

**DISCLAIMERS**

**THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE COURT.**

**THE DEBTOR RESERVES THE RIGHT TO AMEND, MODIFY, OR OTHERWISE ALTER THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO. IN THE EVENT OF ANY SUCH AMENDMENTS, NOTHING CONTAINED HEREIN SHALL (I) CONSTITUTE OR BE DEEMED TO CONSTITUTE A WAIVER OR RELEASE OF ANY CLAIMS BY OR AGAINST, OR ANY INTERESTS IN, THE DEBTOR OR ANY OTHER PERSON, (II) PREJUDICE IN ANY MANNER THE RIGHTS OF DEBTOR OR ANY OTHER PERSON, OR (III) CONSTITUTE AN ADMISSION OF ANY SORT BY DEBTOR OR ANY OTHER PERSON.**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ROME DIVISION

In re: NEWS PUBLISHING COMPANY, :  
a Georgia corporation, : Chapter 11  
: Case 13-40002  
: Debtor. :  
: \_\_\_\_\_ :  
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**MODIFIED DISCLOSURE STATEMENT IN SUPPORT OF CHAPTER 11 PLAN OF LIQUIDATION OF NEWS PUBLISHING COMPANY**

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*Attorneys for the Debtor and Debtor-in-Possession*

Dated: February 23, 2017

## **INTRODUCTION AND OVERVIEW**

News Publishing Company (the “Debtor”), debtor and debtor in possession in this Chapter 11 Case, submits this modified disclosure statement (the “Disclosure Statement”) in support of the Chapter 11 Plan of Liquidation of News Publishing Company, dated February 23, 2017 (the “Plan”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan. A copy of the Plan is annexed hereto as Exhibit “A”.

### **A. Introduction**

On January 1, 2013 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing this Chapter 11 Case. No trustee or examiner has been appointed in the Chapter 11 Case, and the Debtor has continued in possession of its assets and the management of its properties as a debtor in possession in accordance with sections 1107 and 1108 of the Bankruptcy Code. On February 1, 2015, the Debtor completed the sale of substantially all of its assets, other than its remaining accounts receivable. Details of the sale are discussed in Article III.E, below.

This Disclosure Statement, submitted in accordance with section 1125 of the Bankruptcy Code, contains information regarding the Plan proposed by the Debtor. The Disclosure Statement is being distributed to you for the purpose of enabling you to make an informed judgment about the Plan.

The Disclosure Statement describes the provisions of the Plan and contains information concerning, among other matters: (1) the pre- and post-petition history, business, operations, management, properties, and liabilities of the Debtor, and (2) the assets available for distribution under the Plan. The Debtor strongly urges you to review carefully the contents of this Disclosure Statement and the Plan (including the exhibits to each) before making a decision to accept or reject the Plan. Particular attention should be paid to the provisions affecting or impairing your rights as a Creditor.

On or about February 24, 2017, the Bankruptcy Court approved this Disclosure Statement as containing adequate information to enable a hypothetical reasonable investor, typical of holders of Claims or Interests receiving this Disclosure Statement, to make an informed judgment about the Plan. Under section 1125 of the Bankruptcy Code, this approval enabled the Debtor to send you this Disclosure Statement and to solicit your acceptance of the Plan. The Bankruptcy Court has not, however, passed on the Plan itself, nor conducted a detailed investigation into the contents of this Disclosure Statement. The Bankruptcy Court’s approval of this Disclosure Statement does not constitute an endorsement of the Plan, nor does it represent a guaranty of the completeness or accuracy of the information set forth herein.

Your vote on the Plan is important. Absent acceptance of the Plan, there may be protracted delays, the confirmation of another plan, or, most likely, liquidation under chapter 7 of the Bankruptcy Code. These alternatives may not provide for distribution of as much value to holders of Allowed Claims as does the Plan. Accordingly, the Debtor urge you to accept the Plan by completing and returning the enclosed ballot(s) no later than March 31, 2017 at 5:00 p.m. Eastern Standard Time.

B. Disclaimers

**THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THE DISCLOSURE STATEMENT IS TO PROVIDE ADEQUATE INFORMATION OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF THE DEBTOR, THAT WOULD ENABLE A HYPOTHETICAL REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN.**

**FOR THE CONVENIENCE OF CREDITORS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ANY SUMMARY. ALTHOUGH THE DEBTOR BELIEVES THE SUMMARIES CONTAINED HEREIN ARE FAIR AND ACCURATE IN ALL MATERIAL RESPECTS, THE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN ITSELF. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.**

**NO REPRESENTATIONS CONCERNING THE DEBTOR'S FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN ARE AUTHORIZED BY THE DEBTOR, OR ANY OTHER PARTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE WHICH ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.**

**EXCEPT AS OTHERWISE NOTED, ALL FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT, AND IS TRUE AND CORRECT BASED ON THEIR REVIEW OF THE DEBTOR'S BOOKS AND RECORDS AND TO THE BEST OF THE KNOWLEDGE, INFORMATION AND BELIEF OF THE DEBTOR'S MANAGEMENT TEAM. THE DEBTOR CANNOT AND DOES NOT WARRANT, HOWEVER, THAT THE FINANCIAL AND OTHER INFORMATION SET FORTH BELOW IS TRUE AND CORRECT IN ALL MATERIAL RESPECTS.**

**THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS LEGAL OR BUSINESS ADVICE. EACH CREDITOR OR INTEREST HOLDER SHOULD CONSULT ITS OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL OR OTHER MATTERS CONCERNING ITS CLAIM.**

C. Overview of the Chapter 11 Process

Chapter 11 of the Bankruptcy Code contains numerous provisions, the general effect of which is to provide debtors with breathing space within which to propose a restructuring of their obligations to third parties. The filing of a bankruptcy petition creates a bankruptcy estate comprising all of the property interests of the debtor. Unless the Bankruptcy Court appoints a trustee for cause, a debtor in a chapter 11 case remains in possession and control of all of its assets as a debtor in possession. The debtor may continue to operate its business in the ordinary course on a day-to-day basis without Bankruptcy Court approval. Bankruptcy Court approval is only required for various enumerated kinds of transactions (such as certain financing transactions) and transactions outside of the ordinary course of a debtor's business. The filing of the bankruptcy petition gives rise to what is known as the automatic stay which, generally speaking, enjoins creditors from taking any action to collect or recover obligations owed by a debtor prior to the commencement of a chapter 11 case. The Bankruptcy Court, however, can grant relief from the automatic stay under certain specified conditions or for cause.

A chapter 11 debtor emerges from bankruptcy by successfully confirming a plan of reorganization. Alternatively, the assets of a debtor may be sold and the proceeds distributed to creditors through a plan of liquidation. A plan may either be consensual or non-consensual and provides, among other things, for the treatment of the claims of creditors and interests of shareholders.

D. Plan Overview

The following is a brief overview of the material provisions of the Plan and is qualified in its entirety by reference to the full text of the Plan. For a more detailed description of the terms and provision of the Plan, see Article IV below.

Pursuant to prior orders of the Bankruptcy Court, the Debtor has sold substantially all of its assets. The Plan provides for the liquidation of the Debtor's remaining assets, and resolves all outstanding Claims against, and Interests in, the Debtor. The Plan further provides for the dissolution and winding-up of the Debtor affairs and the discharge and termination of all Interests in the Debtor as against the Debtor.

The Plan provides for the classification and treatment of Claims against, and Interests in, the Debtor. The Plan designates two (2) Classes of Claims and one (1) Class of Interests, which classify all Claims against, and Interests in, the Debtor. These classes and their corresponding treatment take into account the differing nature and priority of the various Claims against, and Interests in, the Debtor.

1. Description of Property to Be Distributed Under the Plan

Each Holder of an Allowed General Unsecured Claim will be entitled to receive a pro rata share of the Debtor's Cash. The exact amount of the distribution to such Holders will not be known until all Allowed Claims are fixed in amount, and the Holders of Administrative and Priority Claims are paid. In short, there is no fixed percentage distribution to unsecured creditors, but rather all of the Debtor's Cash will be distributed to Holders of Allowed Claims in accordance with the priorities established by the Bankruptcy Code and the terms of the Plan.

2. Summary of Classification and Treatment of Claims and Interests

The following chart briefly summarizes the treatment of Claims and Interests under the Plan. Amounts listed below are estimated. Actual Claims and distributions will vary depending upon the outcome of objections to Claims and the value ultimately realized for distribution to creditors.

The chart is only a summary of the classification and treatment of Claims and Interests under the Plan. The dollar estimates contained in this chart are as of the date of this Disclosure Statement. Reference should be made to other sections of this Disclosure Statement, including Article VI. RISK FACTORS, and the Plan for a complete description of the classification and treatment of Claims and Interests.

<b>CLASS</b>	<b>DESCRIPTION</b>	<b>EST. ALLOWED CLAIMS AS OF EFFECTIVE DATE</b>	<b>TREATMENT</b>	<b>ESTIMATED PERCENTAGE RECOVERY</b>
N/A	Administrative Claims	\$100,000	Cash on the later of the Effective Date, or as soon as practicable thereafter, or the date Claim becomes an Allowed Claim, or such other treatment as parties	100%
1	Priority Claims	\$150,000	Cash on the Distribution Date, or as soon as practicable thereafter, in an amount equal to Face Amount of Claim	100%
2	General Unsecured Claims	\$10,000,000	Cash on the Distribution Date in an amount equal to the product of the Face Amount of the Allowed Class 3 General Unsecured Claim multiplied by the Distribution Percentage	8%
3	Equity Interests	N/A	All Equity Interests will be canceled and terminated upon the entry of a Final Decree	0%

E. Voting on the Plan

1. Who May Vote

The Plan divides Allowed Claims and Interests into multiple classes. Under the Bankruptcy Code, only classes that are “impaired” by the Plan are entitled to vote (unless the class receives no compensation or payment, in which event the class is conclusively deemed to have rejected the Plan). A class is impaired if the legal, equitable, or contractual rights attaching to the Claims or Interests of the class are modified, other than by curing defaults and reinstating maturities. See 11 U.S.C. § 1124.

A Claim must be “allowed” for purposes of voting in order for such creditor to have the right to vote. Generally, for voting purposes a Claim is deemed “allowed” absent an objection to the Claim if (i) a proof of claim was timely filed, or (ii) if no proof of claim was filed, the Claim is identified in Debtor’s Schedules as other than “disputed,” “contingent,” “unknown” or “unliquidated,” and an amount of the Claim is specified in the Schedules, in which case the Claim will be deemed allowed for the specified amount. In either case, when an objection to a Claim is filed, the creditor holding the Claim cannot vote unless the Bankruptcy Court, after notice and hearing, either overrules the objection, or allows the Claim for voting purposes.

Under the Plan, Administrative Claims are unclassified and are not entitled to vote. Class 1 is unimpaired and conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, Class 1 is not entitled to vote. Class 2 is impaired by the Plan. Accordingly, holders of Class 2 are entitled to vote. Class 3 will not receive or retain any property under the Plan and is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Accordingly, holders of Class 3 Interests are not entitled to vote.

**CLASS 2 IS IMPAIRED UNDER THE PLAN AND, THEREFORE, IS THE ONLY CLASS OF CREDITORS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.**

**Debtor in all events reserves the right through the claim reconciliation process to object to or seek to disallow any claim for distribution purposes under the Plan.**

2. How to Vote

A form of Ballot is being provided to the members of Class 2 by which Creditors in that Class may vote to either accept or reject the Plan. To vote on the Plan, please complete the enclosed Ballot, as indicated thereon, by (1) indicating that you either accept or reject the Plan and (2) signing your name and mailing the Ballot in the envelope provided for this purpose.

By enclosing a Ballot, Debtor is not admitting that you are entitled to vote on the Plan, is not admitting that your Claim is allowed as set forth on the Ballot, and is not waiving any right to object to your vote or your Claim.

If you did not receive a Ballot in your Solicitation Package, and believe that you should have received a Ballot, please contact, Smith Conerly LLP, 402 Newnan Street, Carrollton, Georgia 30117, (770) 834 -1160 (Attn: J. Nevin Smith, Esq.).

**IN ORDER TO BE COUNTED, BALLOTS MUST BE COMPLETED, SIGNED, AND MAILED SO AS TO BE RECEIVED NO LATER THAN 5:00 P.M. EASTERN TIME ON MARCH 31, 2017 AT THE FOLLOWING ADDRESS:**

If by first class mail, hand delivery or overnight mail:

News Publishing Company  
C/O Smith Conerly LLP  
402 Newnan Street  
Carrollton, Georgia 30117

**IF YOUR BALLOT IS NOT PROPERLY COMPLETED, SIGNED, AND RECEIVED AS DESCRIBED, IT WILL NOT BE COUNTED. IF YOUR BALLOT IS DAMAGED OR LOST, YOU MAY REQUEST A REPLACEMENT BY ADDRESSING A WRITTEN REQUEST TO THE ADDRESS SHOWN ABOVE.**

F. Confirmation of the Plan

1. Objections to Confirmation

Any objections to confirmation of the Plan must be in writing and must be filed with the Bankruptcy Court and served on counsel listed below on or before March 31, 2017:

Counsel for the Debtor

Smith Conerly LLP  
402 Newnan Street  
Carrollton, Georgia 30117  
Telephone: (770) 834-1160  
Facsimile: (770) 834-1190  
Attn: J. Nevin Smith, Esq.

Office of the U.S. Trustee

Martin P. Ochs  
United States Trustee  
Richard B. Russell Building  
75 Spring Street, S.W., Room 362  
Atlanta, Georgia 30303  
Martin.p.ochs@usdoj.gov  
Telephone: (404) 331-4437  
Facsimile: (404) 331-4464  
Attn: Martin P. Ochs, Esq.

2. Hearing on Confirmation

The Bankruptcy Court has set April 26, 2017 at 9:35 a.m. (Eastern Standard Time) for a hearing (the “Confirmation Hearing”) to determine whether the requisite number of Creditors has accepted the Plan and whether the other requirements for confirmation of the Plan have been satisfied. The Confirmation Hearing will be held before the Honorable Mary Grace Diehl at the United States Bankruptcy Court, Courtroom 342, United States, Courthouse, 600 East First Street, Rome Georgia. The Confirmation Hearing may be continued from time to time and day to day without further notice. If the Bankruptcy Court confirms the Plan, it will enter the Confirmation Order.

I. **HISTORY, ORGANIZATION, AND ACTIVITIES OF THE DEBTOR**

A. Description of the Debtor

1. Corporate Structure of the Debtor

Debtor is a corporation organized and existing under the laws of the State of Georgia in 1919.

2. Business of the Debtor

The Debtor is a privately held community news and information corporation that, prior to the sale of its assets in accordance with an order of the Bankruptcy Court, published one (1) paid daily paper, four (4) paid weekly newspapers, five (5) free weekly shoppers, two (2) niche publications and one (1) website located in urban, suburban and rural markets in northwest Georgia, and also operated a substantial commercial printing operation. Prior to the sale of its assets, Cherokee Publishing Company, Inc., an Alabama corporation (“Cherokee”), was a wholly owned subsidiary of Debtor which published one (1) paid daily paper and one (1) free weekly shopper. The Debtor’s and Cherokee’s publications, websites and printing businesses (collectively, the “Business”) were a fully-functional going concern providing services to meet the needs of their customers. On February 1, 2015, the Debtor completed the sale of substantially all of its assets, as described in this Disclosure Statement.

3. Debt Structure and Pre-Petition Financing

a. Secured Bank Debt

Prior to the Petition Date, Debtor executed a Promissory Note in favor of Greater Rome Bank in the original principal amount of \$896,394.51 (the “Greater Rome Note”). The Greater Rome Note was secured, inter alia, by that certain Commercial Security Agreement, dated December 1, 2009 (the “Greater Rome Security Agreement”) and that certain Uniform Commercial Code Financing Statement indexed by the Georgia Uniform Superior Courts Clerk's Cooperative in File No. 057-06-2174, as continued pursuant to that certain Uniform Commercial Code Financing Statement indexed by the Georgia Uniform Superior Courts Clerk's Cooperative in File No. 057-11- 1611 (the “Greater Rome Financing Statement”) (the Greater Rome Note, the Greater Rome Security Agreement and the Greater Rome Financing Statement are hereinafter collectively referred to as the “Greater Rome Loan Documents”). The Debtor’s obligations to Greater Rome Bank under the Greater Rome Note were originally secured by a first-priority lien on all inventory, chattel paper, accounts, equipment and general intangibles of News (collectively, the “Greater Rome Collateral”) pursuant to the



Greater Rome Loan Documents. Pursuant to a Subordination Agreement, dated April 15, 2009, Greater Rome Bank subordinated its security interest in accounts receivable to the security interest of Citizens First Bank to the extent of seven hundred and fifty thousand and no/100 dollars (\$750,000.00). Therefore, on the Petition Date, Greater Rome Bank held a partially subordinated security interest in the Greater Rome Collateral.

Prior to the Petition Date, Debtor defaulted under the Greater Rome Loan Documents, having failed to make required payments thereunder and Greater Rome filed suit against the Debtor in the Superior Court of Floyd County, Georgia. On December 20, 2012, the Debtor entered into a Settlement Agreement with Greater Rome Bank pursuant to which Greater Rome Bank and the Debtor consented to a judgment against Debtor in the aggregate amount of \$951,773.08 and further agreed that: (i) the non-liquidation market value of the Greater Rome Collateral was \$235,000.00 (the "Collateral Value") as of December 20, 2012, (ii) that Debtor would settle Greater Rome Bank's secured claim against the Greater Rome Collateral by providing Greater Rome Bank with a \$250,000 advertising credit (the "Advertising Credit"), for use in any of the publications owned or operated by the Debtor or its successors, and by making monthly cash payments of \$2,500.00 for a period of sixty (60) calendar months beginning on January 2, 2013 for a total payment of \$150,000.00 (collectively, the "Bank Consideration"), and (iii) that the present value of the Bank Consideration as of December 20, 2012 was equal to the Collateral Value of \$235,000.00. The Bank Consideration, and therefore Greater Rome Bank's secured claim, was fully satisfied at the closing of the sale of the Debtor's assets on February 1, 2015 by payment of the remaining balance of the cash payments and by the assumption by the purchaser of the Debtor's assets of the remaining obligation to satisfy the Advertising Credit. Therefore, Greater Rome Bank holds no secured claim against the Debtor as of the date of this Disclosure Statement. Greater Rome Bank has filed a proof of claim for an unsecured claim of \$716,773.08.

Also prior to the Petition Date, on or about June 28, 2012, the Debtor executed a Universal Note and Security Agreement in the original principal amount of \$851,000.00 (hereinafter collectively referred to as the "Citizens First Loan Documents") in favor of Citizens First Bank, a Division of Synovus Bank ("Citizens First Bank"), pursuant to which Citizens First Bank was granted a security interest in the accounts receivable of the Debtor, which security interest was duly perfected by the filing of a Uniform Commercial Code Financing Statement indexed by the Georgia Uniform Superior Courts Clerk's Cooperative in File No. 033-2009-03746 (the "Citizens First Financing Statement"). Shortly after the Petition Date, the Debtor entered into a cash collateral order with Citizens First Bank, and a series of extensions thereto, which recognized Citizens First Bank's perfected first priority security interest in the Debtor's pre-petition and post-petition receivables.

In accordance with a Consent Order entered by the Court on January 29, 2015, Citizens First Bank's total claim against the Debtor was compromised by payment of \$775,000.00 from the proceeds of Debtor's receivables retained from the closing of the sale of the Debtor's assets<sup>1</sup>. Therefore, Citizens First Bank holds no secured or unsecured claim against the Debtor as of the date of this Disclosure Statement.

b. Unsecured Debt

At this date, the Debtor's best estimate is that the Allowed Unsecured Claims will be in the range of approximately \$10,500,000 to \$12,000,000, consisting primarily of the general unsecured claims of the Pension Benefit Guaranty Corporation of \$4,337,801.30 and \$603,955.27, the general unsecured claim of the Internal Revenue Service of \$4,309,161.30, the general unsecured claim of United Community Bank of \$885,998.86, the general unsecured claim of Greater Rome Bank of \$716,773.08 and approximately \$2,500,000.00 of other general unsecured claims.

c. Equity Interests

The ownership of the outstanding shares of the Debtor's stock is as follows:

Name of Shareholder	Percentage Interest
B.H. Mooney III	41.4337%
Mary M. Banks	20.6093%
Jane M. Morgan	1.7921%
Elizabeth M. Mozley	21.5054%
Lynn Mooney	2.1983%
Beth Mooney	2.1983%
Sarah Mooney	2.1983%
Jackie Mooney Trust:	8.0645%
Lide Banks	0.8961%
Sibby Banks	0.8961%
Zan Banks	0.8961%
Dren Morgan	0.8961%
Eads Williams	0.8961%
Dean Morgan	0.8961%
Lynn Mooney	0.8961%
Beth Mooney	0.8961%
Sarah Mooney	0.8961%

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<sup>1</sup> The Debtor subsequently collected its remaining receivables in amounts in excess of \$775,000.00 resulting in a significant gain to the Debtor's Estate.

## II. THE CHAPTER 11 CASE

### A. Events Precipitating the Debtor's Chapter 11 Filing

Beginning in 2008, the Debtor began experiencing financial difficulty as a result of significant decreases in advertising revenue. The Debtor's largest advertising revenue category was local retail advertising and the effect of changes in retail sales and advertising generally adversely impacted the Debtor's revenue, particularly in the Debtor's community newspapers. Additionally, a significant portion of the Debtor's advertising revenue was tied to the real estate market. As the economy and real estate markets suffered, both individuals and businesses tightened their advertising budgets.

The Debtor downsized staffing for its operations in response to their ongoing liquidity needs. However, continuing decreases in revenues, as well as high rent obligations on the facilities and printing press owned by an affiliate of the Debtor, as well as debt service payments on the Debtor's bank debt, resulted in continuing negative cash flow. Further, continuing obligations in connection with the termination of the News Publishing Company Pension Plan (the "Pension Plan") handicapped the Debtor's ability to achieve an out-of-court restructuring or a non-bankruptcy asset sale. Although the Debtor considered an out-of-court restructuring or a non-bankruptcy asset sale, it became clear to the Debtor, management that an out-of-court restructuring could not be accomplished, if at all, sufficiently quickly to meet the Debtor's liquidity needs.

Accordingly, the Debtor commenced the Chapter 11 Case in an effort to maximize and protect the value of the Debtor's assets for the benefit of its creditors, employees, equity security holders and other parties in interest.

### B. The Voluntary Petition

On January 1, 2013, the Debtor commenced a voluntary Chapter 11 case. From and after the Petition Date, the Debtor operated as a debtor in possession subject to the supervision of the Bankruptcy Court in accordance with the Bankruptcy Code. The Debtor was authorized to operate in the ordinary course of business. Transactions outside the ordinary course of business required Bankruptcy Court approval.

An immediate effect of the filing of the bankruptcy petitions was the imposition of the automatic stay under the Bankruptcy Code, which, with limited exceptions, among other things, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against the Debtor, and litigation against the Debtor. The stay remains in effect, unless modified or lifted by the Bankruptcy Court, until such matters are addressed through the Plan.

C. First Day Orders

On the Petition Date, the Debtor sought approval from the Bankruptcy Court of certain motions and applications (the “First Day Motions”) that the Debtor filed simultaneously with its petition for relief commencing the Chapter 11 Case. The Debtor sought this relief to minimize disruption of the Debtor’s business operations as a result of the Chapter 11 filing, to establish procedures in the Chapter 11 Case for the Debtor’s ongoing operations, administration of the Chapter 11 Case and interim compensation for Estate Professionals (as defined herein), and to facilitate the Debtor’s reorganization efforts.

Hearings were held on the First Day Motions on January 7, 2013. The Bankruptcy Court has granted certain relief requested by the Debtor in the First Day Motions. Details of certain of these motions and orders are discussed in Article III.F, below.

D. Professionals Employed by the Debtor

To assist it in carrying out its duties as debtor in possession and to otherwise represent its interests in the Chapter 11 Case, the Debtor has employed, with authorization from the Bankruptcy Court, the following professionals (the “Estate Professionals”): Smith Conerly LLP, as the Debtor’s bankruptcy counsel; The Interlochen Group, LLC, as the Debtor’s financial advisor; and Carr, Riggs & Ingram, P.C. as the Debtor’s accountant<sup>2</sup>.

E. Asset Sale

From the Petition Date until January 31, 2015, the Debtor continued to operate its Business as debtor-in-possession. During that period, the Debtor and its representatives continued to seek alternate financing, equity investment and other options to allow for a successfully reorganization of the Debtor to allow the Debtor to emerge from bankruptcy as an operating company, while simultaneously seeking an appropriate purchaser for the assets of the Debtor. In late 2014, Debtor began negotiations with affiliates of the Marietta Daily Journal, a family owned newspaper located in Marietta, Georgia. Such negotiations resulted in the execution of an Asset Purchase Agreement between the Debtor and Times Journal, Inc., a Georgia corporation on or about October 20, 2014, pursuant to which Times Journal, Inc., a Georgia corporation, or an approved assignee (“TJI”), agreed to act as a “stalking horse” bidder for the assets of the Debtor, subject to higher offers (the “TJI APA”). On October 20, 2014, and pursuant to the TJI APA, the Debtor filed a motion (the “Procedures Motion”) seeking an order (the “Bid Procedures Order”) approving (a) bid procedures for a sale of substantially all of the Debtor’s assets; (b) the grant of certain bid protections to TJI; and (c) scheduling a hearing to consider the sale of substantially all of the Debtor’s assets. After notice and a hearing held before the Court on November 19, 2014, the Bid Procedures Order was entered on November 20, 2014. Pursuant to the Bid Procedures Order, on January 15, 2015, the Debtor conducted an auction at the offices of Debtor’s counsel (the “Auction”) of substantially all of the Debtor’s assets, other than Debtor’s accounts receivable which were subject to a first priority security interest in favor of Citizens First Bank (the “Purchased Assets”). Three separate Qualified Bidders (as defined in the Bid Procedures Order) appeared at, and participated in, the Auction. The highest and best bid at the Auction was a purchase price of \$3,050,000 for the Purchased Assets made by TJI. In accordance with the Bid

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<sup>2</sup> In April, 2015, Carr, Riggs & Ingram, P.C. was replaced by RDU, LLC, as the Debtor’s accountant in accordance with the Debtor’s motion which was approved by the Court.

Procedures Order, TJI, as the “stalking horse bidder” was granted a \$50,000 credit against its bid resulting in a net purchase price of \$3,000,000. (TJI’s high bid of \$3,050,000, less the \$50,000 credit is referred to herein as the “TJI Bid”). At the conclusion of the Auction, the Debtor determined to accept, subject to the Bankruptcy Court’s approval, the TJI Bid.

On January 15, 2015, Debtor filed a motion seeking an order (the “Sale Motion”) to sell the Purchased Assets pursuant to Section 363 of the Bankruptcy Code to TJI for a purchase price equal to the TJI Bid in accordance with the terms of the TJI APA. On January 29, 2015, the Bankruptcy Court entered an Order (A) Authorizing the Sale of the Debtor’s Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests and Granting Related Relief; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith; and (C) Granting Related Relief, which authorized the sale of the Purchased Assets to TJI, or its assigns for the TJI Bid (the “Sale Order”).

The sale of substantially all of the Debtor’s remaining assets to TJI closed on February 1, 2015 in accordance with the Sale Order, for a purchase price of \$3,050,000.00. In accordance with the Sale Order, TJI, as the “stalking horse bidder” was granted a \$50,000 credit against its bid resulting in a final net purchase price of \$3,000,000.00.

The net proceeds of the sale of the Purchased Assets in the amount of \$3,000,000.00 were initially wired to the IOLTA Trust Account of Smith Conerly LLP, counsel to the Debtor upon the closing of the TJI APA. Immediate expenses of the Debtor, including: (i) a payment of \$50,000 to the PBGC representing the agreed value of the assets of Cherokee Publishing, Inc. (a subsidiary of the Debtor which subsidiary was not subject to the Chapter 11 case and to which the PBGC held a claim in connection with the Debtor’s underfunded Pension Plan); (ii) the payoff of the remaining \$90,000.00 balance of the Greater Rome Bank secured obligation; (iii) a payment in the amount of \$775,000.00 to Citizens First Bank representing the discounted payoff of Citizens First Bank’s claim secured by the Debtor’s accounts receivable (which were excluded from the Purchased Assets); (iv) payments aggregating \$52,663.66, representing the required Cure Amounts on executory contracts and unexpired leases which were assumed by the purchaser of the Purchased Assets (which were the obligation of the Debtor to satisfy under the TJI APA); and (v) a payment of \$19,389.77 in approved counsel’s fees and expenses to the Debtor’s counsel, all of which payments reduced the balance held by Debtor to \$2,012,946.57. Of this amount \$391,307.52 was transferred to the Debtor’s DIP Tax Account to pay unpaid post-petition payroll taxes constituting administrative expenses of the Debtor. The remaining balance of \$1,621,639.05 was transferred to a special Debtor-in-possession escrow account at United Community Bank in Carrollton, Georgia (the “Sale Proceeds DIP Account”).

From the Sale Proceeds DIP Account, the following approved expenses have been paid:

<b>Date</b>	<b>Name</b>	<b>Matter</b>	<b>Amount</b>	<b>Balance</b>
2/10/2015	Beginning Deposit	Transferred from Trust Account	\$1,621,639.05	\$1,621,639.05
2/19/2015	Harland Clarke	Check Order	\$167.50	\$1,621,471.55
3/12/2015	Smith Conerly LLP	3 <sup>rd</sup> Interim Fee Application	\$31,947.73	\$1,589,523.82
5/6/2015	Carr Riggs & Ingram	1st Interim (Final) Fee Application	\$53,417.74	\$1,536,106.08
5/6/2015	Rickey D. Underhill	2nd Interim	\$20,280.00	\$1,515,826.08
5/6/2015	The Interlochen Grp	4th Interim Fee Application	\$8,560.28	\$1,507,265.80
5/6/2015	Smith Conerly LLP	5th Interim Fee Application	\$50,032.32	\$1,457,233.48
5/12/2015	Rickey D. Underhill		\$2,525.00	\$1,454,708.48
7/6/2015	Smith Conerly LLP	8 <sup>th</sup> MF Stm. 80%/fees + costs	\$12,459.89	\$1,442,248.59
7/8/2015	Rickey D. Underhill	April & May 80% & costs	\$1,312.00	\$1,440,936.59
7/24/2015	NPC Prop. Leasing	Post Petition Administrative Rent	\$87,598.75	\$1,353,337.84
8/6/2015	Rickey D. Underhill	June 80% & costs	\$472.00	\$1,352,865.84
8/6/2015	Smith Conerly LLP	9 <sup>th</sup> MF Stm. 80%/fees + costs	\$8,479.21	\$1,344,386.63
9/5/2015	Smith Conerly LLP	10th MF Stm. 80%/fees + costs	\$6,998.12	\$1,337,388.51
9/5/2015	Rickey D. Underhill		\$392.00	\$1,336,996.51
9/21/2015	The Interlochen Grp	Fee App 80% & costs	\$2,389.00	\$1,334,607.51
10/5/2015	Smith Conerly LLP	11th MF Stm. 80%/fees + costs	\$7,077.48	\$1,327,530.03
10/5/2015	Rickey D. Underhill	Fee App 80% & costs 8/1-8/31/15	\$720.00	\$1,326,810.03
11/6/2015	Smith Conerly LLP	12th MF Stm. 80%/fees + costs	\$6,850.16	\$1,319,959.87
11/10/2015		Transfer to Operating Account	\$25,000.00	\$1,294,959.87
11/24/2015	Smith Conerly LLP	6th Interim Fee App	\$8,999.60	\$1,285,960.27
12/10/2015	Smith Conerly LLP	13th MF Stm. 80%/fees + costs	\$7,061.65	\$1,278,898.62
2/9/2016	Smith Conerly LLP	15th MF Stm. 80%/fees + costs	\$6,098.83	\$1,272,799.79
2/9/2016	Smith Conerly LLP	14th MF Stm. 80%/fees + costs	\$8,260.88	\$1,264,538.91
2/9/2016	Rickey D. Underhill	Fee App 80% & costs	\$1,088.00	\$1,263,450.91
3/9/2016	Smith Conerly LLP	16th MF Stm. 80%/fees + costs	\$5,576.16	\$1,257,874.75
3/9/2016	Smith Conerly LLP	7th Interim Fee App	\$6,461.90	\$1,251,412.85
3/9/2016	The Interlochen Grp	5th Interim Fee 4/1-12/31/15	\$1,628.71	\$1,249,784.14
4/1/2016	News Pub. Co.	Transfer to Operating Account	\$30,000.00	\$1,219,784.14
4/13/2016	Smith Conerly LLP	17th MF Stm. 80%/fees + costs	\$9,832.64	\$1,209,951.50
5/11/2016	Smith Conerly LLP	18th MF Stm. 80%/fees + costs	\$3,608.15	\$1,206,343.35
6/7/2016	Smith Conerly LLP	19th MF Stm. 80%/fees + costs	\$4,287.41	\$1,202,055.94
7/6/2016	Smith Conerly LLP	20th MF Stm. 80%/fees + costs	\$4,954.08	\$1,197,101.86
7/18/2016	News Pub. Co.	Transfer to Operating Account	\$25,000.00	\$1,172,101.86
7/27/2016	Smith Conerly LLP	8th Interim Fee App	\$5,496.00	\$1,166,605.86
7/27/2016	Smith Conerly LLP	21st MF Stm. 80%/fees + costs	\$10,594.15	\$1,156,011.71
9/6/2016	Smith Conerly LLP	22nd MF Stm. 80%/fees + costs	\$6,212.29	\$1,149,799.42
10/6/2016	Smith Conerly LLP	23rd MF Stm. 80%/fees + costs	\$5,266.06	\$1,144,533.36
10/31/2016	News Pub. Co.	Transfer to Operating Account	\$15,000.00	\$1,129,533.36
11/4/2016	Smith Conerly LLP	24th MF Stm. 80%/fees + costs	\$5,355.49	\$1,124,177.87

12/5/2016 Smith Conerly LLP 25th MF Stm. 80%/fees + costs \$9,403.29 \$1,114,774.58

The Debtor's remaining pre-petition and post-petition receivables which were not included in the Purchased Assets have been collected by the Debtor in the approximate amount of \$825,000 and deposited in the Debtor's debtor-in-possession accounts. Expenses paid from that account include Administrative Expenses incurred by the Debtor post-petition and unpaid from operations as of the closing of the sale of the Purchased Assets on February 1, 2015 including: (i) unpaid employee vacation pay in the approximate amount of \$120,000 approved by the Court by Order, dated June 26, 2015 [Docket No. 244], (ii) unpaid post-petition rents in the approximate amount of \$160,000 approved by the Court by Order, dated July 23, 2015 [Docket No. 251]; (iii) unpaid post-petition payroll and property in the approximate amount of \$455,000; and (iv) additional post-petition operating expenses in the approximate amount of \$90,000.

F. Other Significant Events During the Chapter 11 Case

1. First Day Motions and Orders

On the Petition Date, the Debtor submitted motions for, and were later granted, the following orders necessary to the effective administration of the Debtor Estate:

- Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and Official Committee Members;
- Order Granting Debtor's Motion for an Order Authorizing, But Not Requiring (i) Payment of Prepetition Employee Wages, Salaries, and Commissions; (ii) Reimbursement of Pre-Petition Employee Business Expenses; (iii) Contributions to Pre-Petition Employee Benefit Programs and Continuation of Such Programs; (iv) Payment of Workers' Compensation Obligations and Other Insurance Premiums; (v) Payment of Pre-Petition Tax and Other Withholdings to Third-Parties, and (vi) Related Relief;
- Order Authorizing the Debtor to Pay Pre-Petition Claims of Certain Pre-Petition Vendors;
- Interim Order Pursuant to 11 U.S.C. §§ 105 and 366 of the Bankruptcy Code: (i) Finding Utilities Adequately Assured of Future Performance, (ii) Enjoining Utilities from Altering, Refusing, Discontinuing, or Interfering with Utility Service, and (iii) Establishing Procedures for Determining Requests for Additional Adequate Protection;
- Order Granting Application for Order Authorizing the Retention and Employment of Smith Conerly LLP as Bankruptcy Counsel, *Nunc Pro Tunc* to the Petition Date, Pursuant to 11 U.S.C. §§ 327(a) and 1107(a), Fed. R. Bankr. P. 2014(a) and 2016(b);

- Order Granting Application for Order Authorizing the Retention and Employment of The Interlochen Group, LLC, *Nunc Pro Tunc* to the Petition Date, as Financial Advisor to the Debtor Pursuant to 11 U.S.C. §§ 327, 328, 330 and 331, Fed. R. Bankr. P. 2014(a) and 2016, and Local Bankruptcy Rules 2014-1 and 2016-1; and
- Order Granting Application for Order Authorizing the Retention and Employment of Carr, Riggs and Ingram LLC as Accountants for Debtor, *Nunc Pro Tunc* to the Petition Date, Pursuant to 11 U.S.C. §§ 327(a) and 1107(a), Fed. R. Bankr. P. and 2014(a).

2. Claims Process and Bar Dates

In a Chapter 11 case, pre-petition claims against a debtor are generally established either as a result of being listed in the debtor's schedules of liabilities as not being contingent, unliquidated or disputed or through the filing by the creditor of a timely filed proof of claim. Claims asserted by creditors are then either allowed or disallowed. If allowed, a Claim will be recognized and treated pursuant to the Plan. If disallowed, the creditor will have no right to obtain any recovery on or to otherwise enforce the Claim against the Debtor.

a. Filing of Statements and Schedules

On January 15, 2013, the Debtor filed with the Bankruptcy Court its Schedules of Assets and Liabilities and Statements of Financial Affairs, which set forth, inter alia, Scheduled pre-petition claims against the Debtor based on the Debtor's books and records.

b. Bar Dates for Filing Proofs of Claim

The Bankruptcy Court established July 31, 2013 (the "Bar Date") as the deadline for filing Proofs of Claim with the Bankruptcy Court for any pre-petition claims against the Debtor. The Bankruptcy Court established May 1, 2015 as the deadline for filing requests for the payment of Administrative Claims against the Debtor.

c. Filed Claims and the Claims Objection Process

The Debtor expects to continue to engage in the process of reviewing filed Claims and expect to file objections to claims that are lacking in legal or factual merit, including claims that (i) were filed against Debtor without legal justification; (ii) consist of amendments to previously filed Claims; (iii) assert improper priority status; (iv) are asserted in amounts in excess of the amounts actually owed; (v) do not allege an enforceable legal obligation of any of the Debtor; (vi) include post-petition interest and other disallowable charges; or (vii) are otherwise objectionable.

The Debtor currently project that the Claims asserted against it will be resolved in, and reduced to an amount that approximates the amounts estimated in the Schedules. However, the actual aggregate amount of Allowed Claims in any Class may ultimately differ significantly from the Debtor's estimates thereof. Any variance from such estimates will affect projected distributions.

d. PBGC Liabilities



The PBGC is a wholly owned United States government corporation, and an agency of the United States, that administers the defined benefit pension plan termination insurance program under Title IV of the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. §§ 1301-1461, (2012, Supp. II 2014). When a pension plan covered by Title IV terminates with insufficient assets to pay promised benefits, PBGC typically becomes the statutory trustee of the pension plan, supplements the terminated plan’s assets with its insurance funds, and, subject to certain statutory limitations, pays to the plan’s participants their benefits. See 29 U.S.C. §§ 1321-1322, 1342, 1361. The Debtor maintained and administered the Pension Plan, which was established effective March 1, 1969, and is covered by Title IV of ERISA. The Pension Plan has been terminated and trustee by PBGC. PBGC filed amended claims against the Debtor for (1) unfunded benefit liabilities of the Pension Plan pursuant to 29 U.S.C. § 1362, in the amount of \$4,337,801 (“Claim 49”); (2) unpaid minimum funding contributions pursuant to 26 U.S.C. §§ 412, 430 in the amount of \$3,451,041 (“Claim 51”); and (3) statutory premiums pursuant to 29 U.S.C. § 1306 in the amount of \$611,445.41. The Debtor objected to the priority status of Claims 49 and 51. Subsequently, the Debtor and PBGC reached an agreement rather than litigate these issues. Under the settlement agreement, approved by this Court, the Debtor and PBGC agreed that Claims 49 and 51 are merged into one claim and shall be allowed as a general unsecured claim in the amount of \$4,337,801. In addition, the Debtor agreed to withdraw its objection to Claims 49 and 51.

### III. DESCRIPTION OF THE PLAN

**A DISCUSSION OF THE PRINCIPAL PROVISIONS OF THE PLAN AS THEY RELATE TO THE TREATMENT OF CLASSES OF ALLOWED CLAIMS ARE SUMMARIZED BELOW. THE DISCUSSION OF THE PLAN THAT FOLLOWS CONSTITUTES A SUMMARY ONLY AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. YOU ARE URGED TO READ THE PLAN IN FULL IN EVALUATING WHETHER TO ACCEPT OR REJECT THE PLAN. IF ANY INCONSISTENCY EXISTS BETWEEN THIS SUMMARY AND THE PLAN, THE TERMS OF THE PLAN CONTROL. ALL CAPITALIZED TERMS NOT OTHERWISE DEFINED HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN.**

#### A. Overview

The Plan provides for the making of distributions to Creditors under the Plan in accordance with the priorities established by the Bankruptcy Code. The Plan categorizes the Claims against, and Interests in, the Debtor into distinct Classes. In accordance with the Bankruptcy Code and Administrative Claims are not classified into Classes. The Plan also provides that expenses incurred by the Debtor during the Chapter 11 Case will be paid in full (or as may otherwise be agreed by any such party) and specifies the manner in which holders of Allowed Claims in each Class will be treated. In the event there is any discrepancy between this description of the Plan’s treatment of Creditors and the terms set forth in the Plan, the terms of the Plan are controlling.

<b>Class</b>	<b>Claim</b>	<b>Status</b>	<b>Voting Rights</b>
1	Priority Claims	Unimpaired	Not entitled to vote. Deemed to accept the Plan.
2	General Unsecured Claims	Impaired	Entitled to vote.
3	Equity Interests	Impaired	Not entitled to vote. Deemed to reject the Plan.

B. Unclassified Claims

1. Administrative Claims

a. Generally

Administrative Claims are Claims for administrative expenses of the kind described in section 503(b) of the Bankruptcy Code, including, without limitation, (a) the actual and necessary costs and expenses of preserving the Estate of the Debtor incurred after the commencement of the Chapter 11 Case, (b) Claims for fees and expenses of the Professionals pursuant to sections 328, 330, and 331 of the Bankruptcy Code, and (c) Claims given the status of Administrative Claims by statute or Final Order of the Bankruptcy Court, including, but not limited to, fees, if any, due to the United States Trustee under 28 U.S.C. § 1930(a)(6). The Debtor estimates that the total of unpaid Administrative Claims will be no more than \$500,000 as of the Effective Date, including principally the Debtor’s administrative income tax liability on the sale of the Purchased Assets in the approximate amount of \$200,000, and no more than \$100,000 in additional Professional Fees and Expenses. This amount may be reduced by payments in the ordinary course of Administrative Claims between the date hereof and the Effective Date.

To the extent actual fees and expenses of the Professionals or other allowed Administrative Claims are higher than currently projected or estimated, the actual amount of allowed administrative expenses may be higher than this estimate.

To date, the Debtor has made payments in the following amounts to the Professionals, as authorized by the Bankruptcy Court:

- Carr, Riggs & Ingram, P.C. (Debtor’s accountants through March 31, 2015): \$52,661.20 (fees); \$756.54 (expenses)
- RDU, LLC (Debtor’s replacement accountants from April 1, 2015 to present): \$3,984.00 (fees)

- Smith Conerly LLP (Debtor's counsel): \$344,152.10 (fees); \$37,963.09 (expenses)
- The Interlochen Group, LLC (Debtor's financial advisors): \$89,896.88 (fees and expenses)

Except as otherwise provided in the Plan, and subject to the requirements set forth therein, on, or as soon as reasonably practicable after the later of (i) the Effective Date or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, a Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Administrative Claim, (a) cash equal to the unpaid portion of the face amount of such Allowed Administrative Claim or (b) such other treatment as to which such Holder and the Debtor shall have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 case may be paid in the ordinary course of business in accordance with their terms and conditions.

All Administrative Claims not filed by any applicable Administrative Claim Bar Date for the filing of such Claims shall be deemed waived, subject to any exceptions established by the Court. The Court established May 1, 2015, as the Administrative Claim Bar Date for all holders of Administrative Claims incurred prior to such date, except for (a) claims of professionals retained by the Debtor under 28 U.S.C. § 156(c) or 11 U.S.C. §§ 327, 328 or 1103, for compensation or reimbursement of expenses pursuant to 11 U.S.C. §§ 327, 328 and 330, and (b) fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930.

b. Professional Fee Claims by Professionals

All Professional Fee Claims shall be paid as soon as practicable after they become Allowed Claims, but in no event later than thirty (30) days following the entry of a Final Order allowing such claims.

C. Classification and Treatment of Claims Against and Interests in the Debtor

1. Class 1 - Priority Claims

Except to the extent that a Holder of an Allowed Priority Claim has been paid prior to the Distribution Date, or agrees to accept different treatment, on or as soon as is practicable after the Effective Date, the Debtor shall pay, to each Holder of an Allowed Priority Claim, Cash in an amount equal to the Face Amount of such Allowed Priority Claim in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Class 1 Priority Claim.

2. Class 2 - General Unsecured Claims

On the Final Distribution Date, each Holder of an Allowed Class 2 General Unsecured Claim shall receive Cash equal to the product of the Face Amount of its Allowed Class 2 General Unsecured Claim multiplied by the Distribution Percentage. No Holder of an Allowed Class 2 General Unsecured Claim shall be entitled to receive post-petition interest on the Face Amount of its Allowed Claim.

3. Class 3 - Equity Interests

The Holders of Equity Interests shall not receive or retain any distribution on account of their Equity Interests, which will be discharged, cancelled and terminated upon the entry of a Final Decree in accordance with Article V.B of the Plan.

D. Means for Implementation of the Plan

1. Funding of the Plan

The proceeds and other consideration from the sale of unencumbered assets will be the primary funding for the Plan. The gross consideration from the Purchased Assets was approximately \$3,000,000. The Debtor used the proceeds from the Purchased Assets, and the Debtor's retained accounts receivable as described in Section III. E. As of January, 2017, the Debtor had cash on hand of approximately \$1,118,000 and, after payment of existing and anticipated expenses as of that date, expect as of June 1, 2017 to have between \$1,050,000 and \$1,080,000 remaining at Confirmation.

E. Preservation of Causes of Action and Related Matters

In accordance with section 1123(b)(3) of the Bankruptcy Code, and except as otherwise provided in an order of this Court or the Plan, the Debtor and its Estate shall retain and may pursue against any party, including creditors of the Debtor Estate, all Causes of Action arising under any applicable laws including, without limitation, all Causes of Action available to a trustee or debtor in possession under the Bankruptcy Code.

Unless a Cause of Action against an Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including the Confirmation Order), the Debtor expressly reserves all Causes of Action for later adjudication (including, without limitation, Causes of Action not specifically identified or described in the Plan or exhibits to the Plan or Disclosure Statement, or elsewhere, or of which the Debtor may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtor as of the Confirmation Date or facts or circumstances which may change or be different from those the Debtor now believes to exist). Accordingly, no preclusion doctrine including, without limitation, doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after entry of the Confirmation Order or the occurrence of the Effective Date based on the Disclosure Statement, Plan or Confirmation Order, except where such Causes of Action have been specifically released in the Plan or any other Final Order (including the Confirmation Order). In addition, the Debtor expressly reserves the right to pursue or adopt against any Entity including, without limitation, the plaintiffs or co-defendants, any Cause of Action alleged in any lawsuit in which the Debtor is a defendant or interested party.

Without limiting the immediately preceding paragraph, any Entity to whom the Debtor has incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from, or provided services to, the Debtor or a transfer of money or property of the Debtor, or who has transacted business with the Debtor, or leased equipment or property from the Debtor, should assume that any such obligation, transfer or transaction may be reviewed by the Debtor subsequent to the Effective Date and may be the subject of litigation after the Confirmation Date, including after the Effective Date, including litigation pursuant to 11 U.S.C. §§ 542, 543, 544, 545, 547, 548, 549, 550, regardless of whether (i) such Entity has filed a Proof of Claim against the Debtor in the Chapter 11 Case; (ii) Debtor has objected to any such Entity's Proof of Claim; (iii) any such Entity's claim was included in the Schedules; (iv) the Debtor has objected to any such Entity's scheduled Claim; or (v) any such Entity's scheduled Claim has been identified by the Debtor as disputed, contingent, or unliquidated.

F. Effectuating Documents; Further Transactions

The Debtor shall be authorized to execute, deliver, file or record such contracts, deeds, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

G. Preferential Transfer Litigation

Section 547 of the Bankruptcy Code permits a debtor-in-possession to avoid transfers made by a debtor to or for the benefit of a creditor within 90 days prior to the filing of a petition for relief under the Bankruptcy Code on account of an antecedent (i.e., pre-existing or prior) debt owed to such creditor, subject to certain exceptions. Such transfers, commonly known as preferential transfers, are presumed to have been made by the debtor to prefer the creditors to whom the transfers were made and at the expense of other creditors who did not receive such transfers. Once received, the proceeds of avoided preferential transfers are made available for distribution to all creditors on a pro rata basis. The Debtor does not believe that any material preferential transfers within the meaning of section 547 of the Bankruptcy Code to its creditors.

H. Treatment of Executory Contracts and Unexpired Leases

1. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided therein, the Confirmation Order shall constitute an order under section 365 of the Bankruptcy Code rejecting all executory contracts and unexpired leases to which the Debtor is a party, to the extent such contracts or leases are executory contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) shall have been assumed, assumed and assigned, or rejected by the Debtor prior to the Effective Date, (b) shall have expired or terminated pursuant to its own terms prior to the Effective Date, or (c) is the subject of a pending motion to assume, assume and assign, or reject on the Confirmation Date.

2. Bar to Rejection Damages

If the rejection of an executory contract or unexpired lease gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the Debtor or its Estate or its successors or properties unless a Proof of Claim is filed and served on the Debtor and counsel for the Debtor within thirty (30) days after service of a notice of the Effective Date, or such other date as is prescribed by the Bankruptcy Court.

I. Distributions

1. Date of Distributions

Except as otherwise provided in the Plan, all distributions to be made on account of Claims shall be made on the Final Distribution Date.

Notwithstanding any other provision of the Plan to the contrary, no distribution shall be made on account of any Allowed Claim or portion thereof that (i) has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court; (ii) is listed in the Schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed; or (iii) is evidenced by a Proof of Claim that has been amended by a subsequently filed Proof of Claim that purports to amend the prior Proof of Claim, except to the extent that such amended claim is an Allowed Claim or (iv) is otherwise a Disallowed Claim.

2. Distributions By Debtor

The Debtor shall make all Distributions required under the Plan, subject to the terms and provisions of the Plan.

3. Delivery of Distributions and Undeliverable or Unclaimed Distributions

a. Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made by the Debtor at, in descending order of priority, (a) the address set forth in such Holder's last written request for notice pursuant to Bankruptcy Rule 2002(g), (b) the address set forth in the Proof of Claim filed by any such Holder, (c) the address reflected in the Debtor Schedules if no Proof of Claim was filed and the Debtor has not received a written request for notice, or (d) if none of the addresses described in (a) through (c) are available, the address set forth in the other records of the Debtor at the time of the Distribution.

In making Distributions under the Plan, the Debtor may rely upon the accuracy of the claims register, as modified by any Final Order of the Bankruptcy Court disallowing Claims in whole or in part.

b. Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim is returned to the Debtor as undeliverable, or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until the Debtor is notified in writing of such Holder's then-current address, at which time all missed Distributions shall be made to such Holder, without interest.

Amounts in respect of undeliverable Distributions made by the Debtor shall be returned to and revert with the Debtor until such Distributions are claimed or otherwise disposed of in accordance with the next succeeding paragraph.

Any Holder of an Allowed Claim that does not notify the Debtor of its then-current address within ninety (90) days after the date on which any distribution to it was returned to the Debtor as undeliverable or unclaimed shall be deemed to have forfeited its Claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such Claim or for an undeliverable or unclaimed Distribution against the Debtor and its Estate and its agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such cases, any Cash otherwise reserved for undeliverable or unclaimed Distributions shall be added to the Cash Available for Distribution if such distribution is returned prior to the Final Distribution Date, or, if such distribution is returned after the Final Distribution Date, shall be donated to a reputable charity selected by the Debtor free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Nothing contained in the Plan shall require the Debtor, or any of its professionals or agents, to undertake any affirmative efforts to locate any Holder of an Allowed Claim.

4. Means of Cash Payment

Cash payments made pursuant to the Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of the Debtor by (i) plain check drawn on or (ii) wire transfer from, a domestic bank selected by the Debtor.

5. Interest on Claims

Unless otherwise specifically provided for in the Confirmation Order, postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim.

6. Setoffs

Unless otherwise authorized by a Final Order, any Holder of a Claim must assert any setoff or recoupment rights against a claim by the Debtor against such entity by filing an appropriate motion seeking authority to setoff or recoup on or before the Distribution Date on which such Holder first receives a Distribution in connection with the Chapter 11 Case, or be deemed to have waived, and be forever barred from asserting, any right of setoff or recoupment against a claim by the Debtor notwithstanding any statement to the contrary in a Proof of Claim or any other pleading or document filed with the Bankruptcy Court or delivered to the Debtor.

Pursuant to Section 553 of the Bankruptcy Code, and applicable non-bankruptcy law, the Debtor may set off against any Allowed Claim and the Distributions to be made thereon any and all claims, rights and Causes of Action of any kind or nature which the Debtor may have against the Holder of such Allowed Claim; provided, however, that neither the failure to affect any such set off nor the allowance of, or Distribution on, any Claim, shall constitute a waiver or release by Debtor of any claims, rights or Causes of Action the Debtor may possess against the Holder of such Claim.

7. Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

a. Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims and Administrative Claims, all objections to Claims must be filed and served on the Holders of such Claims no later than one hundred eighty (180) days after the Effective Date (the "Claims Objection Deadline"), or such longer time as may be provided in the Confirmation Order or other Order of the Bankruptcy Court. If an objection has not been filed to a Proof of Claim, or the Schedules have not been amended with respect to a Claim that: (i) was Scheduled by the Debtor but (ii) was not Scheduled as contingent, unliquidated and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Bankruptcy Court on request of the Debtor, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim without the necessity for any further action by the Holder of such Claim or the Debtor.

b. Minimum Distribution/Fractional Dollars

Any other provision of the Plan notwithstanding, the Debtor shall not be required to make Distributions or payments in an amount of less than Five Dollars (\$5.00) or in fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up - to the extent funds are available - or down), with half dollars being rounded down.

8. Allocation of Plan Distributions Between Principal and Interest

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

9. Distribution Record Date

The Debtor will have no obligation to recognize the transfer, or sale, of any participation in any Allowed Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes in the Plan to recognize and distribute only to those Holders of Allowed Claims who are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date.



J. Injunctions and Exculpation

1. Injunction

**Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Effective Date, all Persons who have held, hold or may hold Claims against, or Interests in, the Debtor are permanently enjoined from taking any of the following actions against the Debtor or its Estate, or any of its property on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any Lien or encumbrance; (D) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor; and (E) commencing or continuing, in any manner or in any place, any action that is derivative of the rights of the Debtor or does not comply with, or is inconsistent with, the provisions of the Plan; provided, however, that nothing contained in the Plan shall preclude such Persons from exercising their rights pursuant to, and consistent with, the terms of the Plan, the Confirmation Order or a Sale Order.**

**The Confirmation Order shall further provide that all Persons except PBGC are permanently enjoined from obtaining any documents or other materials from current counsel for the Debtor that are in the possession of such counsel as a result of, or arising in any way out of, their representation of the Debtor. The foregoing provision will not prevent the PBGC from collecting any documents or employee records of the Debtor relating to the Pension Plan.**

2. Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. Upon the Effective Date, the injunction provided in Article IX of the Plan shall apply.

K. Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, the Debtor and its present or former members, officers, directors, employees, advisors, attorneys, representatives, financial advisors, or agents and any of such parties successors and assigns, in each case to the extent, but only to the extent, such person or entity was acting for, or on behalf of, the Debtor, shall not have or incur any claim, action, proceeding, Cause of Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment or Claim (as defined in section 101(5) of the Bankruptcy Code), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise to one another or to any Holder of a Claim or Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtor, the

Chapter 11 Case, the negotiation and filing of the Plan or any prior plans, filing the Chapter 11 Case, the pursuit of confirmation of the Plan or any prior plans or Sale Orders, the consummation of the Plan, the administration of the Plan, or the property to be liquidated and/or distributed under the Plan, except for fraud, willful misconduct, or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided, however, that any such release, injunction or exculpation may not be asserted, and shall not apply, if it would adversely affect (x) the ability of the Debtor to assert any counterclaim, cross claim or defense with respect to any Claim or Administrative Claim asserted by any such Exculpated Entity (other than a Retained Professional) or (y) the assertion by the Debtor of any Cause of Action against any such Exculpated Entity arising out of, or relating to, any acts, failure to act, occurrence or event occurring prior to the Petition Date.

L. News Publishing Company Pension Plan

Nothing in the Debtor's bankruptcy proceeding, the Bankruptcy Code (and § 1141 thereof), the Confirmation Order or the Plan shall in any way be construed to discharge, release, limit, or relieve any party for fiduciary breach related to the Pension Plan. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the Debtors' bankruptcy case.

M. Indemnification Obligations

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

N. Miscellaneous Matters

1. Services by and Fees and Expenses of Estate Professionals

Fees and expenses of Professionals for services rendered and costs incurred after the Petition Date and prior to the Effective Date for which reimbursement is sought, will be fixed by the Bankruptcy Court after notice and a hearing and such fees and expenses incurred through the Termination Date will be paid in accordance with the terms and conditions of the Plan by the Debtor.

O. Conditions Precedent to Plan Effectiveness

1. Conditions Precedent to Plan Effectiveness and Effective Date

The Effective Date will occur when the conditions set forth in Article IX of the Plan have been satisfied. Article IX of the Plan specifies that it shall be a condition precedent to the effectiveness of the Plan that: (i) the Confirmation Order shall have been entered and become a Final Order and that the Debtor is authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan or effectuate, advance or further the purposes thereof; and (ii) the Debtor shall have sufficient Cash, taking into account the payments and advances to be made on or before the Effective Date to the Debtor under the Plan, to make all payments required to be made on the Effective Date (including for any Administrative Claims and Professional Fee Claims which may become Allowed), except to the extent that a party entitled to receive a payment waives its right to payment in writing.

2. Waiver of Conditions

The Debtor may waive, at any time, without notice, leave or order of the Bankruptcy Court and without any formal action other than proceeding to consummate the Plan, the conditions set forth in Article IX of the Plan.

IV. VALUATION AND PROJECTIONS

A. Assets

The Debtor remaining assets consist of, among other things, Cash in the amount of approximately \$1,118,000 (including amounts that may be paid to satisfy administrative expense claims under section 503(b)(9) of the Bankruptcy Code) in the amounts of approximately \$250,000 as of January, 2017.

B. Liabilities

The amounts that the Debtor believes to be owing on account of various categories of Allowed Claims as of the Effective Date are set forth in the classification of Claims set forth in Article I.D.2 above.

C. Final Fee Application of Professionals

Professionals or other entities requesting compensation or reimbursement of expenses pursuant to Bankruptcy Code sections 327, 328, 330, 331, 503(b) and 1103 for services rendered prior to the Effective Date will be required to file and serve on all parties entitled to notice thereof an application for final allowance of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of the Bankruptcy Court.

## V. RISK FACTORS

The following is intended as a summary of certain material risks associated with the Plan. Each Creditor must analyze and evaluate the Plan and this Disclosure Statement as a whole to determine whether there are any other risk factors that might pertain to them.

### 1. Satisfaction of Conditions to the Effective Date

In order to confirm the Plan, the following conditions set forth in Article IX of the Plan must be satisfied:

- (a) The Confirmation Order shall have been entered and become a Final Order and that the Debtor are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan or effectuate, advance or further the purposes thereof; and
- (b) The Debtor shall have sufficient Cash to enable it to make all required payments to be made on the Effective Date.

Though the Debtor is confident that each of these conditions will be met, the failure to satisfy either of them will prevent confirmation of the Plan.

### 2. Voting and Confirmation Risks

For the Plan to be confirmed, each Impaired Class is given the opportunity to accept or reject the Plan. With regard to each Impaired Class which votes on the Plan, the Plan will be deemed accepted by such Impaired Class if the Plan is accepted by holders of Claims of such Class who hold at least two-thirds in dollar amount and more than one half in number (50% +1) of the total claims of such Class actually voting on the Plan. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes.

To confirm the Plan, the Debtor must satisfy the requirements of section 1129(a) of the Bankruptcy Code. Although the Debtor believes that the Plan will satisfy those requirements, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that the Confirmation Order, if challenged on appeal, will be affirmed. If the Plan does not receive the required support from Creditors, the Debtor may amend the Plan to provide alternative treatment to a dissenting class or may seek to confirm the Plan through the “cramdown provisions” of 11 U.S.C. § 1129(b). If the Plan is not confirmed or does not become effective, the Debtor could ask that the Chapter 11 Case be converted to a case under chapter 7 or dismissed.

Any objection to the Plan by a party-in-interest could either prevent, or delay for a significant period of time, confirmation of the Plan.

3. Risk of Recovery by Creditors in Class 2

The possible distributions to Class 2 General Unsecured Creditors described elsewhere in this Disclosure Statement are dependent on a number of factors, assumptions and projections which could affect the range of recoveries, including whether there will be any recovery at all by Class 2 General Unsecured Creditors. These factors, assumptions and projections include the requirement, among other things, that the value to be received for and from the Remaining Assets, will exceed the amount needed to satisfy the Claims (including Administrative Claims) of those Entities holding a higher priority right of distribution. A number of higher priority Administrative Claims, Professional Fee Claims, Priority Claims remain outstanding, including no more than \$200,000 in Administrative Tax Claims resulting from Debtor's sale of the Purchased Assets, \$30,000 of Administrative Claims asserted on or before May 1, 2015 and approximately \$130,000 in Priority Claims. The Debtor believes the value of the Remaining Assets will be sufficient to satisfy in full any Allowed Administrative and Priority Claims. However, the ability of the Debtor to achieve these goals, as well as to be able to issue a distribution, if any, to the holders of Class 2 General Unsecured Claims, remains speculative. Nevertheless, the Debtor believes that the likelihood of any such return to the Holders of Class 2 General Unsecured Claims remains greater under the Plan than if the Chapter 11 Case were to be converted to, and liquidated under, Chapter 7 of the Bankruptcy Code (see Article X Alternatives to Plan).

VI. REQUIREMENTS FOR CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied with respect to the Plan, in which event the Bankruptcy Court will enter an order confirming the Plan.

The Debtor believes that the Plan satisfies all of the statutory requirements for confirmation of the Plan. Prior to the Confirmation Hearing, the Debtor will be required to submit pleadings and evidence demonstrating that the Plan complies with all of the provisions set forth above. The following subsections discuss some of the most important requirements of Section 1129(a) of the Bankruptcy Code.

A. Acceptances Necessary to Confirm the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine, among other things, whether each Impaired Class has accepted the Plan. Under Section 1126 of the Bankruptcy Code, an impaired class of claims is deemed to have accepted a plan if the plan has been accepted by creditors of that class that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors that have accepted or rejected the plan. Similarly, an impaired class of interests is deemed to have accepted a plan if the plan has been accepted by holders of such interests that hold at least two-thirds in amount of the allowed equity interests of such class held by holders of such interests that have accepted or rejected the plan.

Class 2 is the only Impaired Class entitled to vote to accept or reject the Plan. Class 1 is unimpaired and thus conclusively presumed to have accepted the Plan, and Class 3 will receive nothing under the Plan and is thus conclusively presumed to have rejected the Plan. In determining acceptances of the Plan, Ballots will only be counted if: (1) properly completed; (2) timely received; and (3) the holder's Claim is duly Scheduled by the Debtor as other than disputed, contingent, or unliquidated, or if the Creditor has timely filed with the Bankruptcy Court a proof of claim that is not a Disputed Claim. The Ballot that you received does not constitute a proof of claim.

In calculating whether a Creditor has voted for or against the Plan, the Debtor will not consider Ballots that do not properly indicate an acceptance or a rejection.

If you are in any way uncertain whether or not your Claim has been correctly Scheduled, you should review the Schedules and any amendments thereto which are on file with the Bankruptcy Court. Do not contact the Debtor, its attorneys, or the Bankruptcy Court with inquiries regarding the scheduling of your Claim. Any information they, or anyone else, may give that is inconsistent with the Schedules themselves is unauthorized, void, and of no effect.

B. Best Interest of Creditors Test

Confirmation requires, among other things, that each holder of a Claim in an Impaired Class and each holder of an Interest either: (i) accepts the Plan; or (ii) receives or retains under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. This requirement is commonly referred to as the "Best Interests Test".

1. Chapter 7

To determine the value that the holders of Impaired Claims and Interests would receive if the Debtor were liquidated, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of assets and properties of the Debtor in the context of a chapter 7 liquidation case. Section 704 of the Bankruptcy Code requires a chapter 7 trustee to collect and reduce to money the property of the estate as expeditiously as is compatible with the best interests of parties in interest. In the case of the Debtor, a chapter 7 trustee would be administering an estate made up largely of dormant business assets.

The Cash available for satisfaction of Allowed Claims would consist of the proceeds resulting from the disposition of assets of the Debtor, augmented by the Cash, if any, held by the Debtor at the time of the commencement of the chapter 7 case(s). Any such Cash amount would then be reduced by the amount of any Claims secured by such assets, the costs and expenses of the liquidation, and such additional Administrative Claims and other Priority Claims that may result from the use of chapter 7 for the purposes of liquidation.

The costs of liquidation under chapter 7 would include fees payable to the trustee in bankruptcy, as well as those that might be payable to the chapter 7 trustee or their attorneys and to other professionals that such trustee may engage, plus any unpaid expenses incurred by the Debtor during the Chapter 11 Case that would be allowed in the chapter 7 case, such as compensation for attorneys, accountants or other professionals and costs and expenses of the Debtor. Such Administrative Claims would have to be paid in Cash, in full, from the liquidation proceeds before the balance of those proceeds could be made available to pay other Priority Claims and allowed Unsecured Claims from the Chapter 11 Case.

2. Liquidation Analysis

As noted above, substantially all of the Assets of the Debtor have been liquidated. The Debtor believes that liquidation under chapter 11 will result in a greater distribution to its creditors than under chapter 7 because in a chapter 7, there would be the additional expense of commissions payable to a chapter 7 trustee.

C. Feasibility of Plan

Section 1129(a)(11) of the Bankruptcy Code requires, as a condition to confirmation, that the Bankruptcy Court find that confirmation of a plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed under the plan. This requirement is called “feasibility”. Because the Plan provides for the liquidation of all of the Debtor’s Assets and the distribution of the proceeds thereof to Holders of Allowed Claims, concern that the Debtor will need further financial reorganization is not an issue and, therefore, the Plan is, by its nature and terms, feasible.

D. Classification

In accordance with section 1122 of the Bankruptcy Code, the Plan provides for the classification of two (2) Classes of Claims and one (1) Class of Interests. Section 1122(a) of the Bankruptcy Code permits a plan to place a claim or an interest in a particular class only if the claim or interest is substantially similar to the other claims or interests in that class. The Debtor believes that the classification of Claims and Interests under the Plan is appropriate and consistent with applicable law.

E. Confirmation of Plan Without Necessary Acceptances

The Plan may be confirmed, even if it is not accepted by all Impaired Classes of Creditors, if the Bankruptcy Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to any Class that is impaired and has not accepted the Plan. Provision for such confirmation is set forth in section 1129(b) of the Bankruptcy Code and is commonly referred to as “cram down”.

1. No Unfair Discrimination

A plan of reorganization does not discriminate unfairly if: (a) the legal rights of the non-accepting Impaired Class are treated in a manner that is consistent with the treatment of other classes whose legal rights are intertwined with those of the non-accepting class; and (b) no class receives payments in excess of that which it is legally entitled to receive for its allowed claim or allowed interest. The Debtor believes that under the Plan: (i) each Impaired Class of Claims is treated in a manner that is consistent with the treatment of other Classes of Claims and Interests with which their legal rights are intertwined, if any; and (ii) no Class of Claims or Interests will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims or Interests in such Class. Accordingly, the Debtor believes that the Plan does not discriminate unfairly as to any Impaired Class.

2. Fair and Equitable Test

The Bankruptcy Code establishes different “fair and equitable” tests for holders of secured claims, unsecured claims and interests as follows:

a. Secured Claims

Either: (i) each holder of a secured claim (a) retains the lien securing its secured claim and receives on account of its allowed secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, or (b) realizes the “indubitable equivalent” of its allowed secured claim; or (ii) the property securing the claim is sold free and clear of liens, with such liens attaching to the proceeds, and the liens against such proceeds are treated in accordance with clause (i).

b. Unsecured Claims

Either: (i) each holder of an unsecured claim receives or retains under a plan property of a value equal to the amount of its allowed claim; or (ii) the holders of claims and interests that are junior to the claims of the non-accepting class do not receive any property under a plan on account of such claims and interests.



c. Equity Interests

Either: (i) such holder of an interest receives or retains property of a value equal to the greater of any fixed liquidation preference or fixed redemption price to which such holder is entitled, or the value of the interest; or (ii) the holders of any interests junior to the interests in the impaired classes will not receive or retain any property under the plan.

The “cramdown” provisions are complex and this summary is not intended to be a complete statement of the law in this area.

VII. EFFECT OF CONFIRMATION

A. Binding Effect of Confirmation

Confirmation will bind the Debtor, all Creditors and Interest holders, and other parties in interest to the provisions of the Plan whether or not the Claim or Interest of such Creditor or Interest holder is impaired under the Plan and whether or not such Creditor or Interest holder has voted to accept the Plan.

B. Vesting of Assets Free and Clear of Liens, Claims, and Interests

Except as otherwise provided in the Plan or in the Confirmation Order, upon the Effective Date, title to all assets and property of the Debtor and all property of its Estate, including pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, shall revert in the Debtor and each and every claim, demand or cause of action which the Debtor had or had power to assert immediately prior to the Confirmation Date will, except as provided in the Plan, vest in the Debtor free and clear of all Liens, Claims, and Interests, subject to the Plan.

C. Good Faith

Confirmation of the Plan shall constitute a finding that: (i) the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) the solicitation of acceptances or rejections of the Plan by all Persons has been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

D. No Limitations on Effect of Confirmation

Nothing contained in the Plan will limit the effect of Confirmation as described in Section 1141 of the Bankruptcy Code.

VIII. FEDERAL INCOME TAX CONSIDERATIONS

The Federal income tax consequences to a particular Creditor will depend primarily upon whether that Creditor’s claim constitutes a security for Federal income tax purposes. The determination as to whether any particular claim constitutes a security is complex and depends on facts and circumstances surrounding the origin and nature of the claim. Generally, a claim arising out of trade credit will not constitute a security. Thus, holders of Unclassified Claims and Claims in Classes 1 and 2 against the Debtor are likely not to be deemed holders of securities, while holders of Class 3 Interests are likely to be deemed holders of securities.

**NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN.**

**IX. ALTERNATIVES TO PLAN**

The Debtor believes that, if the Plan is not confirmed or is not confirmable, and no other plan can be confirmed, the only realistic alternative is conversion to chapter 7, pursuant to which a trustee would be appointed to liquidate any remaining assets of the Debtor for distribution to Creditors and Interest holders in accordance with the priorities established by the Bankruptcy Code. For the reasons discussed above, the Debtor believes that Confirmation of the Plan would provide each holder of an Unsecured Claim entitled to receive a distribution under the Plan with a recovery that is expected to be at least as much, and likely more, than it would receive in liquidation under chapter 7 of the Bankruptcy Code.

**X. CONCLUSION**

The Debtor believes that the Plan is in the best interest of Creditors and urges Creditors to vote to accept the Plan.

Dated: February 23, 2017

**NEWS PUBLISHING COMPANY**

By: /s/ Burgett H. Mooney, III  
Name: Burgett H. Mooney, III  
Title: Authorized Signatory

EXHIBIT "A"

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ROME DIVISION

In re: NEWS PUBLISHING COMPANY,	:	
a Georgia corporation,	:	Chapter 11
	:	Case 13-40002
	:	
Debtor.	:	
_____	:	

**CHAPTER 11 PLAN OF LIQUIDATION OF**  
**NEWS PUBLISHING COMPANY**

SMITH CONERLY LLP  
J. Nevin Smith  
402 Newnan Street  
Carrollton, Georgia 30117  
Telephone: (770) 834-1160  
*Attorneys for the Debtor and Debtor-in-Possession*

Dated: February 23, 2017

## INTRODUCTION

News Publishing Company (the “Debtor”), debtor and debtor in possession in this chapter 11 case, proposes the following chapter 11 plan of liquidation.

The Disclosure Statement relating to this Plan was approved by the Bankruptcy Court on or about February 24, 2017, and is being distributed to all persons entitled to vote on this Plan. Please refer to the Disclosure Statement for a discussion of (i) the Debtor’s history, business, properties, and operations, (ii) a summary and analysis of this Plan, and (iii) certain related matters, including risk factors relating to the consummation of this Plan. All Holders of Claims that are eligible to vote on the Plan are encouraged to read the Plan and the accompanying Disclosure Statement (including all exhibits thereto) in their entirety before voting to accept or reject the Plan.

The Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Plan at any time prior to its substantial consummation, subject to the restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

The Debtor is the proponent of the Plan (the “Plan Proponent”) within the meaning of section 1129 of the Bankruptcy Code.

## ARTICLE I

### DEFINED TERMS AND RULES OF INTERPRETATION

#### A. Rules of Construction

For purposes of this Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article I of this Plan or any Exhibit hereto. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine. The words "includes" and "including" are not limiting, whether or not followed by the words "without limitation" or similar language.

B. Definitions

“Administrative Claim” means an Allowed Claim for costs and expenses of administration of the Chapter 11 Case under sections 503(b) or 507(b)(2) of the Bankruptcy Code including:

- (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Debtor's Estate and operating the business of the Debtor, including, without limitation, wages, salaries and commissions for services and payments for inventory, leased equipment and premises, and Claims of governmental units for taxes including tax audit Claims related to tax years commencing after the Petition Date, but excluding Claims relating to tax periods, or portions thereof, ending on or before the Petition Date; and
- (b) all other claims entitled to administrative claim status pursuant to a Final Order of the Bankruptcy Court, but excluding Professional Fee Claims.

“Administrative Claims Bar Date means May 1, 2015.

“Administrative Claims Plan Bar Date shall have the meaning set forth in Article X.D. below.

“Administrative Claims Objection Deadline” shall have the meaning set forth in Article X.D. below.

“Allowed Claim” means a Claim or any portion thereof:

- (a) that has been allowed by a Final Order of the Bankruptcy Court,
- (b) that either (x) has been Scheduled in an amount greater than zero and not listed as unliquidated, contingent, or disputed, or (y) is set forth in a timely filed proof of claim as to which either: (i) no objection to its allowance has been Filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by (A) the Bankruptcy Code, or (B) any order of the Bankruptcy Court, or (ii) any objection to its allowance has been settled, waived, withdrawn, or has been denied by a Final Order, or
- (c) that is expressly Allowed in a liquidated amount in the Plan; provided, however, that with respect to an Administrative Claim, "Allowed Claim" means an Administrative Claim as to which a timely written request for payment has been made in accordance with applicable bar dates for such requests set by the Bankruptcy Court (if such written request is required) in each case as to which the Debtor, or any other party in interest (x) has not interposed a timely objection or (y) has interposed a timely objection and such objection has been settled, waived, withdrawn, or has been denied by a Final Order.

“Ballot” means each of the ballot forms distributed to each Holder of a Claim entitled to vote to accept or reject this Plan.

“Bankruptcy Code” means title 11 of the United States Code, as now in effect or hereafter amended, and as applicable to the Chapter 11 Case.

“Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Georgia (Rome Division), or any other court properly exercising jurisdiction over the Chapter 11 Case.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended.

“Bar Date” means July 31, 2013, the Claims Bar Date established in the Bar Order, or any other applicable deadline fixed pursuant to any order of the Bankruptcy Court by which a Proof of Claim was or is required to be filed.

“Bar Order” means the Order Setting Claims Bar Date, dated April 29, 2013 (Docket No. 101).

“Business Day” means any day, other than a Saturday, Sunday or "legal holiday" as either defined in Bankruptcy Rule 9006(a) or as recognized under the laws of the State of Georgia.

“Cash” means legal tender of the United States of America and equivalents thereof, which may be conveyed by check or wire transfer.

“Cash Available For Distribution” means, with respect to Holders of Allowed Class 2 General Unsecured Claims, the amount of Cash available to pay such Holders on the Final Distribution Date.

“Causes of Action” means any and all claims, defenses, actions, proceedings, causes of action, suits, accounts, controversies, agreements, promises, rights of action, rights to legal remedies, rights to equitable remedies, rights to payment and Claims (as defined in section 101(5) of the Bankruptcy Code), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, that the Debtor or any of them and/or their respective Estate may hold against any Person including, without limitation, any claims for accounts receivable due to any of the Debtor, any claims or causes of action under sections 502, 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code, or any similar statutes, whether or not litigation has been commenced as of the Effective Date, but excluding any claims or causes of action that may have explicitly been released, exculpated, or waived pursuant to the Plan or any order of the Bankruptcy Court.

“Chapter 11 Case” means the Case under chapter 11 commenced by the Debtor in

the Bankruptcy Court.

“Claim” means a "claim" as defined in section 101(5) of the Bankruptcy Code.

“Claims Objection Deadline” means the last day for filing objections to Claims, other than Administrative Claims and Professional Fee Claims, which shall be (a) the later of one hundred eighty (180) days after (i) the Effective Date, or (ii) the filing of a proof of claim for, or request for payment of, such Claim; or (b) such other date as the Bankruptcy Court may order, as set forth in Article VI H.1.

“Class” means a category of Holders of Claims or Interests, as described in Article II hereof.

“Confirmation” means the entry by the Bankruptcy Court of the Confirmation Order.

“Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order.

“Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

“Confirmation Order” means the order of the Bankruptcy Court confirming the Plan under section 1129 of the Bankruptcy Code.

“Creditor” means any Person who holds a Claim against the Debtor.

“Debtor” means News Publishing Company.

“Disallowed Claim” means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order, (b) is scheduled at zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been filed by the Bar Date or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, a Final Order, or applicable law, or (c) is not Scheduled, and as to which (i) no Proof of Claim has been filed by the Bar Date or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, a Final Order, or applicable law, or (ii) no request for payment of an Administrative Claim has been filed by the Administrative Claims Bar Date or the Administrative Claims Plan Bar Date, as applicable, or otherwise deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, a Final Order, or applicable law.

“Disclosure Statement” means the disclosure statement (including all exhibits and schedules thereto) relating to this Plan, distributed contemporaneously herewith in accordance with sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018.

“Disputed Claim” means a Claim, or any portion thereof, that has not been Allowed

pursuant to the Plan or a Final Order, and:

- (a) if a Claim has been filed, or deemed to have been filed, by the applicable Bar Date: (i) a Claim for which a corresponding Claim has been listed on the Schedules as unliquidated, contingent or disputed; (ii) a Claim for which a corresponding Claim has been listed on the Schedules as other than unliquidated, contingent or disputed, but the amount of such Claim as asserted in the Claim varies from the amount of such Claim as listed in the Schedules; (iii) a Claim as to which any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court, or which is otherwise disputed by the Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn, or determined by a Final Order; or (iv) a Claim as to which the Claims Objection Deadline has not yet occurred;
- (b) if a request for payment of an Administrative Claim has been filed or deemed to have been filed by the Administrative Claims Bar Date, an Administrative Claim as to which (i) the Claims Objection Deadline has not yet occurred or (ii) any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, or which is otherwise disputed by the Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order;
- (c) that is disputed in accordance with the provisions of this Plan.

“Disputed Claim Amount” means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtor and the holder of such Disputed Claim; or (iii) if a request for estimation is filed by any party, the amount at which such Claim is estimated by the Bankruptcy Court; or (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by the Debtor and the holder of such Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to such Disputed Claim.

“Distribution” means any distribution pursuant to the Plan to the Holders of Allowed Claims.

“Distribution” means any distribution pursuant to the Plan to the Holders of Allowed Claims.

“Distribution Percentage” means the percentage obtained by dividing the aggregate sum of the Cash Available For Distribution by the Face Amount of all Allowed Class 2 General Unsecured Claims on the Final Distribution Date.



“Distribution Record Date” means the Effective Date.

“Effective Date” means the Business Day this Plan becomes effective as provided in Article IX hereof.

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

“Equity Interests” means the legal, equitable, contractual, and other rights of any Person with respect to any capital stock, membership, or other ownership interest in the Debtor, whether or not transferable, and any option, warrant or right to purchase, sell or subscribe for an ownership interest or other equity security in the Debtor.

“Estate” means the estate of the Debtor created under section 541 of the Bankruptcy Code.

“Face Amount” means (a) when used in reference to a Disputed Claim, the Disputed Claim Amount and (b) when used in reference to an Allowed Claim, the Allowed amount of such Claim.

“Final Decree” means the decree contemplated under Bankruptcy Rule 3022.

“Final Distribution Date” means the date when the Cash Available For Distribution is paid to holders of Allowed Class 2 General Unsecured Claims.

“Final Fee Applications” shall have the meaning ascribed to it in Article X.A.

“Final Fee Application Bar Date” shall have the meaning ascribed to it in Article X.A.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, the operation or effect of which has not been stayed, reversed or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired, and as to which no appeal or petition for review or rehearing was filed, or if an appeal or petition for review or rehearing was filed, with respect to which none remains pending.

“General Unsecured Claim” means a Claim that is not an Administrative Claim, Priority Claim, Equity Interest, or Professional Fee Claim.

“Governmental Unit” means a "governmental unit" as defined in section 101(27) of the Bankruptcy Code.

“Holder” means a person or Entity holding a Claim or Interest.

“Impaired” means, when used in reference to a Claim, Interest or Class, a Claim Interest or Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Lien” shall mean any lien, security interest, pledge, title retention agreement, encumbrance, charge, mortgage or hypothecation, other than, in the case of securities and any other equity ownership interests, any restrictions imposed by applicable United States or foreign securities laws.

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

“Petition Date” means January 1, 2013.

“Plan” means this chapter 11 plan, including the exhibits and all supplements, appendices, and schedules hereto, either in its current form, or as the same may be altered, amended or modified from time to time in accordance with the Bankruptcy Code and the Bankruptcy Rules.

“Plan Document” means the Plan and any exhibits thereto, together with any contract, instrument, release, agreement, or other document entered in connection with the Plan.

“Priority Claim” means a Claim, other than an Administrative Claim which is entitled to priority in payment pursuant to section 507(a), 502(i) and 507(a)(8) of the Bankruptcy Code.

“Professional Fee Claim” means a Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses or other charges incurred on or after the Petition Date and prior to and including the Effective Date.

“Proof of Claim” means the proof of claim required to be Filed on or before the Bar Date or such other date as prescribed by the Bankruptcy Court in the Bar Order.

“Remaining Assets” means any assets, including, without limitation, any Causes of Action, remaining in the Debtor's Estate on the Effective Date.

“Retained Professional” means any professional employed in the Chapter 11 Case by order of the Bankruptcy Court pursuant to sections 327, 328, 1103 or otherwise of the Bankruptcy Code.

“Retained Professional Fee Claim” means a Claim of a Retained Professional for

compensation for services rendered or reimbursement of costs, expenses or other charges incurred on or after the Petition Date and prior to and including the Effective Date whether or not previously paid in whole or in part pursuant to an Order of the Bankruptcy Court on an interim basis or pursuant to procedures permitting interim payments, but excluding any fees payable on a contingency fee basis.

“Sale Order” means a Final Order of the Bankruptcy Court approving the sale of assets of a Debtor.

“Scheduled” means, with respect to any Claim or Interest, the status, priority and amount, if any, of such Claim or Interest as set forth in the Schedules.

“Schedules” means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtor pursuant to section 521 of the Bankruptcy Code and the Bankruptcy Rules, as such schedules have been or may be further modified, amended or supplemented in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

“Tax Claim” means all or that portion of a Claim held by a Governmental Unit for a tax assessed or assessable against the Debtor, including income and employment taxes and any related penalties or interest.

“Taxes” means any and all taxes, levies, imposts, assessments or other charges of whatever nature imposed at any time by any governmental authority or by any political subdivision or taxing authority thereof or therein and all interest, penalties or similar liabilities with respect thereto.

“Unclassified Claims” means Administrative Claims.

“Unimpaired” means a Claim or Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

“Voting Deadline” means the date and time, as fixed by an order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots to accept or reject the Plan must be received in order to be counted.

C. Rules of Interpretation

For purposes of the Plan (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any reference in the Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (c) unless otherwise specified, all references in the Plan to sections, articles, Schedules and Exhibits are references to sections, articles, Schedules and Exhibits of or to the Plan, (d) the words "herein," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part, or to affect the interpretation, of the Plan and (f) to the extent not modified herein, the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

D. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

E. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) and except as otherwise provided herein or therein, the laws of the State of Georgia shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan.

## ARTICLE II

### CLASSIFICATION OF CLAIMS AND INTERESTS

A. Introduction

All Claims and Interests, except Administrative Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, as described below, have not been classified.

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

The Debtor has established the Classes set forth below:

- B. Unimpaired Class of Claims (Class 1 is unimpaired and deemed to accept the Plan, and is therefore not entitled to vote on the Plan)

Class 1: Priority Claims

- C. Impaired Classes of Claims (Class 2 is impaired and therefore entitled to vote on the Plan)

Class 2: General Unsecured Claims

- D. Impaired Classes of Interests (Class 3 is deemed to reject the Plan and is therefore not entitled to vote)

Class 3: Equity Interests

### **ARTICLE III**

#### **TREATMENT OF CLAIMS AND INTERESTS**

- A. Unclassified Claims

##### Administrative Claims

Except as otherwise provided herein, and subject to the requirements set forth herein, on, or as soon as reasonably practicable after the later of (i) the Effective Date, or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, the Holder of an Allowed Administrative Claim shall receive from the Debtor, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim, or (b) such other treatment as such Holder and the Debtor shall have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Chapter 11 Case may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto.

B. Unimpaired Claims

Class 1: Priority Claims

Except to the extent that a Holder of an Allowed Priority Claim has been paid prior to the Distribution Date, or agrees to accept different treatment, on or as soon as is practicable after the Effective Date, the Debtor shall pay to each Holder of an Allowed Priority Claim Cash in an amount equal to the Face Amount of such Allowed Priority Claim in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Class 1 Priority Claim.

C. Impaired Claims

Class 2: General Unsecured Claims

On the Final Distribution Date, each Holder of an Allowed Class 2 General Unsecured Claim shall receive Cash equal to the product of the Face Amount of its Allowed Class 2 General Unsecured Claim multiplied by the Distribution Percentage. No Holder of an Allowed Class 2 General Unsecured Claim shall be entitled to receive post-petition interest on the Face Amount of its Allowed Claim.

Class 3: Equity Interests

The Holders of Equity Interests shall not receive or retain any property on account of their Equity Interests, which will be discharged, cancelled and terminated upon the Effective Date in accordance with Article V.D. below.

D. Special Provision Regarding Unimpaired Claims

Except as otherwise provided herein, in the Confirmation Order, or in any other order of the Court or any document or agreement enforceable pursuant to the terms of the Plan, nothing shall affect the rights and defenses, both legal and equitable, of the Debtor with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

E. Allowed Claims

Notwithstanding any provision herein to the contrary, the Debtor shall only make distributions to Holders of Allowed Claims. No Holder of a Disputed Claim will receive any distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim.

## ARTICLE IV

### ACCEPTANCE OR REJECTION OF THE PLAN

A. Impaired Classes of Claims Entitled to Vote

Subject to Articles II and III, only the Holders of Claims in Class 2 are entitled to vote to accept or reject the Plan.

B. Acceptance by an Impaired Class

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

C. Presumed Acceptances by Unimpaired Classes

Class 1 is Unimpaired by the Plan. Accordingly, under section 1126 of the Bankruptcy Code, Class 1 is conclusively presumed to accept the Plan, and the votes of such Holders will not be solicited.

D. Presumed Rejection by Equity Interests

The Holders of Class 3 Equity Interests will not receive or retain any property on account of their Equity Interests. Accordingly, in accordance with section 1126(g) of the Bankruptcy Code, Class 3 is deemed to reject the Plan.

E. Summary of Classes Voting on the Plan

As a result of the provisions of Articles II and III herein, the votes of Holders of Claims in Class 2 will be solicited with respect to the Plan.

## ARTICLE V

### MEANS FOR IMPLEMENTATION OF THE PLAN

#### A. Parties Responsible for Implementation of the Plan

Upon confirmation, the Debtor shall be charged with administration of the Case. Debtor will be authorized and empowered to take such actions as are required to effectuate the Plan, including the prosecution and enforcement of Causes of Action. Debtor will file all post-confirmation reports required by the United States Trustee's office. Debtor will also file the necessary final reports and will apply for a final decree as soon as practicable after substantial consummation and the completion of the claims analysis and objection process. Debtor shall pay all claims from the Available Cash. The Debtor and its officers and designees are authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such action as may be necessary, desirable or appropriate to effectuate and further evidence the terms and conditions of this Plan or to otherwise comply with applicable law. The Debtor shall be entitled to seek such orders, judgments, injunctions and rulings as they deem necessary or desirable to carry out the intentions and purposes, and to give full effect to the provisions, of this Plan.

#### B. Cancellation of Equity Interests

Except as otherwise provided herein, and in any contract, instrument or other agreement or document created in connection with the Plan, upon the Effective Date, all Equity Interests and any other promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Equity Interests, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Interests shall be void, and of no further force and effect, against the Debtor, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtor under the notes, share certificates and other agreements and instruments governing such Interests shall be discharged. The Holders of, or parties to, such notes, share certificates and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates and other agreements and instruments against the Debtor or its Estate, excepting any rights provided pursuant to this Plan.

#### C. Remaining Assets

On and after the Effective Date, without further approval of the Bankruptcy Court, the Debtor shall, subject to the provisions of the Plan, liquidate any Remaining Assets of the Debtor's Estate including, without limitation, any Causes of Action, and in connection therewith, may, subject to the provisions of the Plan, use, sell, assign, transfer, abandon, or otherwise dispose of at a public or private sale or sales any of the Remaining Assets, including settling, compromising, prosecuting or abandoning any causes of action, for the purpose of liquidating or converting such assets to Cash; provided, however, that nothing herein shall preclude the Debtor from seeking Bankruptcy Court approval for the sale,



assignment, transfer, or other disposal of all or any portion of the Remaining Assets after the Effective Date, including the settlement or compromise of any Causes of Action. Except in the case of fraud, gross negligence or willful misconduct, no party-in-interest shall have a cause of action against the Debtor and/or any of their consultants, professionals, or agents, arising from or related to the disposition of any of the Remaining Assets.

To the extent not previously authorized by an order of the Bankruptcy Court, on and after the Effective Date, subject to the provisions of the Plan, the Debtor will be authorized and empowered to fully perform under, consummate and implement any agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to consummate a sale, assignment, transfer or other disposal of the Remaining Assets, and to take all such further actions as may reasonably be requested by a purchaser or transferee for the purpose of selling, assigning, transferring, granting, conveying or conferring to a purchaser or transferee, or reducing to possession, any or all of the Remaining Assets, free and clear of any and all Liens, Claims and encumbrances.

D. Counterclaims

The Debtor will not be subject to any affirmative counterclaims with respect to any Causes of Action that have vested in the Debtor pursuant to the Plan; provided, however, that Causes of Action vested in the Debtor will remain subject to defenses based on otherwise valid set-off and recoupment claims, if any.

E. Post-Effective Date Costs

Subject to any restrictions set forth in this Plan, from and after the Effective Date, the Debtor shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay all of the costs and expenses incurred by the Debtor in connection with the fulfillment of its obligations under the Plan including, without limitation, any fees and expenses incurred in connection with the implementation and consummation of the Plan.

F. Preservation of Causes of Action

In accordance with section 1123(b)(3) of the Bankruptcy Code, the Debtor and its Estate shall retain, and may pursue, all Causes of Action, including, without limitation, all Causes of Action available to a trustee, debtor in possession, or official committee under the Bankruptcy Code.

Unless a Cause of Action against an Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including the Confirmation Order), the Debtor expressly reserves all Causes of Action for later adjudication including, without limitation, Causes of Action not specifically identified or described in the Plan or exhibits to the Plan or Disclosure Statement or elsewhere, or of which the Debtor may presently be unaware or which may arise or exist by reason of additional facts or

circumstances unknown to the Debtor as of the Confirmation Date or facts or circumstances which may change or be different from those the Debtor now believes to exist). Accordingly, no preclusion doctrine including, without limitation, doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after entry of the Confirmation Order or the occurrence of the Effective Date based on the Disclosure Statement, Plan or Confirmation Order, except where such Causes of Action have been specifically released in the Plan or any other Final Order (including the Confirmation Order). In addition, the Debtor expressly reserves the right to pursue or adopt against any Entity including, without limitations the plaintiffs or co-defendants, any Cause of Action alleged in any lawsuit in which the Debtor is a defendant or interested party.

Without limiting the immediately preceding paragraph, any Entity to whom any of the Debtor have incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from, or provided services to, the Debtor or a transfer of money or property of the Debtor, or who has transacted business with the Debtor, or leased equipment or property from the Debtor, should assume that any such obligation, transfer or transaction may be reviewed by the Debtor subsequent to the Effective Date and may be the subject of litigation after the Confirmation Date, including after the Effective Date, including litigation pursuant to 11 U.S.C. §§ 542, 543, 544, 545, 547, 548, 549, 550, regardless of whether (i) such Entity has filed a Proof of Claim against the Debtor in the Chapter 11 Case; (ii) the Debtor has objected to any such Entity's Proof of Claim; (iii) any such Entity's claim was included in the Schedules; (iv) the Debtor has objected to any such Entity's scheduled Claim; or (v) any such Entity's scheduled Claim has been identified by the Debtor as disputed, contingent, or unliquidated.

## ARTICLE VI

### PROVISIONS GOVERNING DISTRIBUTIONS

#### A. Date of Distributions

Except as otherwise provided in the Plan, all distributions to be made on account of Claims shall be made on the Final Distribution Date.

Notwithstanding any other provision of the Plan to the contrary, no distribution shall be made on account of any Claim or portion thereof that (i) has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court; (ii) is listed in the schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed; (iii) is evidenced by a Proof of Claim that has been amended by a subsequently filed Proof of Claim that purports to amend the prior Proof of Claim, except to the extent that such amended claim is allowed by a Final Order of the Bankruptcy Court as an Allowed Claim or (iv) is otherwise a Disallowed Claim.

#### B. Disbursement

The Debtor shall make all Distributions required under the Plan, subject to the terms and provisions of the Plan. The Debtor shall be authorized to rely upon its representatives and professionals and the books and records of the Debtor in determining the identity and amount of Allowed Claims entitled to Distribution under the Plan.

C. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made by the Debtor at, in descending order of priority, (a) the address set forth in such Holder's last written request for notice pursuant to Bankruptcy Rule 2002(g), (b) the address set forth in the Proof of Claim filed by any such Holder, (c) the address reflected in the Debtor's Schedules if no Proof of Claim was filed and the Debtor have not received a written request for notice, or (d) if none of the addresses described in (a) through (c) are available, the address set forth in the other records of the Debtor at the time of the Distribution.

In making Distributions under the Plan, the Debtor may rely upon the accuracy of the claims register maintained in the Chapter 11 Case, as modified by any Final Order of the Bankruptcy Court disallowing Claims in whole or in part.

2. Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim is returned as undeliverable, or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until the Debtor is notified in writing of such Holder's then-current address, at which time all missed Distributions shall be made to such Holder, without interest. Amounts in respect of undeliverable Distributions made by the Debtor shall be returned to, and revert with, the Debtor until such Distributions are claimed or otherwise disposed of in accordance with the next succeeding paragraph.

Any Holder of an Allowed Claim that does not notify the Debtor of its then-current address within ninety (90) days after the date on which any distribution to it was returned to the Debtor as undeliverable or unclaimed shall be deemed to have forfeited its Claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such Claim or for an undeliverable or unclaimed Distribution against the Debtor and its Estate and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such Case, any Cash otherwise reserved for undeliverable or unclaimed Distributions shall be added to the Cash Available for Distribution if such distribution is returned prior to the Final Distribution Date, or, if such distribution is returned after the Final Distribution Date, shall be donated to a reputable charity selected by the Debtor free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Nothing contained in the Plan shall require the Debtor, or any of its professionals or agents, to undertake any affirmative efforts to locate any Holder of an Allowed Claim.

D. Means of Cash Payment

Cash payments made pursuant to the Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of the Debtor by (i) plain check drawn on, or (ii) wire transfers from, a domestic bank selected by the Debtor.

E. Interest on Claims

Unless otherwise specifically provided for in the Confirmation Order, postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim.

F. Withholding and Reporting Requirements

In accordance with section 346 of the Bankruptcy Code and in connection with the Plan and all distributions hereunder, the Debtor shall, to the extent applicable, comply with all withholding and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority.

All Distributions hereunder shall be subject to withholding and reporting requirements. As a condition of making any distribution under the Plan, the Debtor may require the Holder of an Allowed Claim to provide such Holder's taxpayer identification number, and such other information, certifications, or forms, as may be necessary to comply with any applicable tax reporting and withholding laws. Notwithstanding any other provision of the Plan, each entity receiving a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of tax obligations on account of any such Distribution.

G. Setoffs

Unless otherwise authorized by a Final Order, any Holder of a Claim must assert any setoff or recoupment rights against a claim by the Debtor against such entity by filing an appropriate motion seeking authority to setoff or recoup on or before the date on which such Holder first receives a Distribution in connection with the Chapter 11 Case, or be deemed to have waived, and be forever barred from asserting, any right of setoff or recoupment against a claim by the Debtor notwithstanding any statement to the contrary in a Proof of Claim or any other pleading or document filed with the Bankruptcy Court or delivered to the Debtor.

Pursuant to Section 553 of the Bankruptcy Code, and applicable non-bankruptcy law, the Debtor may set off against any Allowed Claim and the Distributions to be made thereon any and all claims, rights and Causes of Action of any kind or nature which the Debtor may have against the Holder of such Allowed Claim; provided, however, that neither the failure to affect any such set off nor the allowance of, or Distribution on, any Claim shall constitute a waiver or release by Debtor of any claims, rights or Causes of Action that the Debtor may possess against the Holder of such Claim.

H. Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

1. Objection Deadline; Prosecution of Objections

Except as set forth below with respect to Professional Fee Claims and Administrative Claims, all objections to Claims must be filed and served on the Holders of such Claims no later than one hundred eighty (180) days after the Effective Date (the "**Claims Objection Deadline**"), or such longer time as may be provided in the Confirmation Order or other Order of the Bankruptcy Court. If an objection has not been filed to a Proof of Claim, or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtor but (ii) was not Scheduled as contingent, unliquidated and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Bankruptcy Court on request of the Debtor, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim without the necessity for any further action by the Holder of such Claim or the Debtor.

2. Minimum Distribution/Fractional Dollars

Any other provision of the Plan notwithstanding, the Debtor shall not be required to make Distributions or payments in an amount of less than Five Dollars (\$5.00) or in fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

I. Allocation of Plan Distributions Between Principal and Interest

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

J. Distribution Record Date

The Debtor will have no obligation to recognize the transfer of, or sale of any participation in, any Allowed Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes in the Plan to recognize, and distribute only to, those Holders of Allowed Claims who are Holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date.

**ARTICLE VII**

**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

A. Rejection of Executory Contracts And Leases

Except as otherwise provided in the Confirmation Order, the Confirmation Order shall constitute an order under section 365 of the Bankruptcy Code rejecting all executory contracts and unexpired leases to which the Debtor are a party, to the extent such contracts or leases are executory contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) shall have been assumed, assumed and assigned, or rejected by the Debtor prior to the Effective Date, (b) shall have expired or terminated pursuant to its own terms prior to the Effective Date or (c) is the subject of a pending motion to assume, assume and assign, or reject on the Confirmation Date.

B. Bar to Rejection Damages

If the rejection of an executory contract or unexpired lease gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the Debtor or its Estate or their respective successors or properties unless a Proof of Claim is filed and served on the Debtor and counsel for Debtor within thirty (30) days after service of a notice of the Effective Date, or such other date as is prescribed by the Bankruptcy Court.

## ARTICLE IX

### CONFIRMATION AND CONSUMMATION OF THE PLAN

#### A. Conditions To Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied unless waived in writing:

(i) The Confirmation Order shall have been entered and become a Final Order and shall provide that the Debtor is authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan and to effectuate, advance or further the purposes thereof; and

(ii) The Debtor shall have sufficient Cash, taking into account the payments and advances to be made on or before the Effective Date to the Debtor hereunder, to make all payments required to be made on the Effective Date including any Administrative Claims and Professional Fee Claims which may become Allowed), except to the extent that a party entitled to receive a payment on the Effective Date agrees in writing to accept a different treatment.

#### B. Consequences of Non-Occurrence Of Effective Date

In the event that the Effective Date does not occur, the Debtor reserve all rights, but shall not be required, to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated, that the Plan be null and void in all respects, and that any settlement of Claims provided for in the Plan be null and void. In the event that the Bankruptcy Court shall enter an order vacating the Confirmation Order, the time within which the Debtor may assume and assign, or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended for a period of thirty (30) days after the date the Confirmation Order is vacated, without prejudice to the Debtor' right to request further extensions to the extent permitted under the Bankruptcy Code.

## ARTICLE X

### ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

#### A. Final Fee Applications

All final requests for payment of Professional Fee Claims (the "Final Fee Applications") must be filed with the Bankruptcy Court and served on counsel for the Office of the United States Trustee no later than thirty (30) days after the Effective Date (the "Final Fee Application Bar Date"). Any objections to Final Fee Applications must be filed and served on the Debtor, their counsel, the requesting Professional and the United States Trustee no later than thirty (30) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims shall be determined by the Court.

#### B. Payment of Professional Fee Claims

All Professional Fee Claims shall be paid as soon as practicable after they become Allowed Claims, but in no event later than thirty (30) days following the entry of a Final Order allowing such claims.

#### C. Employment of Professionals after the Effective Date

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

#### D. Administrative Claims Plan Bar Date

Except as otherwise provided by the Plan or the Confirmation Order, all requests for payment of an Administrative Claim arising after May 1, 2015, other than Professional Fee Claims, must be filed with the Bankruptcy Court and served on counsel for the Debtor no later than thirty (30) days from and after the Effective Date of the Plan (the "Administrative Claims Plan Bar Date"). Any Administrative Claim arising after May 1, 2015 for which a request for payment of an Administrative Claim has not been filed on or before the Administrative Claims Plan Bar Date shall be forever barred. Unless the Debtor, or any other party in interest, object to Administrative Claims within sixty (60) days from and after the Administrative Claims Plan Bar Date (the "Administrative Claims Objection Deadline"), timely filed Administrative Claims shall be deemed Allowed in the amount requested. In the event that the Debtor, or any other party in interest, objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim, if any. Nothing in the Plan or Confirmation Order will extend the Administrative Claims Bar Date or any other bar date previously fixed for the filing of Administrative Claims which arose prior to, or relate to, the period prior to May 1, 2015.



**ARTICLE XI**  
**EFFECT OF PLAN CONFIRMATION**

A. Binding Effect

Subject to the occurrence of the Effective Date, the Plan shall be binding upon and inure to the benefit of the Debtor, all present and former Holders of Claims and Interests, and their respective successors and assigns.

B. Discharge of the Debtor

Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation of the Plan will not discharge Claims against the Debtor; provided, however, that, other than as provided in any agreement, no Holder of a Claim or Interest may, on account of such Claim or Interest, seek or receive any payment or other distribution from, or seek recourse against, the Debtor and/or its successors, assigns and/or property, except as expressly provided in the Plan.

C. Injunction

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Effective Date, all Entities who have held, hold or may hold Claims against, or Interests in, the Debtor are permanently enjoined from taking any of the following actions against the Debtor or its Estate, or any of their property on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any Lien or encumbrance; (D) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor; and (E) commencing or continuing, in any manner or in any place, any action that is derivative of the rights of the Debtor or that does not comply with, or is inconsistent with, the provisions of the Plan; provided, however, that nothing contained in the Plan shall preclude such Persons from exercising their rights pursuant to and consistent with, the terms of the Plan, the Confirmation Order or a Sale Order.

Subject to the terms of Article VII. A., the Confirmation Order shall further provide that all Entities are permanently enjoined from obtaining any documents or other materials from current counsel for the Debtor that is in the possession of such counsel as a result of, or arising in any way out of, their representation of the Debtor.

D. Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. Upon the Effective Date, the injunction provided in Article XI.C. shall apply.

E. Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, the Debtor and its present or former members, officers, directors, employees, advisors, attorneys, representatives, financial advisors, or agents and any of such parties' successors and assigns, in each case to the extent, but only to the extent, such person or entity was acting for, or on behalf of, the Debtor, or any of them (the "Exculpated Entities") shall not have or incur any claim, action, proceeding, Cause of Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment or Claim (as defined in section 101(5) of the Bankruptcy Code), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise to one another or to any Holder of a Claim or Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtor, the Chapter 11 Case, the negotiation and filing of the Plan or any prior plans, filing the Chapter 11 Case, the pursuit of confirmation of the Plan or any prior plans or Sale Orders, the consummation of the Plan, the administration of the Plan, or the property to be liquidated and/or distributed under the Plan, except for fraud, willful misconduct, or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided, however, that any such release, injunction or exculpation may not be asserted, and shall not apply, if it would adversely affect (x) the ability of the Debtor to assert any counterclaim, cross claim or defense with respect to any Claim or Administrative Claim asserted by any such Exculpated Entity (other than a Retained Professional) or (y) the assertion by the Debtor of any Cause of Action against any such Exculpated Entity arising out of, or relating to, any acts, failure to act, occurrence or event occurring prior to the Petition Date.

F. Indemnification Obligations

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

G. News Publishing Company Pension Plan

Nothing in the Debtor's bankruptcy proceeding, the Bankruptcy Code (and § 1141 thereof), the Confirmation Order or the Plan shall in any way be construed to discharge, release, limit, or relieve any party for fiduciary breach related to the Pension Plan. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the Debtor's bankruptcy case.

**ARTICLE XII  
RETENTION OF JURISDICTION**

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order, occurrence of the Effective Date and substantial consummation of the Plan, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim, the resolution of any objections to the Allowance or priority of Claims or Interests, and the determination of requests for the payment of claims entitled to priority under section 507(a)(2) of the Bankruptcy Code, including compensation, and reimbursement of expenses, of parties entitled thereto;

B. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code;

C. Hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which a Debtor is a party, or with respect to which a Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom;

- D. Effectuate performance of and payments under the provisions of the Plan;
- E. Hear and determine any and all adversary proceedings, motions, applications and contested or litigated matters arising out of, under or related to the Chapter 11 Case or the Plan;
- F. Enter such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan or the Confirmation Order;
- G. Hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents or instruments executed in connection with the Plan;
- H. Consider any modifications of the Plan and any implementing documents, cure any defect or omission, and reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- I. Issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;
- J. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated;
- K. Hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;
- L. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Case;
- M. Except as otherwise limited by the Plan, recover all assets of the Debtor and property of the Estate, wherever located;
- N. Hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
- O. Hear and determine all matters related to the property of the Estate from and after the Confirmation Date;
- P. Hear and determine the Causes of Action;

Q. Hear and determine all disputes involving the existence, nature, or scope of the injunctions, indemnification, exculpation, and releases granted pursuant to this Plan or any Sale Order;

R. Hear and determine all disputes or other matters arising in connection with the interpretation, implementation, or enforcement of any Sale Order;

S. Hear and determine all matters related to (i) the property of the Estate from and after the Confirmation Date, and (ii) the winding up of the Debtor's affairs;

T. Hear and determine disputes with respect to compensation of the Debtor's professionals;

U. Hear and determine all disputes involving the existence, nature and/or scope of the injunctions and releases provided by the Plan, including any dispute relating to any liability arising out of any termination of employment, or the termination of any employee or retiree benefit provision, regardless of whether such termination occurred prior to or after the Effective Date;

V. Hear and determine such other matters as may be provided in the Confirmation Order, or as may be authorized under, the provisions of the Bankruptcy Code;

W. Enforce all orders previously entered by the Bankruptcy Court; and

X. Enter a Final Decree closing the Chapter 11 Case.

### **ARTICLE XIII**

#### **MISCELLANEOUS PROVISIONS**

A. Modifications and Amendments

1. Right to Amend. The Plan Proponent may alter, amend, or modify the Plan, and any exhibits thereto, under and subject to section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan as defined in section 1101(2) of the Bankruptcy Code, the Plan Proponent may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, and to address any such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims and Interests under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Court.

2. Effect of Amendment. In the event the Debtor amends, modifies, or otherwise alters this Plan, any of the Plan Documents, or the Disclosure Statement pursuant to the preceding paragraph, the prior, unamended version of any such document(s): (a) shall be superceded in its entirety and be treated as null and void in all respects, (b) any settlement or compromise embodied in such document shall be deemed null and void, and (c) nothing contained in any such document shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtor or any other Person, (ii) prejudice in any manner the rights of Debtor or any other Person, or (iii) constitute an admission of any sort by Debtor or any other Person.

B. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, then the Bankruptcy Court, at the request of the Plan Proponents, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

C. Successors and Assigns

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

D. Payment of Statutory Fees

All fees payable through the Effective Date pursuant to 28 U.S.C. §1930 shall be paid on the Effective Date by the Debtor. The Debtor shall thereafter pay quarterly fees to the U.S. Trustee until the Chapter 11 Case is closed or converted and/or until the entry of a Final Decree. The Debtor shall file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines.

E. Revocation, Withdrawal or Non-Consummation

The Plan Proponent reserves the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent plans. If the Plan Proponent revokes or withdraws the Plan, or if Confirmation or consummation of the Plan as to the Debtor does not occur, then, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtor or any other Person, (ii) prejudice in any manner the rights of such Debtor or any other Person or (iii) constitute an admission of any sort by such Debtor or any other Person.

F. Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon the Debtor shall be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, (c) deemed to have been duly given or made when actually delivered, and (d) addressed as follows:

News Publishing Company  
C/O Smith Conerly LLP  
402 Newnan Street  
Carrollton, Georgia 30117  
Attn: J. Nevin Smith, Esq.

With a copy to: Smith Conerly LLP  
402 Newnan Street  
Carrollton Georgia 30117  
Attn: J. Nevin Smith, Esq.

G. Tax Reporting And Compliance

The Debtor is hereby authorized to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtor for all taxable periods ending after the Petition Date through, and including, the Effective Date.

**ARTICLE XIV**

**CONFIRMATION REQUEST**

A. Confirmation

The Debtor respectfully requests that the Bankruptcy Court confirm the Plan.

B. Cramdown.

The Debtor reserves the right to seek confirmation of the Plan by cramdown pursuant to section 1129(b) of the Bankruptcy Code.

Dated: February 23, 2017

NEWS PUBLISHING COMPANY

By:           /s/ Burgett H. Mooney, III            
Name: Burgett H. Mooney, III  
Title: Authorized Signatory