IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
DLH MASTER LAND HOLDING, LLC	§	
ALLEN CAPITAL PARTNERS, LLC	§	**CASE NO. 10-30561-HDH-11**
RICHARD S. ALLEN, INC.,	§	
RICHARD S. ALLEN,	§	**Jointly Administered**
	§	
DEBTORS.	§	**(CHAPTER 11)**

DISCLOSURE STATEMENT REGARDING FIRST AMENDED JOINT PLAN OF REORGANIZATION OF DEBTORS RICHARD S. ALLEN AND RICHARD S. ALLEN, INC.

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Dated: October 21, 2011

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I. INTRODUCTION

Debtors Richard S. Allen ("Allen") and Richard S. Allen, Inc. ("RSAI")(collectively referred to herein as "Debtors"), submit this Disclosure Statement (the "Disclosure Statement") in connection with the First Amended Joint Plan of Reorganization of Debtors Richard S. Allen and Richard S. Allen, Inc. (the "Plan"). This Disclosure Statement is to be used in connection with the solicitation of votes on the Plan. A copy of the Plan is attached hereto as **Exhibit 1**. Unless otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Plan (see Article I of the Plan entitled "Definitions, Construction, and Interpretation"). Allen and RSAI incorporate by reference as if fully set forth herein the Disclosure Statement of Debtors Allen Capital Partners, LLC ("ACP") and DLH Master Land Holding, LLC ("DLH") which has already been approved by this Court [See Docket No. 950 – Order Approving Disclosure Statement for Debtors' Amended Fifth Joint Plan of Reorganization [Docket No. 944] and all Exhibits thereto], for further discussion of the Debtors', ACP's and DLH's history, business, properties, assets and liabilities, results of operations, reasons for filing bankruptcy, projections for future operations, risk factors, a summary and analysis of this Plan and other related matters.

II. NOTICE TO HOLDERS OF CLAIMS AND INTERESTS

The purpose of this Disclosure Statement is to enable Holders of Claims against and Interests in the Debtors whose Claims and Interests are impaired under the Plan and are entitled to vote on the Plan to make an informed decision in exercising their right to vote to accept or reject the Plan.

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

On _____, 2011, the Bankruptcy Court conducted a hearing on the adequacy of the Disclosure Statement and subsequently entered an order pursuant to section 1125 of the Bankruptcy Code (the "Disclosure Statement Order") approving this Disclosure Statement as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor, typical of the solicited holders of Claims against and Interests in the Debtors, to make an informed judgment with respect to the acceptance or rejection of the Plan. A copy of the Disclosure Statement Order is included in the materials accompanying this Disclosure Statement.

Each Holder of a Claim or Interest 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. Except for the Proponents and their professionals, no person has been authorized to use or promulgate any information concerning the Debtors, their business, or the Plan, other than the information contained herein, in connection with the solicitation of votes to accept or reject the Plan. No Holder of a Claim or Interest entitled to vote on the Plan should rely upon any information relating to the Debtors, their business, or the Plan other than that

contained in the Disclosure Statement and the exhibits hereto. Unless otherwise indicated, the sources of all information set forth herein are the Proponents and their professionals.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot and returning the same, to the address set forth on the ballot, in the enclosed return envelope so that it will be received by the Balloting Agent, Neligan Foley LLP, 325 N. St. Paul, Suite 3600, Dallas, Texas 75201, Attention: Kathy Gradick, no later than 5:00 p.m. Central Time on _____, 2011.

If you do not vote to accept the Plan, or if you are not entitled to vote on the Plan, you may be bound by the Plan if it is accepted by the requisite Holders of Claims or Interests. See "Solicitation of Votes; Voting Procedures," "Vote Required for Class Acceptance," and "Cramdown" in Article VIII ("Confirmation of the Plan") below.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M. CENTRAL TIME ON _____, 2011. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions regarding the voting procedures, see "Ballots and Voting Deadline" in Section VIII.A.1 below.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing") on **_____, 2010, at _____ __.m. Central Time**, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. **The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before _____, 2011**, in the manner described in Section VIII.B below under the caption, "Confirmation Hearing."

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO ACCEPT THE PLAN.

III. EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, the debtor in possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest.

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the debtor in property as of the date the bankruptcy petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee. In the present chapter 11 cases, the Debtors have remained in possession of their property and continued to operate their businesses as debtors in possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic

stay of all attempts to collect prepetition claims from the debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the claims against and interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case (the "Exclusive Period"). However, section 1121(d) of the Bankruptcy Code permits the court to extend or reduce the Exclusive Period upon a showing of "cause." After the Exclusive Period has expired, a creditor or any other party in interest may file a plan, unless the debtor has filed a plan within the Exclusive Period, in which case, the debtor is generally given 60 additional days (the "Solicitation Period") during which it may solicit acceptances of its plan. The Solicitation Period may also be extended or reduced by the court upon a showing of "cause."

B. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of the debtor's assets. After a plan of reorganization has been filed, the holders of claims against or interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, 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 and Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code.

If all classes of claims and equity interests accept a plan of reorganization, the bankruptcy court may nonetheless not confirm the plan unless the court independently determines that the requirements of section 1129 of the Bankruptcy Code have been satisfied. Section 1129 sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests" test and be "feasible." The "best interests" test generally requires that the value of the consideration to be distributed to the holders of claims and equity interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under Chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization.

The Debtors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the "best interests" test and the "feasibility" requirement. The Debtors support confirmation of the Plan and urge all Holders of impaired Claims and Interests to accept the Plan.

Chapter 11 does not require that each holder of a claim against or interest in a debtor vote in favor of a plan of reorganization in order for the bankruptcy court to confirm the plan. At a minimum, however, the plan must be accepted by a majority in number and two-thirds in amount of those claims actually voting in at least one class of impaired claims under the plan. The

Bankruptcy Code also defines acceptance of the plan by a class of equity interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voting. In the present case, only the Holders of impaired Claims and Interests who actually vote will be counted as either accepting or rejecting the Plan.

In addition, classes of claims or equity interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or equity interests in an impaired class. A class is "impaired" if the legal, equitable, or contractual rights attaching to the claims or equity interests of that class are modified in any way under the plan. Modification for purposes of determining impairment, however, does not include curing defaults and reinstating maturity or payment in full in cash. In this case, Holders of Interests and the Holders of certain Claims are not impaired and are conclusively presumed to accept the Plan and are not entitled to vote on the Plan. See "Summary of the Plan — Classification and Treatment — Classified Claims and Interests" in section V.C.2 for an identification of impaired and unimpaired Classes of Claims and Interests.

The bankruptcy court may also confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents 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 interests that has not accepted the plan. The process of confirming a plan under these conditions is known as a "cramdown."

Under section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a class of rejecting claims if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and equity interests, that the holder of any claim or equity interest that is junior to the claims or equity interests of such class will not receive or retain on account of such junior claim or equity interest any property at all unless the senior class is paid in full.

A plan does not "discriminate unfairly" against a rejecting class of claims if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims, and (b) no senior class of claims is to receive more than 100% of the amount of the claims in such senior class.

The Debtors believe that the Plan has been structured so that it will satisfy these requirements as to any rejecting Class of Claims, and can therefore be confirmed, if necessary, over the objection of any Classes of Claims. The Debtors, therefore, reserve the right to request confirmation of the Plan under the "cramdown" provisions of section 1129 of the Bankruptcy Code. See "Cramdown" in section VI.D below.

IV. HISTORY OF THE DEBTOR, LITIGATION, AND CHAPTER 11 CASE

A. Factors Leading to Chapter 11 Filing

Allen and RSAI's bankruptcy cases became necessary due to the filing of the bankruptcy cases of ACP and DLH and the fact that Allen and RSAI signed personal guarantees that guaranteed approximately $150 million of the debts of DLH and/or ACP and/or subsidiaries of ACP. In addition, certain unsecured creditors of DLH and/or ACP had brought and others had threatened to bring lawsuits against Allen and RSAI in an effort to attach assets and jump ahead of other unsecured creditors of Allen and RSAI. The bankruptcy cases were filed to allow Allen and RSAI to reorganize their debts along with ACP and DLH, and to allow time for Allen to liquidate certain personal real estate assets in an orderly fashion to maximize their value.

Until the value of Allen and RSAI's equity interests in DLH and ACP can be realized through sales of assets of DLH and ACP and its subsidiaries, and Allen can sell his non-homestead real estate assets, Allen and RSAI have no means to pay their creditors, whether on guarantees of the DLH and/or ACP debt or otherwise. Allen and RSAI filed bankruptcy in order to formulate a plan of reorganization along with DLH and ACP to repay their joint creditors, as well as the additional separate creditors of Allen and RSAI.

With respect to the factors leading to the Chapter 11 filings of DLH and ACP, Allen and RSAI incorporate by reference the Disclosure Statement of Debtors Allen Capital Partners, LLC ("ACP") and DLH Master Land Holding, LLC ("DLH") which has already been approved by this Court [See Docket No. 950 – Order Approving Disclosure Statement for Debtors' Amended Fifth Joint Plan of Reorganization [Docket No. 944] and all Exhibits thereto] as if fully set forth herein.

B. Commencement of the Chapter 11 case

On May 3, 2010, Allen and RSAI filed their Voluntary Petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the "Bankruptcy Code"),[1] initiating their bankruptcy cases, case nos. 10-33186-HDH and 10-33211, respectively.

Affiliates DLH and ACP filed their Voluntary Petitions for relief under chapter 11 of the Bankruptcy Code in case nos. 10-30561-HDH and 10-30562-HDH, respectively, on January 25, 2010.

C. Significant Events Since Commencement of Chapter 11 case

1. Continuation of Debtors' Business

Since the filing of the Chapter 11 case, the Debtors have continued to operate their business and manage their property as debtors-in-possession.

[1] All of the statutory references in this Disclosure Statement, unless otherwise indicated, are to the Bankruptcy Code.

2. Orders for Joint Administration

By Order entered on January 29, 2010, Judge Hale granted Debtors DLH and ACP's Motions for Joint Administration, and those cases were procedurally, not substantively consolidated and were from that time forward jointly administered by Judge Hale under Case No. 10-30561-HDH.

On May 4, 2010, Debtors Allen and RSAI filed a Motion for Joint Administration seeking to administratively consolidate the Allen and RSAI cases with the DLH and ACP cases. An order approving the motion was entered on May 25, 2010, and all Debtors' cases are now administratively consolidated under Case No. 10-30561.

3. Retention of Neligan Foley as Counsel

On July 1, 2010, the Bankruptcy Court entered an Order Approving the Retention and Employment of Neligan Foley, LLP as Counsel for Debtors Allen and RSAI.

4. Schedules and Statements of Financial Affairs

Debtors Allen and RSAI filed their Schedules and Statements of Financial Affairs on June 1 and May 28, 2010, respectively. Amended Schedules were filed on August 10, 2010, making certain minor changes. Allen also filed an Amended Schedule F on September 10, 2010.

5. Filing of DLH/Plan

Debtors ACP and DLH filed their Debtors' Amended Fifth Joint Plan of Reorganization [Docket No. 943] on or about May 19, 2011. Certain Modifications were filed to the DLH/ACP Plan on August 22, 2011. Clarifications to those Modification were filed on September 2, 2011, and a Second Modification to the Amended Fifth Plan was filed on October 4, 2011.

6. DLH and ACP Confirmation Hearings

The confirmation hearings on the DLH and ACP Plan commenced on September 15, 2011 and continued over many days in the ensuing weeks, and concluded on October 6, 2001. The confirmation of the DLH Plan was hotly contested by secured creditors Compass Bank and certain Pool 2 and 4 secured creditors. At the conclusion of the hearings, the Court announced its ruling that the ACP Plan was confirmed, but the DLH Plan was taken under advisement.

7. ACP Confirmation Order

The ACP Plan was confirmed by an Order dated October 12, 2011 [See Confirmation Order, Docket No. 1202].

8. Tim Foley Settlement

The Plan incorporates by reference the Settlement Agreement between DLH, ACP, Allen, RSAI and Foley approved by the Bankruptcy Court by the June 7, 2011 Order Granting Debtors' Motion for Order Approving Settlement with Creditor Tim Foley. Allen and RSAI's counsel engaged in extensive negotiations with Tim Foley, a significant creditor of Allen and RSAI, in order to resolve the issues with Mr. Foley over the amount and treatment of his claims.

9. Filing of Allen/RSAI Plan and Amended Plan

Debtors Allen and RSAI filed their original Joint Plan of Reorganization on August 18, 2010. However, after filing the original Plan, due to delays and disputes related to the DLH and ACP Plan, Allen and RSAI determined it was most efficient to wait until the ACP and DLH Plan was confirmed before proceeding to confirmation of the Allen and RSAI Plan.

Allen and RSAI are filing the First Amended Joint Plan to address certain issues that have arisen with various creditors of Allen and RSAI during the pendency of the case, and to incorporate certain agreements with creditors such as Timothy Foley and M&I Bank.

10. Significant Paydown of Bank of America and Other Debt

Bank of America initially asserted claims in excess of $50 million against Allen pursuant to Guarantees Allen had given to Bank of America for secured real estate loans of several subsidiaries of ACP. As a result of diligent efforts during these bankruptcy cases to sell the collateral securing the Bank of America loans, Allen has managed to pay Bank of America over $40 million since the filing of these cases. Thus, Allen believes that Bank of America's claim has been reduced to approximately $7.4 million, which claim arises from a deficiency claim on Bank of Americ'a River Plaza loan. A dispute remains between Allen and Bank of America with respect to whether there will be any deficiency on the remaining Hayes 184 land loan. Allen's position is that the value of the collateral securing the Hayes 184 oan far exceeds the remaining debt. Bank of America disputes this, and has filed a Motion to Lift Stay in the Hayes 184 bankruptcy case, Case No. 11-31917-HDH-11, which also pending in this Bankruptcy Court.

In addition to the substantial paydown of Bank of America, Allen has caused DLH to reduce its debt by over $90 million during these Bankruptcy Cases through the sale of the ADESA property and the Langdon Road buildings, as well as the return of collateral to American Bank of Texas. As a result of these sales and return of collateral, Allen has reduced his guaranty liability on the DLH loans secured by these properties by approximately $87 million. The only guaranty liability relating to these properties that remains against Allen after these transactions is an approximate $2.9 million deficiency claim on the Langdon Road buildings that is asserted by BBVA Compass Bank, the lender on those buildings.

As a result of sales and return of collateral during these cases, Allen has reduced his unsecured claims from over $180 million to approximately $53 million, a difference of nearly $130 million. This $53 million figure is also overstated because BBVA Compass holds an approximate $15 million guaranty claim related to its land loan at DLH, which is oversecured. Therefore, Allen expects to eliminate this guaranty liability through sale of the DLH property securing that loan pursuant to the DLH Plan. The $53 million figure also includes approximately $2.4 million on the Hayes 184 land, which Allen believes is significantly oversecured. Therefore, Allen expects to eliminate that liability through sale of the Hayes 184 property.

11. Other Significant Events

Other significant events in these jointly administered cases are described in the Disclosure Statement filed by Debtors DLH and ACP, and they are incorporated herein by

reference. In addition, Allen and his counsel have participated throughout the process of negotiating and attempting to obtain confirmation of the DLH and ACP Plan, as the success of that Plan is critical to the ability of Allen to repay his personal creditors. Allen and his counsel made a substantial contribution to the successful negotiation and confirmation of the ACP Plan, which results in preservation of millions of dollars of equity value in ACP that benefits Allen's personal creditors. Allen and his counsel also made a substantial contribution to the negotiating a Plan in the DLH and ACP case supported by the Unsecured Creditors' Committee. This lead to the successful confirmation of the ACP Plan. Allen and RSAI await the Court's determination with respect to the confirmation of the DLH Plan, which is under advisement with the Court.

V. SUMMARY OF THE PLAN

A. General Overview

The Plan you are being asked to vote on is attached as **Exhibit 1**. You must carefully review the Plan before voting in favor of or against it.

The Debtor believes that the Plan provides for: (a) fair and equitable treatment of all classes of Claims that is in the best interest of creditors of the Debtors and is fair and equitable to those creditors; and (b) fair and equitable treatment of the Holders of Interests. The Plan provides for the treatment of the Claims and Interests and provides that the assets of the Debtors will revest in the Debtors on the Effective Date, free and clear of all Claims except as provided under the Plan. After the Effective Date, the Debtor may operate its businesses and buy, use and otherwise acquire and dispose of its properties free of any restrictions contained in the Bankruptcy Code. The Plan, in conjunction with the Plan of ACP and DLH, seeks to maximize the value of the Debtors' assets by selling assets in an orderly fashion and realizing the value of Allen and RSAI's Interests in DLH and ACP over time in order to pay all creditors of Allen and RSAI in full. Interest is accrued or paid on Claims as required by the Bankruptcy Code, applicable law or per agreements with individual creditors.

B. Summary of the Plan

The Debtors believes that reorganization under the Plan is feasible and that the Plan provides for the greatest recoveries for the Holders of Claims against and Interests in the Debtors.

The Debtors project to pay all Holders of Claims against Allen and RSAI in full over time, with interest to the extent required by the Bankruptcy Code or other applicable law. A ten-year cash flow projection of Allen is attached hereto as **Exhibit 2.** A nine-year cash flow projection of RSAI is attached hereto as **Exhibit 3**.

The cash flow projections of Allen and RSAI reflect the payment in full of all creditors of Allen and RSAI within an eight-year period following the Effective Date of the Plan. Creditors of Allen and RSAI that are also creditors of ACP and/or DLH are projected to be repaid through a combination of distributions from Allen, RSAI, DLH and/or ACP, as applicable. In other words, the cash flow projections for Allen and RSAI account for the distributions the creditors

are projected to receive pursuant to the DLH and/or ACP Plan, as applicable, pursuant to the cash flow projections attached to the Disclosure Statement of DLH and ACP. The cash flow projections are referred to as "Budgets" in the Plan and reflect the Allen and RSAI Net Cash Flow and Equity Distributions from which Holders of Unsecured Claims will be paid.

Allen's Plan provides for all Secured Creditors to be paid in full over a reasonable time period. Allen expects to reach an agreement with City National Bank, the holder of a first lien on Allen's homestead referred to in the Plan as the Rancho Santa Fe Residence, for an agreed upon short sale on or before January 1, 2012, whereby the bank will be paid the net sales proceeds from the sale of the house, Allen will lease back the house from the buyer at a substantially reduced monthly amount, and City National Bank will waive any deficiency claim on the Guaranty it holds against Allen.

The other real property Allen owns in California, including the Visalia Home, the Tehama Property and the Badger Property will be listed for sale and marketed over a certain time period after the Effective Date of the Plan in an effort to obtain the best possible price for the Secured Creditors with Liens on these properties. The Visalia Home and Tehama Property have value well beyond the first Liens of Bank of America and M&I Bank, respectively. Bank of America will be adequately protected during the three-year period for sale of the Visalia Home by the payment of monthly interest on its loan throughout the sale period. The M&I Bank loan on the Tehama lot has been cured, Allen is currently making monthly payments of principal and interest on that loan, and Allen will assume that loan and continue to make such payments after the Effective Date. Nichols, the second lienholder on Visalia and Tehama, will benefit from an orderly sale process that does not result in a distressed foreclosure sale price for the properties. Foley, the holder of a first lien on the Badger Property, will also benefit from an orderly sale of that property. Foley has agreed that Allen shall have a five-year time period after the Effective Date to sell the Badger Property.

Debtors fully expect to be able to sell the non-homestead California properties within the time periods provided under the Plan, even if it requires reduction of the current sales price, for an amount more than adequate pay off the first liens on the Visalia Home and the Tehama Property. Excess net sales proceeds will be paid to Nichols as the second lienholder. Foley will receive all net sales proceeds from sale of the Badger Ranch to the extent his claim has not previously been paid in full. In the event the properties cannot be sold within the time periods provided under the Plan, the Plan provides that the properties will then be sold pursuant to an auction or other sales process agreed upon between Allen and the lienholders.

The loan made by Pointe Property Group secured by a lien on Allen's RSAI stock and certain jewelry items will be repaid in full with interest under the Plan through quarterly payments of Allen Net Cash Flow, and Pointe Property will retain its lien on the RSAI stock and the jewelry to secure that repayment. The RSAI stock has value far beyond the amount of this debt.

RSAI has only two Secured Creditors, Foley and Pacific Western Bank. They will retain their liens on the same Collateral they had pre-bankruptcy. In the case of Foley, he will be paid from RSAI Net Cash Flow received from BF Airport Partners, an entity that owns land adjacent to the airport in Bakersfield, California, and Allen Industrial, which owns an industrial building

in Visalia, California. Foley is also a Secured Creditor of Debtor ACP. Cash flow projections attached to this Disclosure Statement and the ACP Disclosure Statement show that Foley will be paid in full within five years of confirmation through a combination of distributions from ACP under the ACP Plan, Net Cash Flowthat RSAI receives from BF Airport and Allen Industrial, and sales proceeds from the sale of the Badger Property.

Pacific Western Bank is scheduled as a Secured Creditor of RSAI, secured by General Intangibles of RSAI, which includes RSAI's membership interest in ACP. Pacific Western was also a creditor of ACP, as ACP was a co-borrower on the Pacific Western loan along with RSAI. In addition to the payments Pacific Western Bank will receive under the ACP Plan, Pacific Western Bank will also receive quarterly payments from RSAI Net Cash Flow from sources other than BF Airport Partners and Allen Industrial upon which Foley has a superior prior lien. RSAI cash flow projections project that Pacific Western Bank will be paid in full within three years of the Effective Date through distributions of Net Cash Flow from RSAI and distributions under the ACP Plan.

Holders of Claims against Allen and RSAI with respect to guarantees signed by Allen and/or RSAI are treated as General Unsecured Claims under the Plan, with a right to participate in quarterly distributions of Net Cash Flow like any other General Unsecured Creditor.

Holders of General Unsecured Claims against Allen and RSAI will be paid in full over time through quarterly distributions of Allen and RSAI Net Cash Flow, as applicable. The General Unsecured Claims of Allen and RSAI are projected to be paid in full within 8 years of the Effective Date from Allen and RSAI Net Cash Flow and Equity Distributions from ACP and DLH.

Because all Holders of Claims are projected to be paid in full over time, Allen is retaining his Interests in RSAI under the Plan. As reflected in the projections attached to this Disclosure Statement and the ACP and DLH Disclosure Statement, as well as the evidence presented at the DLH and ACP Plan confirmation hearings, the Debtors believe there is substantial equity value in DLH, ACP and RSAI beyond the debts owed to those Debtors' creditors.

C. Classification and Treatment

The following is a summary of the classification and treatment of Claims and Interests under the Plan. Reference should be made to the entire Disclosure Statement and to the Plan for a complete description of the classification and treatment of Claims and Interests.

> THIS IS ONLY A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN. THE PLAN INCLUDES OTHER PROVISIONS THAT MAY AFFECT YOUR RIGHTS. YOU ARE URGED TO READ THE PLAN IN ITS ENTIRETY BEFORE VOTING ON THE PLAN.

1. Unclassified Claims Against the Debtor

In accordance with section 1123(a)(1) of the Bankruptcy Code, unclassified Claims against the Debtors consist of Administrative Claims and Priority Tax Claims. Based on their

books and records and their projections for future expenses, the Debtors presently estimate the amounts of such Claims as follows[2]:

Allen

Administrative Expense Claims	$75,000
Priority Tax Claims	$0

RSAI

Administrative Expense Claims	$75,000
Priority Tax Claims	$0

a. *Administrative Claims.*

The Holder of any Administrative Claim that is incurred, accrued or in existence prior to the Effective Date, other than (i) a Fee Claim, (ii) an Allowed Administrative Claim, or (iii) a liability incurred and paid in the ordinary course of business by a Debtor must file with the Bankruptcy Court and serve on all parties required to receive such notice an application for the allowance of such Administrative Claim on or before thirty (30) days after the Effective Date. Such notice must include at a minimum (i) the name of the Holder of the Claim, (ii) the amount of the Claim, and (iii) the basis of the Claim. Failure to timely and properly file and serve the application required under this Section shall result in the Administrative Claim being forever barred and discharged.

Each Professional who holds or asserts an Administrative Claim that is a Fee Claim for compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date shall be required to file with the Bankruptcy Court and serve on all parties required to receive such notice a Fee Application within ninety (90) days after the Effective Date. Failure to timely and properly file and serve a Fee Application as required under this Section shall result in the Fee Claim being forever barred and discharged. No Fee Claim will be deemed Allowed until an order allowing the Fee Claim becomes a Final Order or by consent of the Debtors. Any objection to a Fee Claim must be filed within twenty-one (21) days after the date the Fee Application is served. No hearing may be held until the twenty-one (21) day objection period has terminated.

An Administrative Claim that is not a Fee Claim with respect to which notice has been properly filed pursuant to Section 2.01(a) of the Plan shall become an Allowed Administrative Claim if no objection is filed within sixty (60) days after its filing and service. If an objection is filed within such sixty (60) day period, the Administrative Claim that is not a Fee Claim shall become an Allowed Administrative Claim only to the extent Allowed by a Final Order. An

[2] The estimates for administrative expenses include the estimated fees of Neligan Foley, LLP through confirmation for each Debtor. This assumes currently outstanding fees owed to Neligan Foley, LLP will be paid prior to confirmation pursuant to a fee application. To the extent confirmation is delayed beyond the time frame anticipated, administrative expenses will increase.

Administrative Claim that is a Fee Claim, and with respect to which a Fee Application has been properly filed and served pursuant to Section 2.01(b) of the Plan, shall become an Allowed Administrative Claim only to the extent Allowed by a Final Order.

Each Holder of an Allowed Administrative Claim shall be paid the amount of such Holder's Allowed Administrative Claim in Cash on or as soon as practicable after the Allowance Date, or receive such other treatment as otherwise specified in this Plan, or shall receive such other treatment as agreed upon in writing by the Debtors and such Holder; provided, however, that an Administrative Claim representing a liability incurred in the ordinary course of business by the Debtors may be paid in the ordinary course of business by the Debtors; and provided, further, that the payment of any Allowed Cure Claim may be made, at the sole election of the Debtor, in one or more monthly payments of Cash over a period of twelve (12) months after the Allowance Date or such other period as the Bankruptcy Court may determine. All Allowed Fee Claims, after deducting any retainer, shall be paid by the Debtor within thirty (30) days after such Claims are Allowed by a Final Order unless the Holder of such Fee Claim agrees to a longer period for payment.

b. *Priority Tax Claims.*

Each Holder of an Allowed Priority Tax Claim shall be paid the Allowed amount of such Claim pursuant to (a) the provisions of section 1129(a)(9)(C) of the Bankruptcy Code in equal annual installments commencing on the first anniversary of the Effective Date, with the final payment of the unpaid balance thereof to be made on the fifth anniversary of the Petition Date, together with interest thereon at the Judgment Rate, or (b) such other terms as the Holder of such Claim and the relevant Debtor may agree; provided, however, that the Debtors shall have the right to pay any Allowed Priority Tax Claim, or any unpaid balance of such Claim, in full, at any time after the Effective Date, without premium or penalty.

c. *U.S. Trustee Fees.*

The Debtors shall be responsible for timely payment of United States Trustee quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the most recent quarterly invoice prior to the Confirmation Date will be paid in full within thirty (30) days after the Effective Date. After the Effective Date, the Debtor shall pay United States Trustee quarterly fees as they accrue until this case is closed by the Bankruptcy Court. The Debtor shall serve on the United States Trustee a quarterly financial report for each quarter (or portion thereof) that the case remains open.

2. Classified Claims and Interests

UNLESS OTHERWISE NOTED, THE DEBTOR'S ESTIMATES OF THE NUMBER AND AMOUNT OF CLAIMS IN EACH CLASS SET FORTH IN THE TABLE BELOW INCLUDE ALL CLAIMS ASSERTED AGAINST THE DEBTOR WITHOUT REGARD TO THE VALIDITY, AMOUNT OR TIMELINESS OF THE FILING OF THE CLAIMS. THUS, BY INCLUDING ANY CLAIM IN THE ESTIMATES SET FORTH BELOW, THE DEBTOR IS NOT WAIVING ITS RIGHTS TO OBJECT TO ANY CLAIM ON OR BEFORE THE CLAIM OBJECTION DEADLINE ESTABLISHED BY THE PLAN.

The following tables summarize the classification and treatment of the Claims against and Interests in the Debtor, an estimate of the numbers and amounts of Claims in each class (such amounts are derived from the Debtor's Schedules as of the Petition Date), and the impaired or unimpaired nature of each class:

Class	Treatment
Class 1 - Non-Tax Priority Claims **Allen (Class 1A)** Estimated Amount: zero Estimated Number: zero **RSAI (Class 1B)** Estimated Amount: zero Estimated Number: zero	Unimpaired. On or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a Non-Tax Priority Claim, the Holder of such Allowed Non-Tax Priority Claim shall receive from the relevant Debtor, in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Non-Tax Priority Claim, (a) Cash in an amount equal to the Allowed amount of its Non-Tax Priority Claim, or (b) such other, less favorable treatment to which such Holder and the relevant Debtor agree in writing. Estimated Recovery: 100% of Allowed Claim
Class 2 - Secured Tax Claims **Allen (Class 2A)** Estimated Amount: zero[3] Estimated Number: zero **RSAI (Class 2B)** Estimated Amount: zero Estimated Number: zero	Impaired. With respect to any Allowed Secured Tax Claim for tax years prior to 2010, to the extent not already paid, on or as soon as practicable after the later of (a) the Effective Date or (b) the Allowance Date with respect to a Secured Tax Claim, the Holder of such Allowed Secured Tax Claim shall receive from the relevant Debtor, in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Secured Tax Claim, (a) Cash equal to the value of its Allowed Secured Tax Claim, including interest thereon at the rate provided under applicable non-bankruptcy law pursuant to Bankruptcy Code section 511 from the Petition Date through the date such Claim is paid in full, (b) the Collateral securing the Allowed Secured Tax Claim, or (c) such other, less favorable treatment as may be agreed upon in writing by the relevant Reorganized Debtor and such Holder. Estimated Recovery: 100% of Allowed Claim
Class 3 - Secured Claims Against Allen **City National Bank Secured Claim Against Rancho Santa Fe Residence (Class 3A)**	Impaired. City National Bank shall retain a first Lien on Allen's Rancho Santa Fe Residence to the extent of City National Bank's Allowed Secured Claim until paid in full. With

[3] An invalid claim was filed by the Monterrey County Tax Collector for property taxes related to the Tehama Property, but no taxes were owed on that Property at the Petition Date, and Allen has paid all property taxes due and owing during these Bankruptcy Cases.

Class	Treatment
Estimated Amount: $4,098,204 Number: 1	respect to its Allowed Class 3A Secured Claim, City National Bank shall receive on or before January 1, 2012, or such other later date as is agreed upon between Allen and City National Bank, either (i) the net sales proceeds from an agreed upon short sale of the Rancho Santa Fe Residence, after deducting all brokerage commissions and other costs of sale of the Santa Fe Residence, or (ii) such other treatment as is agreed upon between Allen and City National Bank prior to January 1, 2012. Any Claim by City National Bank for an unsecured deficiency amount shall be waived provided City National Bank receives the treatment on its Allowed Class 3A Secured Claim as provided herein. Absent other agreement between Allen and City National Bank, pursuant to the Agreed Order Granting City National Bank's Second Motion for Relief from the Automatic Stay entered by the Court on October 18, 2011 [Docket No. 1207], the automatic stay will terminate with respect to the Rancho Santa Fe Residence effective at 5:00 p.m. Pacific Time, December 31, 2011 (the "Termination Date"), without need for further order of the Bankruptcy Court unless prior to the Termination Date: (1) Allen obtains a written offer to sell the Rancho Santa Fe Residence; and (2) City National Bank provides its express written consent for Allen to accept such offer. Estimated Recovery: 100% of Allowed Claim
Bank of America and Nichols Secured Claims Against Visalia Home (Class 3B) Estimated Amount: $2,971,980[4] Number: 2	Impaired The Visalia Home is already listed for sale and shall continue to be listed and marketed for sale for a period of three years from the Effective Date at a price not to exceed the current listing price of $1,800,000. Bank of America shall retain its first Lien on the Visalia Home to the extent of its Allowed Class 3B Secured Claim, and Nichols shall retain his second Lien on the Visalia Home to the extent of his Allowed Class 3B Secured Claim. Upon the sale of the Visalia Home, the net sales proceeds, after payment of all commissions, property taxes and all other expenses incident to the sale, shall be paid first to Bank of America to the extent of the then unpaid amount of its Allowed Class 3B Secured Claim against the Visalia Home, including any accrued and unpaid interest through the date of sale, and then (provided there are any remaining net sales proceeds) to Nichols to the extent of the then unpaid amount of his Allowed Class 3B Secured Claim against the Visalia Home, including any accrued and unpaid interest at 7% per annum

[4] Estimated amount of Bank of America claim is $709,514, and estimated amount of Nichols claim is $2,262,466.

Class	Treatment
	through the date of sale. Estimated Recovery: $1,800,000
M&I Bank and Nichols Secured Claims Against Tehama Property (Class 3C) Estimated Amount: $3,884,466[5] Number: 2	M&I Bank Unimpaired; Nichols Impaired The Tehama Property is already listed for sale and shall continue to be listed and marketed for sale after the Effective Date. M&I Bank shall retain its first Lien on the Tehama Property to the extent of its Allowed Class 3C Secured Claim, and Nichols shall retain his second Lien on the Tehama Property to the extent of his Allowed Class 3C Secured Claim. M&I Bank's loan has been cured and is being assumed under the Plan. Upon the sale of the Tehama Property, the net sales proceeds, after payment of all commissions, property taxes and all other expenses incident to the sale, shall be paid first to M&I Bank to the extent of the then unpaid amount of its Allowed Class 3C Secured Claim, including any accrued and unpaid interest through the date of sale, and then (provided there are any remaining net sales proceeds) to Nichols to the extent of the then unpaid amount of his Allowed Class 3C Secured Claim against the Tehama Property, including any accrued and unpaid interest at 7% per annum through the date of sale. Estimated Recovery: $2,000,000
Foley Secured Claim Against Badger Property (Class 3D) Estimated Amount: $425,000 Number: 1	Impaired The Badger Property is listed for sale and shall continue to be listed and marketed for sale for a period of five years from the Effective Date. Foley shall retain his first Lien on the Badger Property to the extent of his Allowed Class 3D Secured Claim against the Badger Property. Upon the sale of the Badger Property, the net sales proceeds, after payment of all commissions and all other expenses incident to the sale, shall be paid to Foley to the extent of the then unpaid amount of his Allowed Class 3D Secured Claim against the Badger Property, including any accrued and unpaid interest at 7.25% per annum through the date of sale, but only to the extent such interest has not been paid by Allen, RSAI, ACP or DLH at the time of such sale. Estimated Recovery: $425,000

[5] Estimated amount of M&I Bank claim is $1,622,000, and estimated amount of Nichols claim is $2,262,466.

Class	Treatment
Pointe Property Group Secured Claim Against Allen's Interests in RSAI (Class 3E) Estimated Amount: $100,000 Number: 1	Impaired Pointe Property Group shall retain its Liens in the Collateral securing its Allowed Secured Claim. Pointe Property Group's Allowed Class 3E Secured Claim shall include accrued and unpaid interest at the Contract Rate from the Petition Date to the date its Allowed Class 3E Secured Claim is paid in full. Pointe Property Group shall receive $100,000 plus accrued and unpaid interest at the Contract Rate on or before the second anniversary date after the Effective Date from quarterly distributions of Allen Net Cash Flow, which will be made within thirty (30) days after the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning with the first full calendar quarter after six months after the Effective Date, until Pointe Property Group's Allowed Class 3E Secured Claim is paid in full. Estimated Recovery: 100% of Allowed Claim
Other Secured Claims Against Allen (Class 3F) Estimated Amount: zero Estimated Number: zero	Impaired Allen does not believe there are any Other Secured Claims secured by Collateral owned by Allen other than those in Class 3A through 3E. However, to the extent there are any such Allowed Class 3F Other Secured Claims, they will treated as follows: The Holder of such Allowed Other Secured Claim shall retain its Liens on the Collateral securing such Allowed Other Secured Claim. On or as soon as practicable after the later of (i) the Effective Date or (ii) the Allowance Date, each Holder of an Allowed Other Secured Claim against Allen shall receive from Allen, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, (i) Cash equal to the value of its Allowed Class 3F Other Secured Claim, (ii) the Collateral securing the Allowed Class 3F Other Secured Claim, or (iii) such other, less favorable treatment as to which such Holder and Allen shall have agreed upon in writing. Estimated Recovery: 100% of Allowed Claims

Class	Treatment
Class 4 - Secured Claims Against RSAI **Foley Secured Claims Against RSAI Interests in BF Airport Partners and Allen Industrial (Class 4A)** Estimated Amount: $7,312,186.17 as of April 30, 2011 Number: 1	Impaired. Pursuant to the settlement, Foley shall receive an Allowed Class 4A Secured Claim secured by a first Lien on all of RSAI's Interests in BF Airport Partners and Allen Industrial in the total amount of $7,312,186.17 as of April 30, 2011. Foley's Allowed Class 4A Secured Claim shall include accrued interest at 14% per annum from April 30, 2011 through Effective Date, and accrued interest at 7.25% per annum after the Effective Date. Foley's Allowed Class 4A Secured Claim shall be paid quarterly as set forth below as and when distributions are made to RSAI on account of its Interests in BF Airport Partners or Allen Industrial, each such payment being applied first to outstanding fees and costs relating to the post-Effective Date enforcement or modification, if any, of such Claim, next to interest on such Claim, and lastly to principal on such Claim. If BF Airport Partners or Allen Industrial dissolve, merge, file bankruptcy or sell their assets without Foley's consent, which consent shall not be unreasonably withheld, the then unpaid amount of Foley's Allowed Class 4A Secured Claim (as allocated between BF Airport Partners and Allen Industrial if only one of them dissolve, merge, file bankruptcy or sell their assets without Foley's consent) shall constitute a subordinated unsecured claim to be paid after payment of all other Allowed Class 5 General Unsecured Claims in full. Foley shall retain his first Lien on RSAI's Interests in BF Airport Partners and Allen Industrial to the extent of his Allowed Class 4A Secured Claim against RSAI. To the extent of the then unpaid amount of Foley's Allowed Class 4A Secured Claim, Foley shall receive quarterly payments of RSAI Net Cash Flow received by RSAI from BF Airport Partners and/or Allen Industrial within thirty (30) days after the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning with the first full calendar quarter after six months after the Effective Date, until Foley's Allowed Class 4A Secured Claim is paid in full. <u>Estimated Recovery</u>: 100% of Allowed Claims[6] Impaired

[6] Foley is projected to be paid in full from a combination of net sales proceeds from the sale of Allen's Badger Property, Net Cash Flow of RSAI coming from BF Airport Partners and Allen Industrial, and distributions under the ACP Plan.

Class	Treatment
Pacific Western Secured Claim Against Personal Property, Goods, Accounts and General Intangibles of RSAI (Class 4B) Estimated Amount: $1,402,045 Number: 1	Pacific Western shall retain its lien on the Collateral securing its Allowed Class 4B Secured Claim as set forth in the applicable security agreement and UCC-1 filed by Pacific Western. Pacific Western's Allowed Class 4B Secured Claim shall include accrued and unpaid interest at the Contract Rate (7% per annum), but only in the event and to the extent that such interest has not been paid by Allen or ACP at the time of any Distribution on Pacific Western's Allowed Class 4B Secured Claim. To the extent of the then unpaid amount of Pacific Western's Allowed Class 4B Secured Claim, Pacific Western shall receive quarterly payments of RSAI Net Cash Flow received from sources other than BF Airport Partners and Allen Industrial (which RSAI Net Cash Flow is Collateral for the Foley Allowed Class 4A Secured Claim against RSAI) within thirty (30) days after the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning with the first full calendar quarter after six months after the Effective Date, until Pacific Western's Allowed Class 4B Secured Claim is paid in full; provided, however, in no event shall such quarterly payments reduce RSAI's cash balance below $100,000. Upon payment in full of Foley's Allowed Class 4A Secured Claim, all RSAI Net Cash Flow shall be included for purposes of calculating any remaining quarterly Distributions to Pacific Western, subject to the $100,000 cash balance limitation. Estimated Recovery: 100% of Allowed Claim[7] Impaired
Other Secured Claims Against RSAI (Class 4C) Estimated Amount: zero Estimated Number: zero	RSAI does not believe there are any Other Secured Claims secured by Collateral owned by RSAI other than those in Class 3A through 3E. However, to the extent there are any such Allowed Class 4C Other Secured Claims, they will treated as follows: On or as soon as practicable after the later of (i) the Effective Date or (ii) the Allowance Date, each Holder of an Allowed Other Secured Claim against RSAI shall receive from RSAI, in full satisfaction, settlement, release and discharge of and in exchange for such Claim, (i) Cash equal to the value of its Allowed Class 3F Other Secured Claim, (ii) the Collateral securing the

[7] Pacific Western is projected to be paid in full from a combination of distributions of cash flow from RSAI and distributions under the ACP Plan.

Class	Treatment
	Allowed Class 3F Other Secured Claim, or (iii) such other, less favorable treatment as to which such Holder and RSAI shall have agreed upon in writing. Estimated Recovery: 100% of Allowed Claims
Class 5 – General Unsecured Claims **General Unsecured Claims Against Allen (Class 5A).** Estimated Amount: $52,879,665 Estimated Number: 22	Impaired. Allowed Guaranty Claims against Allen shall be treated as Allowed General Unsecured Claims in Class 5A of this Plan along with every other Allowed General Unsecured Claim against Allen. The Holders of Allowed Class 5A General Unsecured Claims against Allen shall receive quarterly payments within thirty (30) days after the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning with the first full calendar quarter after six months after the Effective Date, of a pro rata share of any Allen Net Cash Flow and Allen Equity Distributions received by Allen during such quarter, until all Allowed Class 5A General Unsecured Claims against Allen have been paid in full; provided, however, in no event shall such quarterly payments reduce Allen's cash balance below $250,000. The pro rata share of each Holder of an Allowed Class 5A General Unsecured Claim shall be computed based upon their relative share at the end of each quarter of the then unpaid total amount of all Allowed Class 5A General Unsecured Claims. For purposes of computing the then unpaid amount of an Allowed Class 5A General Unsecured Claim, any payments made to date to the Holder of such Claim by Allen, RSAI, DLH, ACP or other co-debtor or co-guarantor on the indebtedness that is the subject of such Claim shall be credited against the Allowed amount of the Claim. Furthermore, to the extent a Guaranty Claim against Allen is based upon a debt on which the underlying obligor is DLH or ACP, in no event shall such Guaranty Claim

Class	Treatment
	against Allen be Allowed in an amount greater than such Holder's Claim is Allowed against DLH and/or ACP pursuant to the DLH and/or ACP Plan. The Allowed amount of a General Unsecured Claim shall include interest at the federal judgment rate from the Petition Date to the date of payment, but only to the extent such interest has not been paid to date by a co-obligor or co-guarantor. With respect to the General Unsecured Claim of Tim Foley, the terms of the Settlement Agreement between DLH, ACP, Allen, RSAI and Foley approved by the Bankruptcy Court by the June 7, 2011 Order Granting Debtors' Motion for Order Approving Settlement with Creditor Tim Foley are incorporated herein by reference as if fully set forth herein. Pursuant to that settlement, Tim Foley shall have an Allowed Class 5A General Unsecured Claim in the amount of $6,381,639. Estimated Recovery: 100% of Allowed Claim.[8]
General Unsecured Claims Against RSAI (Class 5B) Estimated Amount: $3,878,170 Estimated Number: 3	Allowed Guaranty Claims against RSAI shall be treated as Allowed General Unsecured Claims in Class 5B of this Plan along with every other Allowed General Unsecured Claim against RSAI. The Holders of Allowed Class 5B General Unsecured Claims against RSAI shall receive quarterly payments within thirty (30) days after the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning with the first full calendar quarter after six months after the Effective Date, of a pro rata share of any RSAI Net Cash Flow and RSAI Equity Distributions (to the extent not encumbered by the Liens of Foley and Pacific Western as set forth above) received by RSAI during such quarter, until all Allowed Class 5B General Unsecured Claims against RSAI have been paid in full; provided, however, in no event shall such quarterly payments reduce RSAI's cash balance below $100,000. The pro rata share of each Holder of an Allowed Class 5B General Unsecured Claim shall be computed based upon their relative share at the end of each quarter of the then unpaid total amount of all Allowed Class 5B General Unsecured Claims.

[8] It is projected that the Holders of General Unsecured Claims against Allen will receive payment in full from from a combination of distributions under the DLH and/or ACP Plan and distributions of Allen Net Cash Flow and Allen Equity Distributions.

Class	Treatment
	For purposes of computing the then unpaid amount of an Allowed Class 5B General Unsecured Claim, any payments made to date to the Holder of such Claim by Allen, RSAI, DLH, ACP or other co-debtor or co-guarantor on the indebtedness that is the subject of such Claim shall be credited against the Allowed amount of the Claim. Furthermore, to the extent a Guaranty Claim against RSAI is based upon a debt on which the underlying obligor is DLH or ACP, in no event shall such Guaranty Claim against RSAI be Allowed in an amount greater than such Holder's Claim is Allowed against DLH and/or ACP pursuant to the DLH and/or ACP Plan. The Allowed amount of a General Unsecured Claim shall include interest at the federal judgment rate from the Petition Date to the date of payment, but only to the extent such interest has not been paid to date by a co-obligor or co-guarantor. To the extent a Holder of a Guaranty Claim that is being treated as a General Unsecured Claim under this Plan receives payment in full of all consideration owed to that Holder by the primary obligor or a co-guarantor, or such Holder releases the primary obligor or co-guarantor, the Holder of such Guaranty Claim shall no longer participate in any further quarterly Distributions under this Plan and shall be deemed to have been paid in full and released its General Unsecured Claim under this Plan.[9]
Class 6 – Allen Interests in RSAI	Unimpaired. Allen is the Holder of 100% of the Interests in RSAI, and Allen shall retain all Interests in RSAI post-Effective Date, subject to the Allowed Class 3E Secured Claim of Pointe Property Group.

[9] It is projected that the Holders of General Unsecured Claims against RSAI will receive payment in full from a combination of distributions under the DLH and/or ACP Plan and distributions of RSAI Net Cash Flow and RSAI Equity Distributions.

D. Means of Implementation of the Plan

1. Distributions

The Debtor will make all distributions required under the Plan, subject to the provisions of the Plan.

2. Claims Objections/Resolution

The Debtors will have authority to object to and contest the allowance of any claims filed with the Bankruptcy Court. Unless a different date is set by order of the Bankruptcy Court, all objections to Claims must be filed by the Objection Deadline, which shall be ninety (90) days after the Effective Date. All Disputed Claims shall be litigated to Final Order unless estimated by the Bankruptcy Court for purposes of Distribution; provided, however, that the Debtors may compromise and settle any Disputed Claim, subject to the approval of the Bankruptcy Court.

Notwithstanding any other provision of the Plan, no Distribution shall be made with respect to any Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim by Final Order or is estimated for purposes of Distribution by the Bankruptcy Court. In the case of a Holder of a Claim who is also alleged to be holding property that is recoverable by virtue of any Avoidance Action or liable on any Avoidance Action brought, filed, joined, or adopted by Debtors as of the date of a particular Distribution, such Holder's Claim shall then be and shall thereafter continue to be a Disputed Claim until such Avoidance Action is fully resolved by Final Order and, if and to the extent the Holder of such Claim is found to be obliged to turnover property or to pay a monetary amount, such Final Order is fully performed and satisfied by such Holder, and such Holder shall receive no Distributions under this Plan until such time.

As soon as practicable after a Disputed Claim becomes an Allowed Claim, the Holder of an Allowed Claim shall receive a Distribution in an amount of dollars equal to the aggregate of all the Distributions which such holder would have received had such Disputed Claim been an Allowed Claim on the Effective Date. Distributions to each Holder of a Disputed Claim, to the extent that such Claim becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the Class of Claims to which such Claim belongs. The Debtors shall have the right to make or direct the making of all distributions to the Holders of Allowed Claims. All Disputed Claims shall be litigated to Final Order unless estimated by the Bankruptcy Court for purposes of Distribution; provided, however, that the Debtors may compromise and settle any Disputed Claim, subject to the approval of the Bankruptcy Court.

Unless a Claim is expressly described as an Allowed Claim pursuant to or under the Plan, or otherwise becomes an Allowed Claim prior to or after the Effective Date, the Debtors reserve any and all objections to any and all Claims and motions or requests for the payment of Claims, whether Administrative Expense, Priority, Secured or Unsecured, including, without limitation, any and all objections to the validity or amount of any and all alleged Administrative Claims, Priority Tax Claims, Non-Tax Priority Claims, General Unsecured Claims, Guaranty Claims, Interests, Liens and security interests, whether under the Bankruptcy Code, other applicable law or contract.

Prior to the Effective Date, Debtors shall be responsible for pursuing any objection to the allowance of any Claim. From and after the Effective Date, Debtors will retain responsibility for administering, disputing, objecting to, compromising or otherwise resolving and making Distributions, if any, with respect to all Claims.

3. Assertion of Estate Actions, Defenses and Counterclaims

Except as otherwise provided in the Plan, the Confirmation Order, or in any contract, instrument or other agreement entered into in connection with the Plan, in accordance with section 1123(b)(3) of the Bankruptcy Code, the Debtor shall retain and may exclusively prosecute, settle, or compromise any Estate Action. The Debtor shall also retain and may prosecute and enforce all defenses, counterclaims, and rights against or with respect to all Claims asserted against the Debtor or the Estate.

Generally, the Debtors waive all Avoidance Actions belonging to the Debtors' Estates pursuant to sections 544, 545, 546, 547, 548 or 549 of the Bankruptcy Code. Pursuant to the terms of the settlement with Tim Foley approved by Order of the Bankruptcy Court dated June 7. 2011, all avoidance claims held by Allen, RSAI or their Estates against Tim Foley are expressly waived. Notwithstanding the foregoing, all Avoidance Actions are preserved in the estate for the benefit of creditors if (a) such an Avoidance Action has been brought or otherwise asserted prior to the Confirmation Date or (b) such Avoidance Action has been asserted as part of an objection to a Claim where either (i) such objection was brought prior to the Confirmation Date or (ii) the Claim in question was filed after the applicable bar date.

The Debtors may, but will not be required to, set off against any Claim, and the Distributions to be made pursuant to this Plan in respect of the Claim, claims of any nature whatsoever that the Debtor may have against the Holder of the Claim, provided, however, that neither the failure to do so nor the allowance of any Claim hereunder will constitute a waiver or release by the Debtor of any claim that the Debtor may have against the Holder. The Holder of a Disputed Claim who asserts a right of setoff will retain the right, subject to any defenses of the Debtor, until the earlier of the time when (a) the Disputed Claim becomes Allowed, in whole or in part, or (b) the Claim is Disallowed by a Final Order of the Bankruptcy Court.

4. Management of Debtors After the Effective Date.

Debtors shall continue to manage and control each of their respective assets and any other assets within their control, directly or indirectly, after the Effective Date, and to the extent this Plan provides for the sale of certain of the Debtors' assets, the Debtors shall manage and control the sale of those assets and shall liquidate such assets as expeditiously as reasonably possible, consistent with the terms of this Plan and the goal of maximizing the value thereof for the benefit of the Holders of Claims secured by a Lien on those assets and Interest Holders.

From and after the Effective Date, the management of RSAI will remain the same. Allen will remain President and Chief Executive Officer and sole owner of RSAI.

5. Revesting of Assets

Except as otherwise provided in the Plan or the Confirmation Order, upon the Effective Date, all property of each Debtor's estate, wherever situated, shall vest in each respective Debtor,

as reorganized pursuant to this Plan, free and clear of all Claims to the full extent permitted by law including the Bankruptcy Code.

6. Conditions to Confirmation

The Bankruptcy Court will not enter the Confirmation Order unless and until each of the following conditions has been satisfied or duly waived (if waivable):

(a) The documents implementing this Plan will be in form and substance acceptable to the Debtor, and will have been provided to the Bankruptcy Court.

(b) The Confirmation Order is in a form and substance acceptable to the Debtor and, among other things, makes findings that particular subsections of section 1129 of the Bankruptcy Code have been met, including (i) that the Debtor and its representatives have proposed and obtained confirmation of this Plan in good faith; (ii) that this Plan is in the best interests of creditors and (iii) that this Plan is fair and equitable to Holders of Claims and Interests.

(c) The Confirmation Order authorizes and directs the Debtor to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, and other agreements or documents contemplated by this Plan.

The foregoing conditions to the confirmation of the Plan may be waived in whole or in part by the Debtors upon approval of the Bankruptcy Court.

E. Effect of Confirmation of Plan

1. Discharge of Debtor

All consideration distributed under this Plan will be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims against the Debtors of any nature whatsoever or against the Debtors' assets or properties. Except as otherwise expressly provided in this Plan, entry of the Confirmation Order acts as a discharge of all Claims against the Debtors and the Debtors' assets and properties, arising at any time before the Effective Date, regardless of whether a proof of Claim was filed, whether the Claim is Allowed, or whether the Holder of the Claim votes to accept this Plan or is entitled to receive a Distribution under this Plan. Upon the entry of the Confirmation Order, any Holder of a discharged Claim will be precluded from asserting against the Debtors or any of its assets or properties any other or further Claim based on any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred before the Effective Date. The Confirmation Order will be a judicial determination of discharge of all liabilities of the Debtors, and the Debtors will not be liable for any Claims and will only have the obligations as are specifically provided for in this Plan.

2. Injunction

The discharge of Claims pursuant to Article 9.02 of the Plan shall also act as an injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or cause of action satisfied, released, or discharged

under the Plan to the fullest extent authorized or provided by the Bankruptcy Code, including, without limitation, to the extent provided for or authorized by sections 524 and 1141 thereof.

F. Retention of Jurisdiction

Until the case is closed, the Bankruptcy Court will retain the jurisdiction as is legally permissible under applicable law, including under sections 105(a) and 1142 of the Bankruptcy Code, including that necessary to ensure that the purposes and intent of the Plan are carried out and to hear and determine all Claims and Interests and objections thereto that could have been brought before the entry of the Confirmation Order. The Bankruptcy Court will retain jurisdiction to hear and determine all Claims against and Interests in the Debtor and to enforce all causes of action that may exist on behalf of Debtor, over which the Bankruptcy Court otherwise has jurisdiction.

G. Modification or Revocation of Plan

The Debtor reserves the right to modify the Plan either before or after the Confirmation Date to the fullest extent permitted under section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, including but not limited to modifications necessary to negotiate the resolution of an objection to confirmation of the Plan. The Debtor may withdraw the Plan at any time before the Confirmation Date, or thereafter prior to the Effective Date. The Debtor may amend the Plan before or after the Effective Date as provided in section 1127 of the Bankruptcy Code.

H. Executory Contracts and Unexpired Leases

1. General Treatment; Rejected if Not Assumed

The Plan constitutes and incorporates a motion by the Debtor to reject, as of the Effective Date, all Executory Contracts to which the Debtor is a party, except for Executory Contracts that (a) have been assumed or rejected pursuant to Final Order of the Bankruptcy Court, or (b) are the subject of a separate motion pursuant to section 365 of the Bankruptcy Code to be filed and served by the Debtor on or before the Confirmation Date.

2. Cure Payments and Release of Liability

All Allowed Cure Claims that may be required by section 365(b)(1) of the Bankruptcy Code under any Executory Contract that is assumed under this Plan or pursuant to a prior Final Order of the Bankruptcy Court shall be made in accordance with Section 2.01(d) of the Plan. To the extent that a party to an assumed Executory Contract has not filed an appropriate pleading with the Bankruptcy Court on or before the thirtieth (30th) day after the Effective Date disputing the amount of any Cure Claim offered to it, the cure of any other defaults, the promptness of the Cure Claim payments, or the provisions of adequate assurance of future performance, then such party shall be deemed to have waived its right to dispute such matters.

3. Bar to Rejection Damages

If the rejection of an Executory Contract by the Debtor results in damages to the other party or parties to such Executory Contract, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtor or its properties or agents, successors, or assigns,

unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtor by the earlier of (a) thirty (30) days after the Effective Date or (b) such other deadline as the Bankruptcy Court may set for asserting a Claim for such damages.

4. Rejection Claims

Any Claim arising from the rejection of an Executory Contract shall be treated as a General Unsecured Claim pursuant to the Plan, except as limited by the provisions of sections 502(b)(6) and 502(b)(7) of the Bankruptcy Code and mitigation requirements under applicable law. Nothing contained herein shall be deemed an admission by the Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtor of any objections to such Claim if asserted.

THIS IS ONLY A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN. THE PLAN INCLUDES OTHER PROVISIONS THAT MAY AFFECT YOUR RIGHTS. YOU ARE URGED TO READ THE PLAN IN ITS ENTIRETY BEFORE VOTING ON THE PLAN.

VI. CONFIRMATION OF THE PLAN

A. Solicitation of Votes; Voting Procedures

1. Ballots and Voting Deadlines

A ballot to be used for voting to accept or reject the Plan, together with a postage-paid return envelope, is enclosed with all copies of this Disclosure Statement mailed to all Holders of Claims and Interests entitled to vote.

BEFORE COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than **5:00 p.m., Central Time, on _____, 2011**, at the following address:

Kathy Gradick
Neligan Foley LLP
325 N. St. Paul, Suite 3600
Dallas, Texas 75201
Fax: 214-840-5301

YOUR BALLOT MAY NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER 5:00 P.M., CENTRAL TIME, ON _____, 2011.

2. Parties in Interest Entitled to Vote

Any Person who, as of the Voting Record Date (i.e., _____, 2011) was the Holder of a Claim against or Interest in the Debtor and whose Claim or Interest has not previously been disallowed by the Bankruptcy Court is entitled to vote to accept or reject the Plan, if such Claim or Interest is impaired under the Plan and either (i) such Holder's Claim or Interest has been scheduled by the Debtor (and such Claim or Interest is not scheduled as disputed, contingent, or unliquidated) or (ii) such Holder has filed a proof of Claim or proof of Interest on or before September 1, 2010, the last date set by the Bankruptcy Court for such filings (i.e., the Bar Date). Any Claim or Interest as to which an objection has been filed is not entitled to vote, unless the Bankruptcy Court, upon application of the Holder to whose Claim or Interest an objection has been made, temporarily allows such Claim or Interest in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Any such application must be heard and determined by the Bankruptcy Court on or before commencement of the Confirmation Hearing. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

3. Definition of Impairment

As set forth in section 1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a plan of reorganization unless, with respect to each claim or equity interest of such class, the plan:

(a) leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or equity interest; or

(b) notwithstanding any contractual provision or applicable law that entitles the holder of a claim or equity interest to demand or receive accelerated payment of such claim or equity interest after the occurrence of a default:

(i) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;

(ii) reinstates the maturity of such claim or interest as it existed before such default;

(iii) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and

(iv) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

4. Impaired Classes Under the Plan

Claims against the Debtors in Classes 3 (except the Claim of M&I Bank in Class 3C), 4 and 5 are impaired under the Plan, and the Holders of those Claims are entitled to vote to accept or reject the Plan.

5. Unimpaired Classes Under the Plan

Claims against the Debtors in Classes 1 and 2, the Class 3C Claim of M&I Bank, and Class 6 Interests in RSAI, are not impaired under the Plan. The Holders of those Claims and Interests are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and are thus not entitled to vote on the Plan.

6. Vote Required For Class Acceptance

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount and a majority in number of the holders of claims voting cast their ballots in favor of acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of equity interests as acceptance by holders of at least two-thirds in amount of the equity interests of that class that actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount of the holders of equity interests voting cast their ballots in favor of acceptance.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. By order of the Bankruptcy Court, the Confirmation Hearing has been scheduled for **_____, 2011 at _____ p.m. Central Time**, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. The Bankruptcy Court may adjourn the Confirmation Hearing from time to time without further notice other than an announcement made at the confirmation hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court on or before **_____, 2010** at the following address:

U.S. Bankruptcy Court
Northern District of Texas, Dallas Division
Earl Cabell Building, U.S. Courthouse
Dallas, Texas 75242-1496

In addition, any such objection must be served upon and received by the following parties, together with proof of service, no later than _____ **p.m., Central Time on _____, 2011:**

Douglas J. Buncher.
Neligan Foley LLP
325 N. St. Paul, Suite 3600
Dallas, Texas 75201
(214) 840-5301 fax

Office of the United States Trustee
Northern District of Texas
1100 Commerce Street, Room 956
Dallas, Texas 75242-1496

BANKRUPTCY RULE 9014 GOVERNS OBJECTIONS TO CONFIRMATION OF THE PLAN. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, THE BANKRUPTCY COURT MAY NOT CONSIDER IT.

C. Requirements For Confirmation of a Plan

At the Confirmation Hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

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

2. The proponents of the plan complied with the applicable provisions of the Bankruptcy Code.

3. The plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or promised by the Debtors, by the plan proponents, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.

5. (a) (i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the Debtors, an affiliate of the Debtors participating in a joint plan with the Debtors, or a successor to the Debtors under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(b) the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

7. With respect to each impaired class of claims or interests:

(a) each holder of a claim or interest of such class has accepted the plan or will 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 that such holder would so receive or retain if the Debtors were liquidated on such date under Chapter 7 of the Bankruptcy Code on such date; or

(b) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

8. With respect to each class of claims or interests:

(a) such class has accepted the plan; or

(b) such class is not impaired under the plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

(a) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(b) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive:

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(c) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of a claim will receive on account of such claim regular installment payments in cash –

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b); and

(d) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as described in subparagraph (c) above.

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

11. Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the plan, unless such liquidation or reorganization is proposed in the plan.

12. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the effective date of the plan.

13. The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

14. In the case in which the Debtor is an individual and in which the holder of an allowed unsecured claim objects to confirmation of the plan -

(a) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(b) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2) to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

The Debtor believes that the Plan satisfies all the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all the requirements of Chapter 11, and that the Plan is proposed in good faith.

The Debtor believes that Holders of all Allowed Claims and Interests impaired under the Plan will receive payments or distributions under the Plan having a present value as of the Effective Date not less than the amounts likely to be received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether Holders of Allowed Claims or Interests would receive greater distributions under the Plan than they would receive in liquidation under Chapter 7.

The Debtor also believes that the feasibility requirement for confirmation of the Plan is satisfied by the fact that the Debtors' future operating revenues and income will be sufficient to satisfy the Debtors' obligations under the Plan, and all creditors will ultimately be paid in full. These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

D. Cramdown

In the event that any impaired Class of Claims or Interests entitled to vote on the Plan does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if, as to each such impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to that Class. A plan of reorganization "does not discriminate unfairly" within the meaning of the Bankruptcy Code if no Class receives more than it is legally entitled to receive for its claims or equity interests.

"Fair and equitable" has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of ***secured claims***, the plan provides:

(a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of such claims; and

(ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property;

(b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or

(c) the realization by such holders of the "indubitable equivalent" of such claims.

2. With respect to a class of ***unsecured claims***, the plan provides:

(a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the Debtor is an individual, the Debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14).

3. With respect to a class of ***interests***, the plan provides:

(a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

In the event that one or more Classes of impaired Claims or Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired Class of Claims or Interests. For the reasons set forth above, the Debtor believes the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired Class of Claims and Interests.

VII. RISK FACTORS

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each Holder of a Claim or Interest of the Plan and this Disclosure Statement as a whole with such Holder's own advisors.

A. Insufficient Acceptances

For the Plan to be confirmed, each impaired Class of Claims and Interests is given the opportunity to vote to accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by claimants in such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (½) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Debtor reserves the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular impaired Class of Claims has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Debtor would be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

B. Confirmation Risks

The following specific risks exist with respect to confirmation of the Plan:

1. Any objection to confirmation of the Plan filed by a member of a Class of Claims or Interests can either prevent confirmation of the Plan or delay confirmation for a significant period of time.

2. If the Debtor must seek confirmation of the Plan over the rejection of one or more impaired Classes of Claims, the cramdown process could delay or prevent confirmation.

C. Post-Confirmation Risks

The Debtors' performance of its obligations under the Plan is subject to a number of material risks, including those described below. The risk factors below assume confirmation and consummation of the Plan and do not include risks that could prevent confirmation or consummation of the Plan. Before voting on the Plan, each Holder of a Claim entitled to vote on the Plan should carefully consider the risk factors enumerated below as well as all of the information contained in this Disclosure Statement and the exhibits hereto. Debtors incorporate herein by reference as if fully set forth herein the Risk Factors contained in Article X and Exhibit H to the Disclosure Statement filed by DLH and ACP. The ability of Allen and RSAI to perform under their Plans is contingent upon the success of the Plan of DLH and ACP. The ACP Plan has been confirmed, but the DLH Plan is under advisement with the Court.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN: LIQUIDATION ANALYSIS

The Debtor has evaluated other alternatives to reorganization under the Plan, including the liquidation of the Debtor. After studying possible alternatives to the Plan, the Debtor has concluded that the Plan is the best alternative and will maximize recoveries by Holders of Claims and Interests, assuming confirmation of the Plan and consummation of the transactions contemplated by the Plan. The following discussion provides a summary of the Debtor's analysis leading to its conclusion that the Plan will provide the highest value to Holders of Claims and Interests.

In contrast to the Plan, the Debtor could liquidate pursuant to Chapter 7 of the Bankruptcy Code. In a Chapter 7 bankruptcy, a trustee is appointed to collect and liquidate property of the bankruptcy estate for the benefit of all creditors in the order of their priority under the Bankruptcy Code. The Debtor has analyzed whether a Chapter 7 liquidation of the assets of the Debtor would be in the best interests of Creditors and has determined unsecured creditors would receive little or nothing in a Chapter 7.

Although Chapter 11 administrative costs are subordinated to the Chapter 7 administrative costs, both the administrative costs of the Chapter 11 and Chapter 7 are senior to unsecured creditors. The Debtor do not believe that a Chapter 7 would provide any tangible benefit to unsecured creditors, which could ever exceed the distributions received under the Plan. Indeed, the Debtor believes unsecured creditors would more than likely receive virtually nothing in a Chapter 7. Aside from the value of Allen and RSAI's equity interests in DLH and ACP, the

Debtors Schedules reveal that the Debtors have no significant assets. Other than a small amount of equity in his homestead in Rancho Santa Fe (assuming it could be sold for the estimated value and after reduction for the California state homestead exemption), a small amount of other household furnishings, artwork, etc. of very little value in a liquidation context, some cash, and some interests of value in non-DLH/ACP entities, Allen and RSAI have no assets of significant value other than their equity interests in DLH and ACP. Given over $50 million of General Unsecured Claims, recoveries to unsecured creditors in a Chapter 7 context would be less than five cents on the dollar, whereas the Plan projects to pay unsecured creditors in full.

Accordingly, the Plan satisfies the requirement under Bankruptcy Code section 1129(a)(7) which requires that creditors receive under a plan of reorganization as much as they would receive in a Chapter 7.

IX. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Importance of Obtaining Professional Tax Assistance

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN LIKELY U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, TO PROVIDE ASSISTANCE AND GENERAL GUIDANCE, IS NOT PROFESSIONAL ADVICE, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE BELOW DISCUSSION IS FOR GENERAL INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASE UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, AND LOCAL, IF APPLICABLE, TAX CONSEQUENCES OF THE PLAN.

B. Discharge of Indebtedness

The Internal Revenue Code ("IRC") generally provides that a taxpayer must include in income the amount of discharge of indebtedness ("DOI") it realizes when its creditors accept less than full payment in satisfaction of the creditors' undisputed debts. The realized amount of DOI is generally the difference between the amount of indebtedness and the amount received by the creditor in exchange for the indebtedness. However, IRC Section 108(a) provides that DOI will not be included in the taxpayer's taxable income if that taxpayer is under the jurisdiction of a court in a case under Title 11 of the United States Code (i.e., bankruptcy) and the DOI arises from a court ordered discharge or arises pursuant to a plan of reorganization approved by a bankruptcy court. In the event IRC Section 108(a) excludes DOI from the income of a debtor in bankruptcy, the debtor's tax attributes will be reduced by the amount of DOI income so excluded. The tax attributes are generally reduced in a prescribed order and include NOLs, general business credit carryovers, capital loss carryovers and the tax basis of its assets. In the alternative, the debtor may make an election to alter the order of attribute reduction such that the tax basis of depreciable property would be reduced first.

The Plan provides for payment in full of all Allowed Claims over time. As a consequence, absent a default by Debtors under the terms of the Plan, no DOI should be recognized by Debtors or their members from the satisfaction of all Allowed Claims pursuant to the Plan.

C. Impact on Holders of Claims Against Debtors

With respect to the Distributions to Holders of Claims under the Plan, the Debtors would urge any Holder of a Claim concerned about tax consequences of the Plan on that party to consult its tax advisor. The tax consequences of the Plan to individual Holders of Claims will obviously hinge on the specific circumstances of that Holder. Nonetheless, because the Plan treatment provides for payment in full of all Allowed Claims, the Debtors believe that the tax impact on Holders of Claims as a result of confirmation and implementation of the Plan should not differ materially, if at all, from the tax consequences to that Holder had the Debtor paid its Creditors in full without filing its Chapter 11 bankruptcy petition. See also Exhibit J to Disclosure Statement of ACP and DLH.

D. Circular 230 Disclosure

This Disclosure Statement was not intended nor written by the Debtors or the Debtors' representatives to be used (and it cannot be used) by any taxpayer to avoid penalties that might be imposed on the taxpayer in connection with (or as a result of) any of the transactions or matters described herein. This Disclosure Statement was written to support the promotion or marketing of the transactions or matters addressed in this Disclosure Statement. Each taxpayer should seek tax advice based on his or her particular circumstances from an independent tax advisor.

X. CONCLUSION

The Debtors urge all Holders of Claims to vote to ACCEPT the Plan and to evidence such acceptance by mailing their ballots in the self-addressed stamped envelope so that they will be received by_____, 2011.

DATED: October 21, 2011

/s/ Richard S. Allen
Richard S. Allen

RICHARD S. ALLEN, INC.

By: */s/ Richard S. Allen*
Richard S. Allen
Its: President and CEO

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