against any of the AWI Debtors.
 - o Class 2B: Secured Claims against any of the WR Debtors.
- (c) Secured Bank Claims (although the Debtors believe that the Secured Bank Claims are Unimpaired by the Plan, the DIP Secured Parties shall be entitled to vote on the Plan)**
 - o Class 2A/Bank: Secured Bank Claims against any of the AWI Debtors.
 - o Class 2B/Bank: Secured Bank Claims against any of the WR Debtors.
- (d) Impaired Classes of Claims (entitled to vote on the Plan)**
 - o Class 3A: General Unsecured Claims against any of the AWI Debtors.

- o Class 3B: General Unsecured Claims against any of the WR Debtors.
- o Class 3AV: Vendor Claims against any of the AWI Debtors.
- o Class 3BV: Vendor Claims against any of the WR Debtors.
- (e) **Impaired Classes of Interests (Classes 4A and 4B are deemed to reject and are not entitled to vote on the Plan)**
 - o Class 4A: Interests in any of the AWI Debtors.
 - o Class 4B: Interests in any of the WR Debtors.

Priority Non-Tax Claims and Secured Claims are Unimpaired under the Plan and are therefore deemed to have accepted the Plan. Such Claimants are not entitled to vote to accept or reject the Plan. Moreover, although the Debtors believe that the Secured Bank Claims are Unimpaired, the DIP Secured Parties will be entitled to vote on the Plan. All other classes of Claims are Impaired under the Plan. Classes 4A and 4B are deemed to reject the Plan and are not entitled to vote on the Plan. If a dispute arises as to whether any Claim, or any Class of Claims, is Impaired under the Plan, the Plan provides that the Bankruptcy Court shall, after notice and a hearing, determine such dispute.

C. Treatment of Claims against, and Interests in, the Debtors

The classes of Claims and Interests with respect to, and to the extent applicable for, each Debtor are treated under the Plan as follows:

(a) Unclassified Claims

o Administrative Claims and Professional Fee Claims

The Plan provides that, except as otherwise provided therein, and subject to the requirements set forth therein, on, or as soon as reasonably practicable after the later of (i) the Effective Date, but in no event later than thirty (30) days after the Effective Date if the Administrative Claim is an Allowed Administrative Claim on the Effective Date, or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, a Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Administrative Claim, (a) Cash from the AWI Debtors SAP Claims Reserve Account or the WR Debtors SAP Claims Reserve Account, as applicable, equal to the amount of such Allowed Administrative Claim or (b) such other treatment as to which such Holder and the Debtors shall have agreed upon in writing.

The Plan provides that on or as soon as reasonably practicable after the later of (i) the Effective Date or (ii) the date a Professional Fee Claim becomes an Allowed Professional Fee Claim, a Holder of an Allowed Professional Fee Claim shall receive, in full satisfaction, settlement, release and discharge of such Allowed Professional Fee Claim, Cash from the Professional Fee Claims Reserve equal to the unpaid portion of the Allowed Professional Fee Claim.

- o Priority Tax Claims

The Plan provides that, except to the extent that a Holder of an Allowed Priority Tax Claim has been paid prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim shall receive Cash from the AWI Debtors SAP Claims Reserve Account or the WR Debtors SAP Claims Reserve Account, as applicable, in an amount equal to such Allowed Priority Tax Claim on, or as soon as reasonably practicable after the later of (i) the Effective Date, but in no event later than thirty (30) days after the Effective Date if the Priority Tax Claim is an Allowed Priority Tax Claim on the Effective Date, or (ii) the date such Claim becomes an Allowed Priority Tax Claim.

(b) Unimpaired Claims

- o Class 1A – Priority Non-Tax Claims Against Any of the AWI Debtors

The Plan provides that, except to the extent that a Holder of an Allowed Priority Non-Tax Claim against any of the AWI Debtors has been paid prior to the Effective Date or agrees to a different treatment, on or as soon as reasonably practicable after the later of the Effective Date, but in no event later than thirty (30) days after the Effective Date if the Priority Non-Tax Claim is an Allowed Priority Non-Tax claim on the Effective Date, or the date such Claim becomes an Allowed Priority Non-Tax Claim, the Debtors' Representative shall pay, from the AWI Debtors SAP Claims Reserve Account, to each Holder of an Allowed Priority Non-Tax Claim, Cash in an amount equal to the Face Amount of such Allowed Priority Non-Tax Claim.

- o Class 1B: Priority Non-Tax Claims against Any of the WR Debtors

The Plan provides that, except to the extent that a Holder of an Allowed Priority Non-Tax Claim against any of the WR Debtors has been paid prior to the Effective Date or agrees to a different treatment, on or as soon as reasonably practicable after the later of the Effective Date, but in no event later than thirty (30) days after the Effective Date if the Priority Non-Tax Claim is an Allowed Priority Non-Tax Claim on the Effective Date, or the date such Claim becomes an Allowed Priority Non-Tax Claim, the Debtors' Representative shall pay, from the WR Debtors SAP Claims Reserve Account, to each Holder of an Allowed Priority Non-Tax Claim, Cash in an amount equal to the Face Amount of such Allowed Priority Non-Tax Claim.

- o Class 2A: Secured Claims Against Any of the AWI Debtors

The Plan provides that, except to the extent that a Holder of an Allowed Class 2A Secured Claim against any of the AWI Debtors has been paid prior to the Effective Date or agrees to a different treatment, on or as soon as is reasonably practicable after the later of (a) the Effective Date, but in no event later than thirty (30) days after the Effective Date if the Class 2A Secured Claim is an Allowed Class 2A Secured Claim on the Effective Date, or (b) the date such Claim becomes an Allowed Secured Claim, the Debtors' Representative shall either: (i) pay from the AWI Debtors SAP Claims Reserve Account, to each Holder of an Allowed Class 2A Secured Claim, Cash in an amount equal to such Allowed Class 2A Secured Claim; or (ii) release to such Holder the collateral securing such Allowed Class 2A Secured Claim. In either event, the

payment or release of collateral shall be in full satisfaction, settlement and release of, and in exchange for, the applicable Allowed Class 2A Secured Claim. Notwithstanding the preceding, or anything in the Plan to the contrary, nothing contained in the Plan is intended to preclude or prevent payment to the Holder of an Allowed Class 2A Secured Claim of the proceeds of the sale of any asset in which such Holder has a Lien as and when such proceeds become available for distribution.

o Class 2B: Secured Claims Against Any of the WR Debtors

The Plan provides that, except to the extent that a Holder of an Allowed Class 2B Secured Claim against any of the WR Debtors has been paid prior to the Effective Date or agrees to a different treatment, on or as soon as is reasonably practicable after (a) the Effective Date, but in no event later than thirty (30) days after the Effective Date if the Class 2B Secured Claim is an Allowed Class 2B Secured Claim on the Effective Date or (b) the date such Claim becomes an Allowed Secured Claim, the Debtors' Representative shall either: (i) pay from the WR Debtors SAP Claims Reserve Account, to each Holder of an Allowed Class 2B Secured Claim, Cash in an amount equal to such Allowed Class 2B Secured Claim; or (ii) release to such Holder the collateral securing such Allowed Class 2B Secured Claim. In either event, such payment or release of collateral shall be in full satisfaction, settlement and release of, and in exchange for, the applicable Allowed Class 2B Secured Claim. Notwithstanding the preceding, or anything in the Plan to the contrary, nothing contained in the Plan is intended to preclude or prevent payment to the Holder of an Allowed Class 2B Secured Claim of the proceeds of the sale of any asset in which such Holder has a Lien as and when such proceeds become available for distribution.

(c) Secured Bank Claims

o Class 2A/Bank – Secured Bank Claims Against Any of the AWI Debtors

The Plan provides that, upon the occurrence of the Effective Date, the Holders of the Secured Bank Claims shall be deemed, without any action of any Person, to forever release and discharge their security interest in and liens on all assets of the Debtors; provided, however, that BOA, on behalf of the DIP Secured Parties, shall retain its liens on, and shall on the Effective Date retain or be given possession of: (i) the \$2.6 million reserve held by BOA on behalf of the DIP Secured Parties as of closing on the C&S Sale and (ii) any other assets in which the Debtors hold an interest, as may (a) be agreed to in writing by BOA, the Debtors and the Creditors Committee or (b) be specified by the Court in the Confirmation Order (collectively, the "Bank Reserve"). BOA shall cause all Allowed Secured Bank Claims, to the extent not previously paid as of the Effective Date, to be paid and satisfied solely from the Bank Reserve as and when liquidated, upon prior written notice to the Debtors' Representative. Promptly upon the earlier of (a) the resolution of all CRF Claims asserted against any Holder of a Secured Bank Claim or (b) the one year anniversary of the Effective Date, BOA shall return the unused portion of the Bank Reserve to the Debtors.

o Class 2B/Bank: Secured Bank Claims Against Any of the WR Debtors

The plan provides that, upon the occurrence of the Effective Date, the Holders of the Secured Bank Claims shall be deemed, without any action of any Person, to forever release and

discharge their security interest in and liens on all assets of the Debtors; provided, however, that BOA, on behalf of the DIP Secured Parties, shall retain its liens on, and shall on the Effective Date retain or be given possession of: (i) the \$2.6 million reserve held by BOA on behalf of the DIP Secured Parties as of closing on the C&S Sale and (ii) any other assets in which the Debtors hold an interest, as may (a) be agreed to in writing by BOA, the Debtors and the Creditors Committee or (b) be specified by the Court in the Confirmation Order (collectively, the "Bank Reserve"). BOA shall cause all Allowed Secured Bank Claims, to the extent not previously paid as of the Effective Date, to be paid and satisfied solely from the Bank Reserve as and when liquidated, upon prior written notice to the Debtors' Representative. Promptly upon the earlier of (a) the resolution of all CRF Claims asserted against any Holder of a Secured Bank Claim or (b) the one year anniversary of the Effective Date, BOA shall return the unused portion of the Bank Reserve to the Debtors.

(d) Impaired Claims

o Class 3A: General Unsecured Claims Against Any of the AWI Debtors

The Plan provides that:

(a) On the Initial Distribution Date, if a Class 3A General Unsecured Claim is Allowed at least fourteen (14) days prior to the Initial Distribution Date, the Holder of such Allowed Class 3A General Unsecured Claim shall receive, from the AWI Debtors Distribution Account, Cash equal to (i) the amount of its Allowed Class 3A General Unsecured Claim multiplied by (ii) the Initial Distribution Percentage.

(b) On each Subsequent Distribution Date, if a Class 3A General Unsecured Claim is Allowed at least fourteen (14) days prior to such Subsequent Distribution Date, the Holder of such Allowed Class 3A General Unsecured Claim shall receive, from the AWI Debtors Distribution Account (i) a Catch-Up Distribution, if applicable, and (ii) Cash equal to (a) the amount of its Allowed Class 3A General Unsecured Claim multiplied by (b) the then-current Interim Distribution Percentage.

(c) On the Final Distribution Date, each Holder of an Allowed Class 3A General Unsecured Claim shall receive, from the AWI Debtors Distribution Account (i) a Catch-Up Distribution, if applicable, and (ii) Cash equal to (a) the amount of its Allowed Class 3A General Unsecured Claim multiplied by (b) the Final Distribution Percentage.

(d) Notwithstanding anything to the contrary set forth in the Plan, no Holder of an Allowed Class 3A General Unsecured Claim shall be entitled to receive, on account of such Allowed Class 3A General Unsecured Claim, Cash under the Plan in excess of 100% of such Holder's Allowed Class 3A General Unsecured Claim.

o Class 3B: General Unsecured Claims Against Any of the WR Debtors

The Plan provides that:

(a) On the Initial Distribution Date, if a Class 3B General Unsecured Claim is Allowed at least fourteen (14) days prior to the Initial Distribution Date, the Holder of such Allowed Class 3B General Unsecured Claim shall receive, from the WR Debtors Distribution Account, Cash equal to (i) the amount of its Allowed Class 3B General Unsecured Claim multiplied by (ii) the Initial Distribution Percentage.

(b) On each Subsequent Distribution Date, if a Class 3B General Unsecured Claim is Allowed at least fourteen (14) days prior to such Subsequent Distribution Date, the Holder of such Allowed Class 3B General Unsecured Claim shall receive, from the WR Debtors Distribution Account (i) a Catch-Up Distribution, if applicable, or (ii) Cash equal to (a) the amount of its Allowed Class 3B General Unsecured Claim multiplied by (b) the then-current Interim Distribution Percentage.

(c) On the Final Distribution Date, each Holder of an Allowed Class 3B General Unsecured Claim shall receive, from the WR Debtors Distribution Account (i) a Catch-Up Distribution, if applicable, and (ii) Cash equal to (a) its Allowed Class 3B General Unsecured Claim multiplied by (b) the Final Distribution Percentage.

(d) Notwithstanding anything to the contrary set forth in the Plan, no Holder of an Allowed Class 3B General Unsecured Claim shall be entitled to receive, on account of such Allowed Class 3B General Unsecured Claim, Cash under the Plan in excess of 100% of such Holder's Allowed Class 3B General Unsecured Claim.

o Class 3AV Vendor Claims Against Any of the AWI Debtors

The Plan provides that:

(a) Each Class 3AV Vendor Claim shall be deemed to be a Class 3A General Unsecured Claim and shall receive the treatment provided in the Plan for Class 3A General Unsecured Claims.

(b) In addition to the treatment provided for in Article III(D)(3)(a) of the Plan, on the first Subsequent Distribution Date after the Allowance or Disallowance of all Vendor Claims for which a Vendor Opt-Out Election was not executed, each Holder of an Allowed Class 3AV Vendor Claim that has not exercised the Vendor Opt-Out Election shall receive its Vendor Pro-Rata Share of the C&S Plan Release Contribution from the Vendor Plan Release Account.

o Class 3BV Vendor Claims against Any of the WR Debtors

The Plan provides that:

(a) Each Class 3BV Vendor Claim shall be deemed to be a Class 3B General Unsecured Claim and shall receive the treatment provided in the Plan to Class 3B General Unsecured Claims.

(b) In addition to the treatment provided for in Article III(D)(4)(a) of the Plan, on the first Subsequent Distribution Date after the Allowance or Disallowance of all Vendor Claims for

which a Vendor Opt-Out Election was not exercised, each Holder of an Allowed Class 3BV Vendor Claim that has not exercised the Vendor Opt-Out Election shall receive its Vendor Pro-Rata Share of the C&S Plan Release Contribution from the Vendor Plan Release Account.

o Class 4A: Interests in Any of the AWI Debtors

The Plan provides that Holders of Class 4A Interests shall not receive or retain any property or interest in property on account of their Interests, which shall be discharged, cancelled and terminated upon the occurrence of the Effective Date.

o Class 4B: Interests in Any of the WR Debtors

The Plan provides that Holders of Class 4B Interests shall not receive or retain any property or interest in property on account of their Interests, which shall be discharged, cancelled and terminated upon the occurrence of the Effective Date.

(e) Special Provision Regarding Unimpaired Claims

The Plan provides that except as otherwise provided in the Plan, the Confirmation Order, any other order of the Bankruptcy Court, the C&S Settlement Agreement, or any document or agreement enforceable pursuant to the terms of the Plan, nothing shall affect the rights and defenses, both legal and equitable, of the Debtors with respect to any Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

(f) Allowed Claims

The Plan provides that notwithstanding any Plan provision to the contrary, the Debtors' Representative shall only make distributions to Holders of Allowed Claims. No Holder of a Disputed Claim will receive any distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date will receive its distribution in accordance with the terms and provisions of the Plan.

D. Means for Implementation of the Plan

(a) Global Settlement

The Plan provides that pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan incorporates a compromise and settlement of numerous inter-Debtor, Debtor-creditor, and intercreditor issues as well as a resolution of complex disputes between the Debtors and the Creditors' Committee, on the one hand, and C&S, on the other hand, concerning, among other things, ownership of certain assets. The Plan is designed to achieve an economic settlement of Claims against the Debtors and an efficient resolution of these Chapter 11 Cases. This global settlement constitutes a settlement of a number of potential litigation issues, including issues regarding substantive consolidation, the validity and enforceability of Intercompany Claims and the allocation of sale proceeds among the Debtors' Estates. The Plan

also incorporates the C&S Settlement Agreement, which resolves the issues and disputes referenced in Section XII(J) above. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the following compromises or settlements and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, their Estates, their creditors, and other parties-in-interest, and are fair, equitable, and within the range of reasonableness. Each provision of the global settlement shall be deemed non-severable from each other and from the remaining terms of the Plan. As set forth in detail below and in the Plan, the global settlement will be implemented as follows:

- o Settlement of Issues Relating to Intercompany Claims

The Plan provides that Intercompany Claims shall be extinguished as of the Effective Date without any further action by the Debtors or the Debtors' Representative.

- o Settlement of Issues Relating to Allocation of the Debtors' Assets

The Plan provides that on the Effective Date, the proceeds from the sale of the Debtors' assets shall be allocated to the AWI Debtors and the WR Debtors in accordance with the Distribution Model Methodology.

- o Settlement of Issues Relating to Partial Substantive Consolidation

The Plan provides that entry of the Confirmation Order shall constitute approval, pursuant to sections 105(a) and 1123(a)(5) of the Bankruptcy Code, effective as of the Effective Date, of (a) the substantive consolidation of the Estates of the AWI Debtors and (b) the substantive consolidation of the Estates of the WR Debtors. For the avoidance of doubt, the Plan shall serve as a motion by the Debtors seeking entry of an order approving the foregoing partial substantive consolidation.

The Plan further provides that the partial substantive consolidation called for in the Plan shall not (other than for purposes related to funding Distributions under the Plan) affect (a) the legal and organizational structure of the Debtors, (b) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected, (c) any agreements entered into by the Debtors' Representative on or after the Effective Date, and (d) the Debtors' Representative's or the Debtors' ability to subordinate or otherwise challenge Claims on an entity-by-entity basis. Notwithstanding the partial substantive consolidation called for herein, each and every Debtor shall remain responsible for the payment of U.S. Trustee Fees until its particular case is closed, dismissed, or converted. The Debtors do not believe that this partial substantive consolidation has a material adverse economic impact on any creditors; however, in the event an objection is filed, the Debtors reserve the right to seek confirmation of the Plan on an entity-by-entity basis.

- i. *Consolidation of the AWI Debtors*

The Plan provides that the assets and liabilities of each of the AWI Debtors shall be deemed to be the assets and liabilities of a single, consolidated entity. Each and every Claim

filed or to be filed in the Chapter 11 Cases against any of the AWI Debtors shall be considered a single claim filed against the consolidated AWI Debtors on and after the Effective Date. Any joint and several liability of two or more of the AWI Debtors, and all Claims against such entities on account of such joint and several liability, shall be considered a single Claim and single liability against the consolidated AWI Debtors. Any guarantee by an AWI Debtor of the liabilities of any other AWI Debtor arising prior to the Effective Date shall be deemed eliminated under the Plan so that any Claim against any AWI Debtor and any guaranty thereof executed by any other AWI Debtor shall be deemed to be one obligation of the consolidated AWI Debtors.

ii. Consolidation of WR Debtors

The Plan provides that the assets and liabilities of each of the WR Debtors shall be deemed to be the assets and liabilities of a single, consolidated entity. Each and every Claim filed or to be filed in the Chapter 11 Cases against any of the WR Debtors shall be considered a single claim filed against the consolidated WR Debtors on and after the Effective Date. Any joint and several liability of two or more of the WR Debtors, and all Claims against such entities on account of such joint and several liability, shall be considered a single Claim and single liability against the consolidated WR Debtors. Any guarantee by a WR Debtor of the liabilities of any other WR Debtor arising prior to the Effective Date shall be deemed eliminated under the Plan so that any Claim against any WR Debtor and any guaranty thereof executed by any other WR Debtor shall be deemed to be one obligation of the consolidated WR Debtors

(b) Implementing Actions

The Plan provides that unless otherwise provided therein, on the Effective Date or as soon thereafter as practicable, the following will occur in implementation of the Plan: (i) all actions, documents and agreements necessary to implement the Plan shall have been effected or executed; (ii) the Debtors shall have received all authorizations, consents, regulatory approvals, rulings, opinions or other documents, if any, that are determined by the Debtors to be necessary to implement the Plan; (iii) the Debtors' Representative shall make all Distributions, if any, required to be made on the Effective Date pursuant to the Plan; and (iv) the AWI Debtors Distribution Account, the WR Debtors Distribution Account, the Professional Fee Claims Reserve, the Post-Effective Date Reserve, the AWI Debtors SAP Claims Reserve Account, the WR Debtors SAP Claims Reserve Account and the Vendor Plan Release Account shall be established and funded in a manner consistent with Article V(P) of the Plan and the Collected AWI Debtors Credits Account and the Collected WR Debtors Credits Account shall be established and funded pursuant to the terms of the Plan. All Cash in such accounts shall be deposited or invested in accordance with section 345 of the Bankruptcy Code and Local Rule 4001-3.

(c) C&S Settlement Agreement and C&S Plan Release

The Plan provides that on the Effective Date, the C&S Settlement Agreement shall be deemed incorporated into the terms of the Plan and deemed approved. Pursuant to the terms of the C&S Settlement Agreement and the occurrence or waiver of the "Conditions" as defined and set forth in Paragraph 9 of the C&S Settlement Agreement, and without limitation thereof, on the Effective Date: (i) C&S shall pay the Debtors \$7,750,000, which consists of (y) the \$6,750,000

C&S Credits Payment *plus* (z) the \$1,000,000 C&S Plan Release Contribution; (ii) the Debtors shall pay C&S the \$1,403,259 Net C&S Settlement Payment as set forth in Schedule 1 attached hereto; and (iii) the releases set forth in the C&S Settlement Agreement shall be binding and effective. **The Plan also includes the following release and waiver for the benefit of C&S:**

On the Effective Date, all Vendors (as defined in the Plan) entitled to vote on the Plan other than those who have timely exercised the Vendor Opt-Out Election shall be deemed to forever (i) release unconditionally C&S of and from any and all claims, liabilities, actions, causes of action, suits, demands, costs, expenses, losses, cross-claims, counterclaims, controversies, damages, rights of action, rights to legal remedies, rights to equitable remedies, rights to payment under any applicable law, whether at law or equity, whether based on contract (including, without limitation, quasi-contract or estoppel), statute, regulation, tort (including, without limitation, intentional torts, fraud, recklessness, gross negligence and willful misconduct) or otherwise, known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, suspected, unsuspected, secured or unsecured, and whether asserted or assertable directly or derivatively, in law, equity or otherwise, and (ii) waive any right or defense of recoupment, that such Vendors may hold relating to or concerning the Debtors' or C&S' deduction, application or other collection of Credits.

The terms of the C&S Plan Release are described in Section VIII(I) of this Disclosure Statement. The C&S Settlement Agreement and the actions described in this paragraph shall be effective on the date in which both of the following requirements have been met (i) each of the Conditions set forth in the C&S Settlement Agreement have either been met or waived by the parties thereto in writing and (ii) the Effective Date of the Plan has occurred.

(d) Asset Allocation

The Plan provides that unless otherwise provided therein, subsequent to the funding of the Professional Fee Claims Reserve and the Post-Effective Date Reserve, all Cash in the Consolidated Debtor Cash Account on the Effective Date shall be transferred to and allocated between the AWI Debtors and the WR Debtors in accordance with the Distribution Model, or as otherwise directed by the Bankruptcy Court.

Any Cash received subsequent to the Effective Date as proceeds of assets of any of the Debtors, or otherwise, shall be allocated by the Debtors' Representative to the respective AWI Debtors Distribution Account or the WR Debtors Distribution Account, as appropriate, provided, however, if in the discretion of the Debtors' Representative, it is impracticable to determine how any such proceeds should be allocated, such proceeds shall be allocated pursuant to the Distribution Model Methodology, or as otherwise directed by the Bankruptcy Court.

(e) Liquidation of the Debtors

o Appointment of a Debtors' Representative

The Plan provides that the Debtors' Representative shall be a disinterested Person selected by the members of the Creditors' Committee, after consultation with the Debtors, and shall be identified in the Plan Supplement. The Plan Supplement will include an affidavit of disinterestedness of the proposed Debtors' Representative. The appointment of the Debtors' Representative shall be approved in the Confirmation Order, and the Debtors' Representative's duties shall commence as of the Effective Date. The Debtors' Representative shall administer the Plan and shall serve as a representative of the Debtors' Estates under section 1123(b) of the Bankruptcy Code for the purpose of enforcing Causes of Action.

The Plan further provides that the Debtors' Representative will serve in such capacity through the earlier of (i) the date all of the Debtors are dissolved and final tax returns are filed and (ii) the date such Debtors' Representative resigns, is terminated by the Plan Oversight Committee for cause or is otherwise unable to serve; provided, however, that, in the event that the Debtors' Representative resigns, is terminated, or is otherwise unable to serve, the Plan Oversight Committee shall, within ten (10) days, appoint a successor, who shall be a disinterested Person, to serve as the Debtors' Representative in accordance with the Plan. Notice of such appointment (accompanied by an affidavit of disinterestedness) shall be filed with the Bankruptcy Court ten (10) days prior to the effectiveness of such proposed appointment. To the extent that the Plan Oversight Committee does not appoint a successor within the time periods specified, then the Bankruptcy Court, upon the motion of any party-in-interest, shall approve a successor to serve as the Debtors' Representative.

o Responsibilities of the Debtors' Representative

The Plan provides that subject to the duties and powers of the Plan Oversight Committee as set forth in Article V(E)(e) of the Plan, the responsibilities of the Debtors' Representative will include, but are not limited to the following:

- (i) implementing the Plan, including making the Distributions contemplated herein, and establishing the Initial Distribution Date, each Subsequent Distribution Date and the Final Distribution Date(s);
- (ii) marshalling, marketing for sale and selling the Remaining Assets for Cash;
- (iii) in accordance with the Debtors' Representative's business judgment, conducting an analysis of any and all Claims and prosecuting objections thereto or settling or otherwise compromising such Claims, if necessary and appropriate, in accordance with Article VI(G) of the Plan;
- (iv) maintaining and administering the reserves established pursuant to this Plan;

- (v) in accordance with the Debtors' Representative's business judgment, commencing, prosecuting, or settling claims and Causes of Action, enforcing contracts, and asserting claims, defenses, and offsets in accordance with the Plan and paying all associated costs;
- (vi) recovering and compelling turnover of the Debtors' property;
- (vii) paying all amounts payable from the Post-Effective Date Reserve;
- (viii) abandoning any property that cannot be sold or otherwise disposed of for value and whose Distribution to holders of Allowed Claims would not be feasible or cost-effective in the Debtors' Representative's business judgment;
- (ix) preparing and filing post-Effective Date operating reports;
- (x) filing all tax returns for the Debtors and defending all audits and proceedings in connection with the Debtors' tax returns;
- (xi) retaining such professionals as are necessary and appropriate in furtherance of the Debtors' Representative's obligations; and
- (xii) taking such actions as are necessary and reasonable to carry out the purposes of the Plan, including effectuating the terms of the Plan and winding down the Debtors' business affairs.

o Retention of Assets and Causes of Action

The Plan provides that on the Effective Date, all of the Debtors' assets, shall be deemed retained by the Debtors, except to the extent otherwise provided in the C&S Settlement Agreement. Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and subject to the terms of the Plan, only the Debtors' Representative shall have the right to pursue or not to pursue, compromise or settle any of the Debtors' assets not otherwise sold, released or otherwise settled prior to the Effective Date or in the C&S Settlement Agreement. From and after the Effective Date, the Debtors' Representative may commence, litigate and settle any Causes of Action, except as otherwise expressly provided in the Plan. The Debtors' Representative shall be entitled to enforce all defenses and counterclaims to all Claims asserted against the Debtors and their Estates, including setoff, recoupment and any rights under section 502(d) of the Bankruptcy Code, subject to the provisions of the C&S Settlement Agreement and any order(s) entered in the Chapter 11 Cases.

o Vesting of Debtors' Assets

The Plan provides that, in accordance with section 1141 of the Bankruptcy Code, the Debtors' assets shall automatically vest in the Debtors free and clear of all Claims, Liens, and other interests, subject only to the Allowed Claims of the Holders of Claims as set forth in the Plan and the costs and expenses payable from the Post-Effective Date Reserve as set forth therein.

o Plan Oversight Committee

The Plan provides that the Creditors' Committee, after consultation with the Debtors, shall choose a minimum of three (3) members of the Creditors' Committee to serve as members of the Plan Oversight Committee, which shall have the responsibility to oversee and advise the Debtors' Representative with respect to the liquidation and distribution of the Debtors' assets in accordance with the Plan. A member of the Plan Oversight Committee shall recuse itself from considering any matter in which it is not disinterested. The Debtors shall file a notice identifying the members of the Plan Oversight Committee with the Plan Supplement. Vacancies on the Plan Oversight Committee shall be filled by a Person designated by the remaining member or members of the Plan Oversight Committee from among the holders of General Unsecured Claims. A majority of the Plan Oversight Committee may remove or replace members of the Plan Oversight Committee for cause, and any party-in-interest shall have the authority to seek an order from the Bankruptcy Court removing or replacing members of the Plan Oversight Committee for cause. Any successor appointed pursuant to this Section shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor. For the avoidance of doubt, no member of the Plan Oversight Committee shall be compensated for serving as a member of the Plan Oversight Committee; provided, however, that such members may be reimbursed by the Debtors' Representative for documented reasonable out-of-pocket costs and expenses.

The Plan specifies that the rights, powers and duties of the Plan Oversight Committee are as follows:

- (i) To terminate by supermajority vote the Debtors' Representative for cause, and upon such termination (or upon the resignation, death or incapacity of Debtors' Representative), appoint a successor Debtors' Representative in accordance with the terms of the Plan;
- (ii) To approve any release or indemnity in favor of any third party granted or agreed to by the Debtors' Representative, other than as set forth in the Plan;
- (iii) To authorize the Debtors' Representative to commence or continue to prosecute any Cause of Action;
- (iv) To approve the settlement of any Cause of Action or dispute, for which the amount in controversy exceeds \$100,000;
- (v) To approve the allowance of any Disputed Claim if the proposed Allowed Amount of such Claim exceeds \$50,000;
- (vi) To approve the sale of any Remaining Assets by the Debtors' Representative;

- (vii) To approve any budget in connection with the administration of the Plan and the winding down of the Debtors' affairs prepared by the Debtors' Representative at the request of the Plan Oversight Committee;
- (viii) To approve the Initial Distribution Date, the Subsequent Distribution Dates and the Final Distribution Dates;
- (ix) To review and object to fees and expenses of professionals retained by the Debtors' Representative in accordance with the terms of the Plan; and
- (x) To consider and, if appropriate, approve any action proposed by the Debtors' Representatives that is not specifically authorized by the Plan; provided, however, nothing contained herein shall be deemed to authorize the Debtors' Representative to take any action that is inconsistent with the terms of the Plan.

o Insurance: Bond

The Plan provides that the Debtors' Representative shall maintain insurance coverage with respect to the liabilities and obligations of the Debtors' Representative, the Debtors and the Plan Oversight Committee under the Plan (in the form of an errors and omissions policy or otherwise). The Debtors' Representative shall serve with a bond, the terms of which shall be agreed to by the Plan Oversight Committee and filed with the Bankruptcy Court, and the cost and expense of which shall be paid by the Debtors from the Post-Effective Date Reserve.

o Fiduciary Duties of the Debtors' Representative

Pursuant to the Plan, the Debtors' Representative shall act in a fiduciary capacity on behalf of the interests of all Holders of Claims that will receive Distributions pursuant to the terms of this Plan.

o Liability of Debtors' Representative: Indemnification

Pursuant to the Plan, neither the Debtors, the Debtors' Representative, the Plan Oversight Committee, their respective members, designees or professionals, or any duly designated agent or representative of the Debtors' Representative or the Plan Oversight Committee, nor their respective employees, shall be liable for the act or omission of any other member, designee, agent, or representative of such Debtors' Representative or Plan Oversight Committee, nor shall such Debtors' Representative, or any member of the Plan Oversight Committee, be liable for any act or omission taken or omitted to be taken in its capacity as Debtors' Representative, or as a member of the Plan Oversight Committee, respectively, other than for specific acts or omissions resulting from such Debtors' Representative's or such Plan Oversight Committee member's willful misconduct, gross negligence, or fraud. The Debtors' Representative shall be entitled to enjoy all of the rights, powers, immunities and privileges applicable to a chapter 7 trustee and the Plan Oversight Committee shall be entitled to enjoy all of the rights, powers, immunities and privileges of an official committee of unsecured creditors. The Debtors' Representative, or the Plan Oversight Committee, may, in connection with the performance of its functions, and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors and

agents, and shall not be liable (other than for willful misconduct, gross negligence or fraud) for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such persons, regardless of whether such advice or opinions are provided in writing. Notwithstanding such authority, neither the Debtors' Representative nor the Plan Oversight Committee shall be under any obligation to consult with its attorneys, accountants, financial advisors or agents, and their determination not to do so shall not result in the imposition of liability on the Debtors' Representative or Plan Oversight Committee or their respective members and/or designees, unless such determination is based on willful misconduct, gross negligence, or fraud. The Debtors shall indemnify and hold harmless the Debtors' Representative, the Plan Oversight Committee and their members, designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such), from and against and in respect of all liabilities, losses, damages, claims, costs and expenses (including reasonable attorneys' fees, disbursements, and related expenses) which such parties may incur or to which such parties may become subject in connection with any action, suit, proceeding or investigation brought by or threatened against such parties arising out of or due to their acts or omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Plan or the discharge of their duties under the Plan; provided, however, that no such indemnification will be made to such persons for actions or omissions as a result of willful misconduct, gross negligence, or fraud. Persons dealing with the Debtors' Representative shall look only to the Debtors' assets to satisfy any liability incurred by the Debtors' Representative or the Plan Oversight Committee to such person in carrying out the terms of the Plan, and neither the Debtors' Representative nor the Plan Oversight Committee shall have any personal obligation to satisfy any such liability, except for any such liability caused by willful misconduct, gross negligence or fraud.

(f) Continued Corporate Existence

The Plan provides that, from and after the Effective Date, the Debtors shall continue in existence for the purpose of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash or other methods, any Remaining Assets not disposed of prior to the Effective Date as expeditiously as reasonable possible, (iii) enforcing and prosecuting those Causes of Action the Debtors' Representative believes in the exercise of his or her business judgment should be enforced or prosecuted, subject to Plan Oversight Committee approval when applicable, (iv) administering the Plan, (v) filing appropriate tax returns, and (vi) dissolution. Upon the Effective Date, all transactions and other actions provided for under the Plan shall be deemed to be authorized and approved by the Debtors without any requirement of further action by the Debtors, the Debtors' members, the Debtors' shareholders or the Debtors' boards of directors. As of the Effective Date, the Debtors' Representative shall be deemed to be the sole equity holder and the only duly authorized, board-appointed officer and director of each of the Debtors and all by-laws, articles or certificates of incorporation and related corporate documents of the Debtors shall be deemed to have been amended by the Plan to permit and authorize such sole appointment.

The Plan further provides that, after the Effective Date, the Debtors' Representative shall be authorized to take, in his or her sole discretion, all actions reasonably necessary to dissolve one or more of the Debtors under applicable law, and to pay all reasonable costs and expenses in connection with such dissolution, including the costs of preparing or filing any necessary

paperwork or documentation. Upon the Final Distribution Date, any Debtors that have not been previously dissolved shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors, and the Debtors' Representative shall be authorized to file any documents as may be necessary in connection with such dissolution. Further, upon the entry of a Final Decree or other order of the Bankruptcy Court, the Debtors' Representative shall be authorized to discard or destroy any and all of the Debtors' books and records except to the extent that such books relate to open tax years, are necessary for the completion and filing of tax returns, the analysis or prosecution of Causes of Action, or are required to be retained pursuant to an agreement of sale approved by a Sale Order and any ancillary documents or agreements entered in connection therewith.

(g) Cancellation of Interests

The Plan provides that, upon the occurrence of the Effective Date, Class 4A and 4B Interests shall be deemed of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule.

(h) Exemption From Certain Transfer Taxes

The Plan provides that, pursuant to section 1146(a) of the Bankruptcy Code, any transfers from the Debtors to any other Person pursuant to the Plan shall not be subject to any stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state and local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

(i) The Creditors' Committee

The Plan provides that, on the Effective Date, except as provided in Article V(I) of the Plan, the Creditors' Committee shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to, arising from or in connection with the Chapter 11 Cases, and the retention or employment of the Creditors' Committee's attorneys, accountants, and other agents, if any, shall terminate, except for purposes of filing and prosecuting applications for final allowances of compensation for professional services rendered and reimbursement of expenses incurred in connection therewith, or any appeal of the Confirmation Order. Upon the occurrence of the Effective Date, any provision in the C&S Settlement Agreement that requires any action by, or in connection with, or that binds the Creditors' Committee shall be automatically amended to provide that any such action by, or in connection with, or that binds the Creditors' Committee, shall be performed by the Plan Oversight Committee from and thereafter.

(j) Remaining Assets

o General Assets

The Plan provides that, on and after the Effective Date, without further approval of the Bankruptcy Court, the Debtors' Representative shall, subject to approval of the Plan Oversight

Committee, liquidate the remaining property of any of the Debtors (the "Remaining Assets") and in connection therewith may use, sell, assign, transfer, abandon or otherwise dispose of at a public or private sale any of the Remaining Assets for the purpose of liquidating or converting such assets to Cash; provided, however, that nothing herein restricts the right of the Debtors' Representative, to seek Bankruptcy Court approval for the sale, assignment, transfer, or other disposal of the Remaining Assets after the Effective Date. Except in the case of gross negligence, willful misconduct or fraud, no Person shall have a cause of action against the Debtors' Representative, and/or any of the Debtors, the Plan Oversight Committee, and/or any of their consultants, professionals or agents arising from or related to the disposition of any Remaining Assets.

The Plan provides that, to the extent not previously authorized under a Sale Order and/or any other order(s) of the Bankruptcy Court, on and after the Effective Date, the Debtors' Representative shall be deemed authorized and empowered to fully perform under, consummate and implement any agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to consummate a sale, assignment, transfer, or other disposal of the Remaining Assets, and to take all further actions as may reasonably be requested by a purchaser or transferee for the purpose of selling, assigning, transferring, granting, conveying or conferring to a purchaser or transferee, or reducing to possession, any or all of the Remaining Assets free and clear of any and all Liens and encumbrances.

(k) Collected Debtor Credits Account

The Plan provides that on the Effective Date, C&S shall pay the Debtors \$6,750,000 in accordance with the C&S Settlement Agreement and Article V(C) above. Such amount shall promptly thereafter be deposited into the Collected Debtor Credits Account. As set forth in the C&S Settlement Agreement, the funds in the Collected Debtors Credit Account shall be considered "Excluded Assets" as defined in the C&S APA.

The Plan provides that, if and to the extent the AWI Debtors satisfy (by means of payment or setoff) a Vendor's Allowed Secured Claim or a Vendor's Allowed Section 503(b)(9) Claim in accordance with the terms of the May 20, 2015 Order, such amount may be reimbursed to the extent of any Debtor Credits attributable to such Vendor, using funds in the Collected Debtor Credits Account. Any such reimbursement shall be by transfer of the applicable amount of such Debtor Credits from the Collected Debtor Credit Account to the AWI Debtors Distribution Account.

The Plan further provides that, if and to the extent the WR Debtors satisfy (by means of payment or setoff) a Vendor's Allowed Secured Claim or a Vendor's Allowed Section 503(b)(9) Claim in accordance with the terms of the May 20, 2015 Order, such amount may be reimbursed to the extent of any Debtor Credits attributable to such Vendor using funds in the Collected Debtor Credits Account. Any such reimbursement shall be by transfer of the applicable amount of such Debtor Credits from the Collected Debtors Credit Account to the WR Debtors Distribution Account.

The Plan provides that any funds remaining in the Collected Debtor Credits Account after all such reimbursements have been made shall be transferred to the AWI Debtors Distribution

Account and the WR Debtors Distribution Account in accordance with the Distribution Model Methodology.

(l) Counterclaims

The Plan provides that Causes of Action shall not be subject to any affirmative counterclaims; provided, however, that Causes of Action may be subject to set-off and recoupment rights to the extent, if any, permitted by applicable law and to the extent consistent with any Order of the Bankruptcy Court and the terms of the Plan, including the C&S Settlement Agreement.

(m) Post-Effective Date Costs

The Plan provides that, from and after the Effective Date, the Debtors' Representative shall, without the necessity for any approval by the Bankruptcy Court, pay from the Post-Effective Date Reserve those fees and expenses incurred by the Debtors' Representative, the Debtors, the Creditors' Committee and the Plan Oversight Committee subsequent to the Effective Date in connection with the implementation and consummation of the Plan. All fees and expenses of the Debtors' Representative, the Debtors, the Claims Agent, and any of their respective agents and employees and retained professionals that are incurred subsequent to the Effective Date shall be paid by the Debtors' Representative, subject to the right of the Debtors' Representative and the Plan Oversight Committee to object to the payment of such fees and expenses in accordance with Articles V(E)(b) and V(E)(e) of the Plan. If the Debtors' Representative or the Plan Oversight Committee objects to the payment of an invoice by written notice to the Person submitting such invoice within fourteen (14) days after submission of such invoice to the Debtors' Representative, the Debtors' Representative shall pay, from the Post-Effective Date Reserve, only the non-disputed portion of the related statement, with the disputed portion payable only (a) upon agreement of the parties or (b) to the extent ordered by the Bankruptcy Court.

(n) Preservation of Causes of Action

The Plan provides that, in accordance with section 1123(b)(3) of the Bankruptcy Code, and except as otherwise provided in an order of the Bankruptcy Court, including without limitation the C&S Sale Order or in the C&S Settlement Agreement, the Debtors and the Debtors' Estates shall retain the Causes of Action, including, but not limited to, the Causes of Action identified on Exhibit "D" to the Plan. The Debtors' Representative may settle any Cause of Action without approval from the Bankruptcy Court, subject to the approval of the Plan Oversight Committee as set forth in Articles V(E)(b) and V(E)(e) of the Plan.

(o) Effectuating Documents; Further Transactions

The Plan provides that the Debtors and the Debtors' Representative 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.

(p) Reserves and Distribution Accounts

o Funding of the Reserves

(a) Professional Fee Claims Reserve. The Plan provides that on or as soon as practicable after the Effective Date, the Debtors' Representative shall fund the Professional Fee Claims Reserve from Cash in the Consolidated Debtor Cash Account, in the amount set forth in the Plan Supplement or as otherwise provided in the Confirmation Order. There shall be deposited into the Professional Fee Claims Reserve an amount sufficient to enable the Debtors to pay all Allowed Professional Fee Claims.

The Plan provides that any Cash remaining in the Professional Fee Claims Reserve after payment of all Allowed Professional Fee Claims shall be transferred by the Debtors' Representative to the Consolidated Debtor Cash Account and allocated to the AWI Debtors and the WR Debtors in accordance with the terms of this Plan. The Professional Fee Claims Reserve shall at all times be maintained as a segregated account.

(b) Post-Effective Date Reserve. The Plan further provides that on or as soon as practicable after the Effective Date, the Debtors' Representative shall fund the Post-Effective Date Reserve from Cash in the Consolidated Debtor Cash Account, in the amount set forth in the Plan Supplement or as otherwise provided in the Confirmation Order. There shall be deposited into the Post-Effective Date Reserve an amount sufficient to permit the consummation and implementation of the Plan and to pay the costs and expenses, including without limitation Taxes and amounts payable to professionals, incurred after the Effective Date by the Debtors' Representative, the Debtors and the Claims Agent. The Debtors' Representative, in consultation with the Plan Oversight Committee, may at any time increase or decrease the amount of the Post-Effective Date Reserve.

The Plan provides that any Cash remaining in the Post-Effective Date Reserve after payment of, or other provision for, all expenses and operating costs shall be transferred by the Debtors' Representative to the Consolidated Debtor Cash Account and thereafter allocated among the AWI Debtors and the WR Debtors in accordance with Article V(D) of the Plan.

The Plan provides that the Post-Effective Date Reserve shall at all times be maintained by the Debtors' Representative in a segregated account. All Cash obtained by the Debtors after the Effective Date from whatever source shall be deposited by the Debtors' Representative into the Post-Effective Date Reserve.

(c) AWI Debtors SAP Reserve Account. The Plan provides that on or as soon as practicable after the Effective Date, the Debtors' Representative shall establish the AWI Debtors SAP Reserve Account and fund such account from Cash allocated to the AWI Debtors pursuant to Article V(D) hereof, in amount equal to the Face Amount of: (i) all Administrative Claims asserted against any of the AWI Debtors; (ii) all Priority Tax Claims asserted against any of the AWI Debtors, (iii) all asserted Class 1A Priority Claims, and (iv) all asserted Class 2A Secured Claims. If and to the extent any such Administrative Claims, Priority Tax Claims, Class 1A Priority Claims and/or Class 2A Secured Claims become Disallowed, withdrawn, or reduced, the Debtors' Representative shall reduce the amount in the AWI Debtors SAP Reserve Account in a

corresponding amount and shall transfer such amount from the AWI Debtors SAP Reserve Account to the AWI Debtors Distribution Account. The AWI Debtors SAP Reserve Account shall at all times be maintained as a segregated account.

(d) WR Debtors SAP Reserve Account. The Plan provides that, on or as soon as practicable after the Effective Date, the Debtors' Representative shall establish the WR Debtors SAP Reserve Account and shall fund such account with Cash allocated to the WR Debtors pursuant to Article V(D) hereof, in an amount equal to the Face Amount of: (i) all Administrative Claims asserted against any of the WR Debtors; (ii) all Priority Tax Claims asserted against any of the WR Debtors, (iii) all asserted Class 1B Priority Claims, and (iv) all asserted Class 2B Secured Claims. If and to the extent any such Administrative Claims, Priority Tax Claims, Class 1B Priority Claims and/or Class 2B Secured Claims become Disallowed, withdrawn, or reduced, the Debtors' Representative shall reduce the amount in the WR Debtors SAP Reserve Account in a corresponding amount and shall transfer such amount from the WR Debtors SAP Reserve Account to the WR Debtors Distribution Account. The WR Debtors SAP Reserve Account shall at all times be maintained in a segregated account.

(f) Duplicative Claims. The Plan provides that notwithstanding anything to the contrary set forth in the Plan, the AWI Debtors SAP Reserve Account, and the WR Debtors SAP Reserve Account shall not be funded multiple times with respect to the same Claim. In the event the same Administrative Claim, Priority Tax Claim, Priority Non-Tax Claim, or Secured Claim is asserted against multiple Debtors, the Face Amount of such Claim shall be allocated among the AWI Debtors SAP Reserve Account and the WR Debtors SAP Reserve Account, in a manner consistent with the Distribution Model Methodology, such that the total amount reserved for such Claim is 100% of the amount of such Claim.

(g) Vendor Plan Release Account. The Plan provides that the C&S Plan Release Contribution shall be deposited by the Debtors following receipt thereof into the Vendor Plan Release Account. The Vendor Plan Release Account shall at all times be maintained as a segregated account.

(h) Funding of the Distribution Accounts. The Plan provides that, on or as soon as practicable after the Effective Date, the Debtors' Representative shall fund the AWI Debtors' Distribution Account and the WR Debtors' Distribution Account in accordance with the terms of the Plan. Each such account shall at all times be maintained as a segregated account.

(q) Intercompany Claims

The Plan provides that all Claims that a Debtor may have against another Debtor shall be deemed Disallowed, cancelled and expunged upon the occurrence of the Effective Date.

(r) The Custodial Account

The Plan provides that notwithstanding anything to the contrary contained in the Plan, the funds in the Custodial Account shall remain in such account pending further order of the Bankruptcy Court. In addition, in the event the Debtors, in consultation with the Creditors' Committee, and the PBGC reach an agreement to resolve the PBGC Claims, the Debtors will file

a settlement agreement setting forth the terms and conditions of the proposed settlement and may seek approval of the proposed settlement as part of the Plan.

E. Distribution Provisions

(a) Distributions for Claims Allowed as of the Effective Date

The Plan provides that, except as otherwise provided therein, all Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Initial Distribution Date. Distributions on account of Claims that first become Allowed Claims after the Initial Distribution Date shall be made pursuant to the terms and conditions of the Plan. Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Allowed Claim or portion thereof that has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court.

(b) Delivery of Distributions and Undeliverable or Unclaimed Distributions

Delivery of Distributions in General. The Plan provides that Distributions to Holders of Allowed Claims shall be made by the Debtors' Representative (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Debtors' Representative after the date of any related Proof of Claim, or (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Debtors' Representative or the Debtors have not received a written notice of a change of address.

The Plan provides that in making Distributions under the Plan, the Debtors' Representative may rely upon the accuracy of the claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Bankruptcy Court Allowing or Disallowing Claims in whole or in part.

Undeliverable and Unclaimed Distributions. The Plan provides that any Holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable or unclaimed Distribution, including checks not returned as undeliverable but which remains unnegotiated, within one hundred eighty (180) days after the date on which the Distribution to it is made (a) shall be deemed to have forfeited its claim for such undeliverable or unclaimed Distribution; (b) may, in the sole discretion of the Debtors' Representative, be barred from receiving further Distributions under the Plan on account of such claim; and (c) shall be forever barred and enjoined from asserting any claim for an undeliverable or unclaimed Distribution against the Debtors' Representative, the Debtors and their Estates or the Plan Oversight Committee and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such cases, any Cash otherwise reserved for undeliverable or unclaimed Distributions shall be added to the funds in the Post-Effective Date Reserve, notwithstanding any federal or state escheat laws to the contrary, and shall be distributed in accordance with the terms of the Plan. Nothing contained in the Plan shall require the Debtors, the Debtors' Representative, or his or her respective agents and professionals to attempt to locate any Holder of an Allowed Claim.

(c) Workers Compensation Claims

The Plan provides that, notwithstanding anything to the contrary set forth therein, Workers Compensation Claims shall be paid solely from any applicable Insurance Policy of any of the Debtors, from any applicable state's workers compensation fund, agency or program or from such other third party source as provided under applicable law. No Holder of a Workers Compensation Claim shall receive any payment under the Plan from any Debtor.

(d) Means of Cash Payment

The Plan provides that payments made pursuant to the Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of the Debtors' Representative by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Debtors' Representative. In the case of foreign creditors, Cash payments may be made, at the option of the Debtors' Representative, in such funds and by such means as are necessary or customary in a particular jurisdiction.

(e) Interest on Claims

The Plan provides that unless otherwise specifically provided for therein, in the Confirmation Order, or required by applicable bankruptcy law, postpetition interest will not accrue or be paid on any Claims, and no Holder of a Claim will be entitled to interest accruing on or after the Petition Date on any Claim.

(f) Withholding and Reporting Requirements

The Plan provides that in accordance with section 346 of the Bankruptcy Code and in connection with the Plan and all Distributions hereunder, the Debtors shall, to the extent applicable, comply with all withholding and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority. The Debtors' Representative will be authorized to take any and all actions necessary and appropriate to comply with such requirements.

The Plan provides that all Distributions under the Plan will be subject to withholding and reporting requirements. As a condition of making any Distribution under the Plan, the Debtors' Representative may require the Holder of an Allowed Claim to provide such Holder's taxpayer identification number and such other information, certification or forms as necessary to comply with applicable tax reporting and withholding laws. Failure to comply may result in the Debtors' Representative seeking an order of the Bankruptcy Court disallowing such Claims. Notwithstanding any other provision of the Plan, each entity receiving a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of tax obligations on account of any such Distribution.

(g) Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

Claims Administration Responsibilities. The Plan provides that, except as otherwise specifically provided in the Plan, after the Effective Date, the Debtors' Representative shall have the sole authority, subject to the oversight of the Plan Oversight Committee as set forth in the Plan, (a) to file, withdraw, or litigate to judgment objections to Claims, (b) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (c) to amend the Schedules in accordance with the Bankruptcy Code and the Local Rules

Objection Deadline; Prosecution of Objections; Claim Estimation. The Plan provides that except as set forth in the Plan with respect to Professional Fee Claims and Administrative Claims, all objections to Claims must be filed on or before the Claims Objection Deadline (as such deadline may be extended hereunder). If an objection has not been filed or a Notice of Claim Dispute has not been issued by the Debtors' Representative with respect to a Proof of Claim or the Schedules have not been amended with respect to a Claim by the Claims Objection Deadline, as the Claims Objection Deadline may be extended hereunder, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been Allowed earlier. The Debtors' Representative shall be the sole Person with the right and standing to object to Claims. The Debtors' Representative shall have the right to seek an order of the Bankruptcy Court estimating any contingent or unliquidated Claim.

Late Filed Claims. The Plan provides that any and all Claims filed after the applicable Bar Date shall be automatically deemed Disallowed in full and expunged from the claims register maintained in these Chapter 11 Cases for purposes of distribution or any other treatment under the Plan. If a party-in-interest wishes to file a late-filed claim after the Effective Date, it shall either obtain prior written consent from the Debtors' Representative or obtain an order of the Bankruptcy Court permitting the Claim to be deemed timely filed. In the event that a late Claim is deemed timely filed, the Debtors' Representative shall have one hundred and twenty (120) days from the date the Holder is permitted to file the Claim to file an Objection to such Claim.

Amendments to Claims. The Plan provides that on or after the Effective Date, a Proof of Claim may not be amended without the prior written authorization of the Bankruptcy Court or the Debtors' Representative. Any amendment to a Proof of Claim filed without such authorization shall be deemed Disallowed in full and expunged from the claims register maintained in these Chapter 11 Cases for purposes of distribution or any other treatment under the Plan.

No Distributions Pending Allowance. The Plan provides that notwithstanding any other provision of the Plan, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors on account of a Cause of Action, the Debtors' Representative may withhold all Distributions to such Holder until such

Claim and liability have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court or such other court having jurisdiction over the matter.

Distributions After Allowance. The Plan provides that Distributions to each respective Holder on account of a Disputed Claim, to the extent that it ultimately becomes an Allowed Claim, shall be made in accordance with provisions of the Plan that govern Distributions to such Holders.

De Minimis Distributions. The Plan provides that the Debtors' Representative will have no obligation to make a Distribution on account of an Allowed Claim or otherwise if the amount to be distributed to the specific Holder of the Allowed Claim on the Initial Distribution Date, Subsequent Distribution Date or Final Distribution Date is less than \$50.00.

Fractional Dollars. The Plan provides that any other provision of the Plan notwithstanding, the Debtors' Representative will not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment will reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

(h) Allocation of Plan Distributions Between Principal and Interest

The Plan provides that, to the extent that any Allowed Claim entitled to a Distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution will, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

(i) Distribution Record Date

The Plan provides that the Debtors' Representative shall have no obligation to recognize the transfer of or sale of any participation in any Claim that occurs after the close of business on the Distribution Record Date, and shall be entitled for all purposes regarding the Plan to recognize and distribute only to those Holders of Claims who are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date. Instead, the Debtors' Representative shall be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official claims register as of the close of business on the Distribution Record Date.

(j) De Minimis Fund Disposition

The Plan provides that, in the event a Final Distribution under the Plan is not, in the judgment and discretion of the Debtors' Representative, in consultation with the Plan Oversight Committee, economically warranted with respect to one or more Classes given the cost of making such Final Distribution relative to the benefits to the Holders of Claims, the Debtors' Representative may cause any amount that would have been subject to such Final Distribution to be paid to any charitable organization agreed to by the Debtors' Representative and the Plan Oversight Committee or determined by the Bankruptcy Court.

F. Treatment of Executory Contracts and Unexpired Leases

Rejected Contracts and Leases. The Plan provides that except as otherwise provided in the Confirmation Order, the Plan, or in any other Plan Document, the Confirmation Order shall constitute an order under section 365 of the Bankruptcy Code rejecting any pre-petition executory contract and unexpired lease to which any of the Debtors is a party, to the extent such contract or lease is an executory contract or an unexpired lease, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by the Debtors, (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date, (c) is the subject of a pending motion to assume or reject on the Confirmation Date, or (d) is assumed pursuant to Article VII(C) of the Plan.

Bar to Rejection Damages. The Plan provides that if the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the Debtors or their respective successors, properties or Estates unless a Proof of Claim is filed and served on the Debtors' Representative and counsel for the Debtors' Representative within thirty (30) days after service of a notice of the Effective Date or such other date as is prescribed by the Bankruptcy Court.

Assumed and Assigned Contracts and Leases. The Plan provides that, except as otherwise provided in the Confirmation Order, the Confirmation Order will constitute an order under section 365 of the Bankruptcy Code assuming, as of the Effective Date, those executory contracts and unexpired leases, if any, listed on Exhibit "E" hereto. The cure amounts payable with respect to any such contracts are also listed on Exhibit "E" hereto.

Insurance Policies. The Plan provides that, notwithstanding the foregoing, all Insurance Policies shall remain in full force and effect unless otherwise validly terminated, and issuers of such Insurance Policies shall remain responsible for Claims, in accordance with the terms and provisions of such Insurance Policies. The Debtors do not consider Insurance Policies that have expired as of the Effective Date (whether or not entered into prior or subsequent to the Petition Date) to be executory contracts subject to assumption or rejection. However, the issuers of Insurance Policies will be responsible for continuing coverage obligations thereunder, regardless of the payment status of any retrospective or other insurance premiums. Nothing in the Plan shall constitute or be deemed to be a waiver of any Cause of Action that any Debtor may hold against Persons, including, without limitation, any issuer under any Insurance Policy of any of the Debtors.

G. Confirmation and Consummation of the Plan

Conditions Precedent to the Effective Date. The Plan provides that the following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in writing:

- (1) The Confirmation Order shall have been entered and shall have become a Final Order no later than October 15, 2016 and shall provide that (i) the C&S Plan Release is approved as set forth in the Plan and the C&S Settlement Agreement and (ii) the Debtors and the Debtors' Representative are authorized to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan or effectuate, advance or further the purposes thereof;
- (2) All conditions precedent to the effectiveness of the C&S Settlement Agreement, as set forth in Paragraph 9 therein, have been met or waived in writing by C&S, the Debtors and the Creditors' Committee and the Debtors, in consultation with the Creditors' Committee, shall have provided to C&S the Settlement Conditions Notice; and
- (3) The following payments shall have been made two (2) Business Days after the Debtors provide to C&S the Settlement Conditions Notice: (i) C&S' payment to the Debtors of the \$6,750,000 C&S Credits Payment and the \$1,000,000 C&S Plan Release Contribution; and (ii) the Debtors' payment to C&S of the \$1,403,259 Net C&S Settlement Payment.

Consequences of Non-Occurrence of Effective Date. The Plan provides that in the event that the Effective Date does not timely occur, absent written agreement from the Debtors, the Creditors' Committee and C&S, the C&S Settlement Agreement shall be null and void in all respects. In the event the C&S Settlement Agreement becomes null and void, the Confirmation Order shall be deemed vacated and the Plan shall be null and void in all respects. In such event, distribution to Unsecured Creditors will be delayed and may be materially diminished.

H. Allowance and Payment of Certain Administrative Claims

Final Fee Applications. The Plan provides that final Fee Applications must be filed no later than sixty (60) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Debtors, their counsel, the requesting Professional and the United States Trustee no later than forty-five (45) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court. Allowed Professional Fee Claims shall be paid as set forth in Section III(A)(1) of the Plan.

Employment of Professionals after the Effective Date. The Plan provides that from and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code or any order previously entered by the Bankruptcy Court in seeking retention or compensation for services rendered or expenses incurred after such date will terminate.

Administrative Claim Bar Date. The Plan provides that unless expressly provided otherwise in the Plan, all requests for payment of an Administrative Claim arising on and subsequent to November 12, 2014, other than Claims arising under 28 U.S.C. § 1930 and Administrative Claims described in section 503(b)(1)(B) or (C) of the Bankruptcy Code, must be filed with the Court and served on counsel for the Debtors' Representative no later than thirty (30) days from and after the Effective Date of the Plan (the "Administrative Claim Bar Date"). Unless the Debtors or any other party in interest objects within forty-five (45) days from and after the Administrative Claim Bar Date (the "Administrative Claim Objection Deadline"), such Administrative Claim shall be deemed allowed in the amount requested. In the event that the Debtors or any other party in interest objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim, if any.

I. Effect of Plan Confirmation

Binding Effect. The Plan provides that the Plan will be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, and their respective successors and assigns.

No Discharge of the Debtors. The Plan provides that pursuant to section 1141(d)(3) of the Bankruptcy Code, Confirmation will not discharge Claims against the Debtors; provided, however, that, other than as provided in any agreement, no Holder of a Claim or Interest may, on account of such Claim or Interest, seek or receive any payment or other distribution from, or seek recourse against, any of the Debtors and/or its respective successors, assigns and/or property, including but not limited to the Debtors' Representative, except as expressly provided in the Plan.

RELEASES BY THE DEBTORS. THE PLAN PROVIDES THAT ON THE EFFECTIVE DATE, THE DEBTORS, ON BEHALF OF THEMSELVES AND THEIR RESPECTIVE ESTATES, WILL RELEASE UNCONDITIONALLY, AND HEREBY ARE DEEMED TO FOREVER RELEASE UNCONDITIONALLY, THE CREDITORS' COMMITTEE, THE MEMBERS OF THE CREDITORS' COMMITTEE (BUT SOLELY IN THEIR CAPACITY AS SUCH), THE MEMBERS OF THE RESTRUCTURING COMMITTEE AND THE CREDITORS' COMMITTEE'S AND THE DEBTORS' RESPECTIVE AGENTS, ADVISORS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS, ATTORNEYS, AND OTHER REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, THE DEBTORS' CHIEF RESTRUCTURING OFFICER AND CARL MARKS ADVISORY GROUP, LLC), SOLELY IN THEIR RESPECTIVE CAPACITIES AS SUCH, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, RIGHTS, CAUSES OF ACTION AND LIABILITIES WHATSOEVER (OTHER THAN THE RIGHT TO ENFORCE THE PERFORMANCE OF THEIR RESPECTIVE OBLIGATIONS, IF ANY, TO THE DEBTORS UNDER THE PLAN, AND THE CONTRACTS, INSTRUMENTS, RELEASES AND OTHER AGREEMENTS DELIVERED UNDER THE PLAN), WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, DIRECTLY OR DERIVATIVELY, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE THAT ARE BASED IN WHOLE OR IN PART ON ANY ACT OR

OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTORS, THE CHAPTER 11 CASES, THE PLAN OR THE DISCLOSURE STATEMENT; PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THE PLAN IS INTENDED TO OR WILL OPERATE AS A RELEASE OF ANY CLAIMS FOR FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, AS DETERMINED BY A FINAL ORDER OF A COURT OF COMPETENT JURISDICTION.

INJUNCTION. THE PLAN PROVIDES THAT EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, FROM AND AFTER THE EFFECTIVE DATE, ALL PERSONS WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS AGAINST OR INTERESTS IN ANY OF THE DEBTORS ARE PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST ANY DEBTOR OR ITS ESTATE, OR ANY OF ITS PROPERTY, OR THE DEBTORS' REPRESENTATIVE ON ACCOUNT OF ANY SUCH CLAIMS OR INTERESTS: (A) COMMENCING OR CONTINUING, IN ANY MANNER OR IN ANY PLACE, ANY ACTION OR OTHER PROCEEDING; (B) ENFORCING, ATTACHING, COLLECTING OR RECOVERING IN ANY MANNER ANY JUDGMENT, AWARD, DECREE OR ORDER; (C) CREATING, PERFECTING OR ENFORCING ANY LIEN OR ENCUMBRANCE; (D) ASSERTING A SETOFF OR RIGHT OF SUBROGATION OF ANY KIND AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO ANY OF THE DEBTORS; (E) 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; AND (F) TAKING ANY ACTIONS WHICH INTERFERE WITH THE IMPLEMENTATION OR CONSUMMATION OF THE PLAN; PROVIDED, HOWEVER, THAT NOTHING CONTAINED IN THE PLAN SHALL PRECLUDE SUCH PERSONS FROM EXERCISING THEIR RIGHTS PURSUANT TO AND CONSISTENT WITH THE TERMS OF THE PLAN, THE CONFIRMATION ORDER, A SALE ORDER OR THE C&S SETTLEMENT AGREEMENT.

Term of Bankruptcy Injunction or Stays. The Plan provides for 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, to remain in full force and effect.

THE C&S PLAN RELEASE: THE PLAN PROVIDES THE FOLLOWING RELEASE AND WAIVER FOR THE BENEFIT OF C&S:

ON THE EFFECTIVE DATE, ALL VENDORS (AS DEFINED IN THE PLAN) ENTITLED TO VOTE ON THE PLAN OTHER THAN THOSE WHO HAVE TIMELY EXERCISED THE VENDOR OPT-OUT ELECTION SHALL BE DEEMED TO FOREVER (i) RELEASE UNCONDITIONALLY C&S OF AND FROM ANY AND ALL CLAIMS, LIABILITIES, ACTIONS, CAUSES OF ACTION, SUITS, DEMANDS, COSTS, EXPENSES, LOSSES, CROSS-CLAIMS, COUNTERCLAIMS,

CONTROVERSIES, DAMAGES, RIGHTS OF ACTION, RIGHTS TO LEGAL REMEDIES, RIGHTS TO EQUITABLE REMEDIES, RIGHTS TO PAYMENT UNDER ANY APPLICABLE LAW, WHETHER AT LAW OR EQUITY, WHETHER BASED ON CONTRACT (INCLUDING, WITHOUT LIMITATION, QUASI-CONTRACT OR ESTOPPEL), STATUTE, REGULATION, TORT (INCLUDING, WITHOUT LIMITATION, INTENTIONAL TORTS, FRAUD, RECKLESSNESS, GROSS NEGLIGENCE AND WILLFUL MISCONDUCT) OR OTHERWISE, KNOWN, UNKNOWN, REDUCED TO JUDGMENT, NOT REDUCED TO JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, SUSPECTED, UNSUSPECTED, SECURED OR UNSECURED, AND WHETHER ASSERTED OR ASSERTABLE DIRECTLY OR DERIVATIVELY, IN LAW, EQUITY OR OTHERWISE, AND (ii) WAIVE ANY RIGHT OR DEFENSE OF RECOUPMENT, THAT SUCH VENDORS MAY HOLD RELATING TO OR CONCERNING THE DEBTORS' OR C&S' DEDUCTION, APPLICATION OR OTHER COLLECTION OF CREDITS. NOTWITHSTANDING THE FOREGOING, C&S SHALL NOT BE RELEASED FROM ANY "ASSUMED LIABILITIES" AS DEFINED AND PROVIDED FOR UNDER THE C&S APA.

The Debtors and the Committee Release and Reservation of Rights. Subject to the Effective Date and the performance by C&S of all of its obligations under the C&S Settlement Agreement, the Creditors' Committee, the Debtors and their estates, and any respective successors and assigns of the Creditors' Committee or the Debtors, and their agents, affiliates, subsidiaries, parent entities, predecessors-in-interest, successors, assigns, beneficiaries designees, attorneys, representatives, trustees, Carl Marks Advisory Group LLC and all other persons that may be acting for or on their behalf, including, without limitation, all present and former officers, directors, restructuring officers, professionals and employees shall and do hereby forever waive, release and discharge C&S and any affiliates, together with their present and former agents, representatives, officers, members, directors, shareholders, restructuring officers, professionals and employees (collectively with C&S and any affiliates, the "C&S Parties") of and from any and all obligations, rights, claims, liabilities, actions, causes of action, suits, demands, costs, expenses, losses, cross-claims, counterclaims, controversies, damages, bankruptcy claims, defenses, and claims of any kind, nature and character whatsoever existing as of the date of the Settlement Agreement whether at law or equity, whether based on contract (including without limitation, quasi-contract or estoppel), statute, regulation, tort (including, without limitation, intentional torts, fraud, recklessness, gross negligence and willful misconduct) or otherwise, accrued or unaccrued, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, whether held directly or derivatively up to and including the date of the C&S Settlement Agreement, arising from, related to or which are in any way connected to the allegations, facts and circumstances underlying the Resolved Disputes and Issues (as defined in the C&S Settlement Agreement). Notwithstanding anything to the contrary herein, the Creditors' Committee, the Debtors and their estates, and any respective successors and assigns of the Creditors' Committee or the Debtors shall not release the C&S Parties, and shall not waive any rights

or remedies, under the C&S Settlement Agreement, the Transition Services Agreement and the Additional Services Agreement between and among the Debtors and C&S dated as of November 12, 2014, and the rights, duties and obligations of C&S under the C&S APA and the C&S Sale Order that survived the Closing except as are expressly released under the C&S Settlement Agreement. The Creditors' Committee, the Debtors, and their estates, and any respective successors and assigns of the Creditors' Committee or the Debtors, hereby reserve all of their rights to assert that an asset or liability not previously identified in the Settlement Correspondence (as defined in the C&S Settlement Agreement), position papers, the Term Sheet or the C&S Settlement Agreement is an Acquired Asset, an Excluded Asset, an Assumed Liability or an Excluded Liability (as such terms are defined in the C&S APA) and to contest C&S' position with respect thereto, which shall remain subject to the terms and conditions of the C&S APA and the C&S Sale Order. For the avoidance of doubt, the C&S Settlement Agreement provides that the Debtors and the Creditors' Committee acknowledge that all disputes and issues related to the ownership of the Credits are resolved and the Creditors' Committee, the Debtors and their estates, and any respective successors and assigns of the Creditors' Committee or the Debtors forever waive, release and discharge the C&S Parties of and from all claims, bankruptcy claims, damages, actions and causes of action related to the Credits to the fullest extent not inconsistent with the C&S Settlement Agreement.

The C&S Release and Reservation of Rights. Subject to the Effective Date and the performance by the Debtors and the Creditors' Committee of all of their obligations under the C&S Settlement Agreement, C&S and its agents, affiliates, subsidiaries, parent entities, predecessors-in-interest, successors, assigns, beneficiaries designees, attorneys, representatives, trustees and all other persons that may be acting for or on its behalf, including, without limitation, all present and former officers, directors, restructuring officers, professionals and employees shall and do hereby forever waive, release and discharge the Creditors' Committee, the Debtors and their estates and any affiliates; and their present and former agents, representatives, officers, members, directors, shareholders, restructuring officers, Carl Marks Advisory Group LLC, professionals and employees (collectively, the "Estate Parties") of and from any and all obligations, rights, claims, liabilities, actions, causes of action, suits, demands, costs, expenses, losses, cross-claims, counterclaims, controversies, damages, bankruptcy claims, defenses, and claims of any kind, nature and character whatsoever existing as of the date of the C&S Settlement Agreement whether at law or equity, whether based on contract (including without limitation, quasi-contract or estoppel), statute, regulation, tort (including, without limitation, intentional torts, fraud, recklessness, gross negligence and willful misconduct) or otherwise, accrued or unaccrued, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, whether held directly or derivatively up to and including the date of the C&S Settlement Agreement, arising from, related to or which are in any way connected to the allegations, facts and circumstances underlying the Resolved Disputes and Issues (as defined in the C&S Settlement Agreement). Notwithstanding anything to the contrary herein, C&S shall not release the Estate Parties of their respective obligations, and shall not waive any rights or remedies, under the C&S Settlement Agreement, the Transition Services Agreement and the Additional Services Agreement between and among the Debtors and C&S dated as of November 12, 2014 and the rights, duties and obligations of the Creditors' Committee, the

Debtors and their estates, and any respective successors and assigns of the Committee or the Debtors under the C&S APA and the C&S Sale Order that survived the Closing except as are expressly released under the C&S Settlement Agreement. C&S hereby reserves all of its rights to assert that an asset or liability not previously identified in the Settlement Correspondence (as defined in the C&S Settlement Agreement), position papers, the C&S Settlement Agreement is an Acquired Asset, an Excluded Asset, an Assumed Liability or an Excluded Liability (as such terms are defined in the C&S APA) and to contest any other Party's position with respect thereto, which shall remain subject to the terms and conditions of the C&S APA and the C&S Sale Order. For the avoidance of doubt, the C&S Settlement Agreement provides that C&S acknowledges that all disputes and issues related to the ownership of the Credits are resolved and C&S forever waives, releases and discharges the Estate Parties of and from all claims, bankruptcy claims, damages, actions and causes of action related to the Credits to the fullest extent not inconsistent with the C&S Settlement Agreement.

Levy, Garnishment and Attachment. The Plan provides that Distributions to the various Classes of Claims under the Plan shall not be subject to levy, garnishment, attachment or like legal process by any Holder of Claim by reason of any subordination rights or otherwise, so that each Holder of Claim shall have and receive the benefit of the Distributions in the manner set forth in the Plan.

Exculpation and Limitation of Liability. The Plan provides that except as otherwise specifically provided in the Plan, each of the Debtors, the Debtors' Chief Restructuring Officer, Carl Marks Advisory Group, LLC, the members of the Debtors' Restructuring Committee, the Debtors' Professionals, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers, or agents and any of such parties' successors and assigns, the Creditors' Committee, the members of the Creditors' Committee (but solely in their capacity as such) and the Professionals of the Creditors' Committee, shall not be liable for any claim, action, proceeding, Cause of Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment or Claim (as defined in section 101(5) of the Bankruptcy Code), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise to one another or to any Holder of a Claim or Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Chapter 11 Cases, negotiation and filing of the Plan or any prior plans, filing the Chapter 11 Cases, the pursuit of confirmation of the Plan or any prior plans, the C&S Sale Order, the C&S Settlement Agreement, any other Sale Order, the consummation of the Plan, the administration of the Plan or the property to be liquidated and/or distributed under the Plan, except for willful misconduct, gross negligence or fraud as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities.

Indemnification Obligations. The Plan provides that, except as otherwise provided in the Plan, the C&S Sale Order, any other Sale Order, other order of the Bankruptcy Court, or any contract, instrument, release or other agreement or document entered into in connection with the Plan, any and all indemnification obligations that any of the Debtors has pursuant to a contract, instrument, agreement, certificate of incorporation, by-law, comparable organizational document or any other document or applicable law shall be deemed rejected (if and to the extent executory) as of the Effective Date.

Good Faith. The Plan provides that confirmation of the Plan shall constitute a finding by the Bankruptcy Court that: (i) the Plan and the C&S Settlement Agreement embodied therein have been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) the solicitation of acceptances or rejections of the Plan by all Persons has been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

Confirmation Order. The Plan provides that confirmation of the Plan will be deemed to ratify all transactions undertaken by the Debtors during the period commencing on the Petition Date and ending on the Effective Date except for any acts constituting willful misconduct, intentional misconduct, gross negligence or fraud as determined by a Final Order of a court of competent jurisdiction.

Special Environmental Provisions. The Plan provides that nothing in the Plan discharges, releases, precludes, or enjoins: (i) any environmental liability to any Governmental Unit that is not a Claim as defined in 11 U.S.C. § 101(5); (ii) any environmental Claim of any Governmental Unit arising on or after the Effective Date; (iii) any environmental liability to any Governmental Unit on the part of any entity as the owner or operator of property after the Effective Date; or (iv) any liability to the United States on the part of any entity other than a Debtor. Nothing in the Plan divests any tribunal of any jurisdiction it may have under environmental law to interpret the Plan.

IX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain United States federal income tax aspects of the Plan, for general information purposes only, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular Holder of a Claim or Interest. This discussion does not purport to be a complete analysis or listing of all potential tax considerations. This discussion is based on existing provisions of the Internal Revenue Code (the "IRC"), existing and proposed Treasury Regulations promulgated thereunder, and current administrative rulings and court decisions. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly affect the United States federal income tax consequences of the Plan.

No ruling has been requested or obtained from the IRS with respect to any tax aspects of the Plan and no opinion of counsel has been sought or obtained with respect thereto. No representations or assurances are being made to the Holders of Claims or Interests with respect to the United States federal income tax consequences described herein.

Each Holder of a Claim or Interest affected by the Plan is strongly urged to consult its tax advisor regarding the specific tax consequences of the transactions described herein and in the Plan.

A. General

The United States federal income tax consequences to Holders of Claims and Interests and the character and amount of income, gain or loss recognized as a consequence of the Plan and the distributions provided for thereby will depend upon, among other things, (1) the manner in which a Holder acquired a Claim or Interest; (2) the length of time the Claim or Interest has been held; (3) whether the Claim or Interest was acquired at a discount; (4) whether the Holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years; (5) whether the Holder has previously included in income accrued but unpaid interest with respect to the Claim; (6) the method of tax accounting of the Holder; (7) whether the Claim is an installment obligation for United States federal income tax purposes; and (8) whether the Claim constitutes a "security" for United States federal income tax purposes. Certain Holders of Claims (such as foreign persons, S corporations, regulated investment companies, insurance companies, financial institutions, small business investment companies, broker-dealers and tax-exempt organizations) and Interests may be subject to special rules not addressed herein. There also may be state, local, and/or foreign income or other tax considerations or United States federal estate and gift tax considerations applicable to Holders of Claims and Interests, which are not addressed herein. Each Holder of a Claim and Interest should consult its tax advisor for information that may be relevant to its particular situation and circumstances and for advice concerning the particular tax consequences to it of the transactions contemplated by the Plan.

B. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM OR INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM AND INTEREST HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

X. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code and the disclosures by the Debtors concerning the Plan have been adequate and have included information concerning all payments made or to be made in connection with the Plan and the Chapter 11 Cases. In addition, the Bankruptcy Court must determine that the Plan has been proposed in good faith and not by any means forbidden by law and, under Bankruptcy Rule 3020(b)(2), it may do so without receiving evidence if no objection is timely filed.

In particular, the Bankruptcy Code requires the Bankruptcy Court to find, among other things, that (a) the Plan has been accepted by the requisite votes of the Classes of Impaired Claims, unless approval will be sought under section 1129(b) of the Bankruptcy Code, despite the dissent of one or more such Classes, (b) the Plan is "feasible," which means that there is a reasonable probability that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization, and (c) the Plan is in the "best interests" of all holders of Claims and Interests, which means that such holders will receive at least as much under the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code. The Bankruptcy Court must find that all conditions mentioned above are met before it can confirm the Plan. Thus, even if all Classes of Impaired Claims accept the Plan by the requisite votes, the Bankruptcy Court must make an independent finding that the Plan conforms to the requirements of the Bankruptcy Code, that the Plan is feasible and that the Plan is in the best interests of the holders of Claims against, and Interests in, the Debtors.

A. Acceptance by Impaired Classes

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be impaired under a plan unless (1) the plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder thereof or (2) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, a holder of a claim or interest may vote to accept or to reject a plan if (1) the claim or interest is allowed, which means generally that no party in interest has objected to such claim or interest, and (2) the claim or interest is impaired by the plan. If the holder of an impaired claim or interest will not receive or retain any distribution under the plan in respect of such claim or interest, the Bankruptcy Code deems the holder to have rejected the plan. If the claim or interest is not impaired, the Bankruptcy Code deems the holder of such claim or interest to have accepted the plan, and the plan proponent need not solicit such holder's vote.

For present purposes, the Holder of a Claim against a Debtor that is Impaired under the Plan is entitled to vote to accept or reject the Plan if (i) the Plan provides a Distribution in respect to such Claim and (ii) (a) the Claim has been Scheduled by the Debtors (and such claim is not Scheduled at zero or as disputed, contingent, or unliquidated) or (b) the creditor has filed a Proof of Claim on or before the bar date applicable to such Holder, pursuant to sections 502(a) and 1126(a) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3018. Any Claim as to which an objection has been timely filed and not been withdrawn or dismissed or denied by Final Order is not entitled to vote unless the Bankruptcy Court, pursuant to Bankruptcy Rule 3018(a), upon application of the Holder of the Claim with respect to which there has been objection, temporarily allows the Claim in an amount that the Bankruptcy Court deems proper for the purpose of accepting or rejecting the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Impaired Classes of Claims and Interests Entitled to Vote. Subject to Articles II and III of the Plan, the Holders of Claims in Classes 3A, 3B, 3AV and 3BV are entitled to vote to accept or reject the Plan. In addition, although the Debtors believe that the holders of Claims in Classes 2A/Bank and 2B/Bank are Unimpaired, the DIP Secured Parties shall be entitled to vote on the Plan.

Acceptance by an Impaired Class. In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject the Plan. In accordance with section 1126(d) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Interests shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds in amount of the Allowed Interests of such Class that have timely and properly voted to accept or reject the Plan.

Presumed Acceptances by Unimpaired Classes. Class 1A, 1B, 2A and 2B Claims are Unimpaired by the Plan. Under section 1126 of the Bankruptcy Code, such Holders are conclusively presumed to accept the Plan, and the votes of such Holders will not be solicited. As noted above, although the Debtors believe that the Holders of Claims in Classes 2A/Bank and 2B/Bank are Unimpaired, the DIP Secured Parties shall be entitled to vote on the Plan

Impaired Equity Interests. With respect to Interests, in accordance with section 1126(g) of the Bankruptcy Code, Classes 4A and 4B are deemed to have rejected the Plan.

Summary of Classes Voting on the Plan. As a result of the provisions of Articles II and III of the Plan, the votes of Holders of Claims in Classes 2A/Bank, 2B/Bank, 3A, 3B, 3AV and 3BV will be solicited with respect to the Plan.

Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code. If any Impaired Class of Claims or Interests that is entitled to vote on the Plan rejects the Plan, the Debtors will (i) seek confirmation of the Plan from the Court by employing the “cram down” procedures set forth in section 1129(b) of the Bankruptcy Code and/or (ii) modify the Plan. The Debtors reserve the right to alter, amend or modify the Plan, including to amend or modify the exhibits thereto, to satisfy the requirements of section 1129(b) of the Bankruptcy Code. Each Debtor reserves the right to revoke or withdraw the Plan, as it applies to such Debtor, in whole or in part. The withdrawal of the Plan by a Debtor will not affect the right or ability of another Debtor to seek confirmation of the Plan, as it applies to such Debtor.

“Cram Down.” Under the “cram down” provisions of the Bankruptcy Code, the Debtors must demonstrate to the Bankruptcy Court that (i) the Plan does not discriminate unfairly with respect to each non-accepting Impaired Class, (ii) the Plan is fair and equitable with respect to each non-accepting Impaired Class, and (iii) at least one Impaired Class has accepted the Plan.

As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and equitable” have narrow and specific meanings unique to bankruptcy law. A plan does not discriminate unfairly if claims or interests in different classes but with similar priorities and characteristics receive or retain property of similar value under a plan. By establishing separate

Classes for the Holders of each type of Claim and by treating each Holder of a Claim in each Class identically, the Plan has been structured so as to meet the "unfair discrimination" test of section 1129(b) of the Bankruptcy Code.

The Bankruptcy Code sets forth different standards for establishing that a plan is "fair and equitable" with respect to a dissenting class, depending on whether the class is comprised of secured or unsecured claims or interests. In general, section 1129(b) of the Bankruptcy Code permits confirmation notwithstanding non-acceptance by an impaired class if that class and all junior classes are treated in accordance with the "absolute priority" rule, which requires that the dissenting class be paid in full before any junior class may receive anything under the plan.

B. Feasibility

In connection with confirmation of the Plan, the Bankruptcy Court will have to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors. In the present case, because the Plan is a liquidating plan in which sufficient funds will be set aside to satisfy all Allowed Administrative Claims and other Claims that are required to be paid under the Plan, the Plan satisfies section 1129(a)(11) of the Bankruptcy Code.

C. Best Interests of Creditors; Liquidation under Chapter 7 of the Bankruptcy Code

Section 1129(a)(7) of the Bankruptcy Code provides that, with respect to impaired classes, each holder of a claim or interest of such class must receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount such holder would so receive or retain if the debtor liquidated under chapter 7 of title 11 on such date.

To estimate what holders of Claims would receive if the Debtors were hypothetically liquidated under chapter 7 of the Bankruptcy Code, the Bankruptcy Court must first determine the aggregate dollar amount that would be available if each of the Debtors' Chapter 11 Cases were converted to a chapter 7 case and each of the respective Debtor's assets were liquidated by a chapter 7 trustee. The proceeds available for satisfaction of allowed claims would consist of the Cash held by the Debtors, as well as any remaining assets reducible to Cash, at the time of the conversion to chapter 7. Any such Cash amount would then be reduced by the amount of any allowed secured claims, the costs and expenses of the chapter 7 case and additional allowed administrative claims, and other priority claims that may result from the use of chapter 7 for purposes of liquidation. The costs of liquidation under chapter 7 would include fees payable to a trustee in bankruptcy, as well as those that might be payable to his or her attorneys and to other professionals that such trustee may engage, plus any unpaid expenses incurred by the Debtors during the Chapter 11 Cases that would be allowed in the chapter 7 case, such as compensation for the Debtors' and Creditors' Committee's Professionals. These Claims would be paid in full out of the Debtors' Cash before the balance of the Cash would be made available to Holders of General Unsecured Claims. In addition, other claims might arise upon conversion to a chapter 7 case that might dilute the Cash available to holders of allowed general unsecured claims. Additional claims against the Debtors' Estates might also arise as the result of the establishment of a new bar date for the filing of claims in the chapter 7 cases of the Debtors. Based on the

foregoing, the Debtors believe that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for under the Plan

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors have evaluated alternatives to the Plan. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recoveries of Holders of Claims and Interests. If the Plan is not confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In that event, the Debtors would cease their liquidation and distribution efforts and a trustee would be appointed to liquidate and distribute the remaining assets of the Estates. As explained above, the Debtors believe that a liquidation under chapter 7 would likely result in a lower return to Holders of Allowed Claims and Interests, and would significantly delay distributions.

XII. RECOMMENDATION AND CONCLUSION

The Debtors believe that the Plan is in the best interest of all Holders of Claims and Interests and urge all Holders of Impaired Claims to vote to accept the Plan and to evidence such acceptance by returning their Ballots in accordance with the instructions accompanying this Disclosure Statement. IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AND RECEIVED BY THE VOTING AGENT NO LATER THAN THE VOTING DEADLINE.

Dated: July 11, 2016

Respectfully submitted,

ADI Liquidation, Inc. (f/k/a AWI Delaware, Inc.)
AW Liquidation, Inc. (f/k/a Associated Wholesalers, Inc.)
NK Liquidation, Inc. (f/k/a Nells, Inc.)
Co-Op Agency Inc.
AL Liquidation, Inc. (f/k/a Associated Logistics, Inc.)
WR Liquidation, Inc. (f/k/a White Rose Inc.)
RT Liquidation Corp. (f/k/a Rose Trucking Corp.)
WRSC Liquidation Corp. (f/k/a WR Service Corp.)
WRSC II Liquidation Corp. (f/k/a WR Service II Corp.)
WRSC V Liquidation Corp. (f/k/a WR Service V Corp.)
White Rose Puerto Rico, LLC

By: /s/ Douglas A. Booth
Name: Douglas A. Booth
Title: Chief Restructuring Officer

List of Exhibits

Exhibit "A" – Debtors' Chapter 11 Plan of Liquidation

Exhibit "B" – Estimated Range of Claims

Exhibit "C" – May 20, 2015 Order

Exhibit "D" – Debtor Pension Reimbursement Amount

Exhibit "E" – Executory Contracts and Unexpired Leases to be Assumed and Proposed Cure Amounts

List of Schedules

Schedule 1 – Calculation of Net C&S Settlement Payment