

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION**

IN RE:

REVOLUTION ALUMINUM PROPCO, LLC

CASE NO. 16-81024

DEBTOR

CHAPTER 11

**SECOND AMENDED DISCLOSURE STATEMENT FOR DEBTOR'S FIRST
AMENDED PLAN OF LIQUIDATION DATED SEPTEMBER 13, 2017**

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE CHAPTER 11 PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THERE WILL BE A HEARING ON THIS SECOND AMENDED DISCLOSURE STATEMENT TO DETERMINE IF IT PROVIDES ADEQUATE INFORMATION. IF THE DISCLOSURE STATEMENT IS APPROVED BY THE BANKRUPTCY COURT, THERE WILL BE A SUBSEQUENT HEARING TO CONSIDER CONFIRMATION OF THE PLAN. ALL CREDITORS AND EQUITY INTEREST HOLDERS WILL BE NOTIFIED OF THE DATE OF SUCH CONFIRMATION HEARING.

THIS SECOND AMENDED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

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LIST OF EXHIBITS TO DISCLOSURE STATEMENT

EXHIBIT A – SECOND AMENDED PLAN

INTRODUCTION

Revolution Aluminum Propco, LLC (“Propco” or “Debtor”) is a Louisiana limited liability company established in 2015. Propco is the owner of certain real estate comprised of approximately 1,400 acres in Pineville, Louisiana on which an industrial site is planned (the “Property”). This Second Amended Disclosure Statement (“Disclosure Statement”) was prepared by the Debtor for use in soliciting acceptances from all creditors of its Second Amended Plan of Liquidation, dated September 13, 2017 (“Plan”).

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the background and financial condition of the Debtor have been prepared from information furnished by the Debtor in its Schedules and Statement of Affairs, the Monthly Operating Reports and other pleadings filed by the Debtor, creditors, or other parties in interest in this bankruptcy proceeding. All exhibits to the Disclosure Statement are incorporated into and made a part of the Disclosure Statement.

Capitalized terms used herein have the meaning as set forth in Section I of the Plan, or as otherwise defined in the Plan or herein. In the event of a conflict or difference between the definitions used and provisions contained in this Disclosure Statement and the Plan, the definitions and provisions contained in the Plan shall control. **The Disclosure Statement is just a summary of the Plan terms, and the language of the Plan will govern in the event of any discrepancy between the terms of the Disclosure Statement and the Plan.**

I. PURPOSE AND SUMMARY OF THE PLAN

THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW AND ANALYZE THE PLAN IN ITS ENTIRETY.

II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

A. TREATMENT OF CLAIMS AND INTERESTS

The Plan proposes to make the following distributions from cash on hand and the Proceeds received from the Sale of the Property. As soon as practicable following the Closing of the Sale and the occurrence of the Effective Date, the Debtor shall pay all Allowed Administrative Expense Claims, Tax Claims and Gap Claims in Cash the full amount of such Allowed Claims.

Upon resolution of the Disputed Class 1 and Disputed Class 3 Claims, including the related Adversary Proceedings, and satisfaction of the Unclassified Claims, the Holders of any Allowed Class 1, Class 2 and Class 3 Claims shall be paid to the extent sufficient funds are available and in the following priority after the Effective Date and as soon as practicable following the Sale of the Property, as follows: (i) The Holder of any Allowed Class 1 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 1 Claimant agrees, in full satisfaction of its Claim; (ii) after satisfaction of any Allowed Class 1 Claim, the Holder of the Allowed Class 2 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 2 Claimant agrees, in full satisfaction of its Claim; and, (iii) after satisfaction of any Allowed Class 1 Claim and the Allowed Class 2 Claim, the Holder of any allowed Class 3 claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 2 Claimant agrees, in full satisfaction of its Claim.

The Holders of the Allowed Class 4 Claims shall receive a pro rata distribution, up to the Allowed amount of each Class 4 Claim, from the proceeds of the Sale after the Allowed Unclassified Claims, any Allowed Class 1 Claim, Allowed Class 2 Claim and any Allowed Class

3 Claim have been paid as agreed. Once all Unclassified Claims, Class 1 Claims, Class 2 Claims, Class 3 Claims and Class 4 Claims have been paid in full as provided in the Plan, the Holders of the Equity Interests shall receive pro rata distributions of any remaining proceeds of the Sale.

B. CLAIMS AND INTERESTS UNDER THE PLAN

The following is a summary of the classification and treatment of Claims and Interests under the Plan:

CLASS	TREATMENT
<p>Unclassified: Allowed Administrative Expense Claims.</p> <p>An estimation of the approximately \$151,300.00 owed collectively to Steffes, Vingiello & McKenzie, LLC (\$100,000.00), Gold, Weems, Brusser, Sues & Rundell, APLC (\$50,000.00) for professional services rendered; and, to the Office of the U.S. Trustee for quarterly fees incurred through closure of the case (\$1,300.00).</p>	<p>The holders of Allowed Administrative Expense Claims and Allowed Gap Claims against the Debtor, unless otherwise agreed or set forth in the Plan, are entitled to priority under Sections 507(a)(2) and (3) of the Bankruptcy Code and shall be paid in Cash from the proceeds of the Sale as soon as practicable after closing of the Sale and the occurrence of the Effective Date. Except as provided below with respect to payment of Professional fees and expenses as set forth in Article 6.1 below, an Entity entitled to payment pursuant to Sections 546(c) or 553 of the Bankruptcy Code (11 U.S.C. §§ 546 or 553), and an Entity entitled to payment of administrative expenses pursuant to Sections 503 and 507(a) and 507 (a)(3) of the Bankruptcy Code (11 U.S.C. §§ 503 and 507(a)), shall receive from the Debtor, on account of such Allowed Claim, Cash in the amount of such Allowed Administrative Expense or Allowed Gap Claim on the Effective Date unless otherwise agreed to between the parties. Notwithstanding the foregoing, outstanding operating payables incurred in the ordinary course of business of the Debtor subsequent to the Petition Date which are not disputed will be paid as Administrative Expense Claims without the requirement of filing requests for allowance. Any Professional's fees and expenses for services rendered after the Confirmation Date will be paid by the Debtor in the ordinary course of business from the proceeds of the Sale. To the extent the Debtor incurs any post-petition federal tax liabilities (including tax, interest, and penalties) which come due prior to the Effective Date, the Debtor will pay such tax liabilities in full within thirty (30) days of the Effective Date. If there are insufficient funds available from the Sale to pay all Allowed Administrative Expense and Gap Claims in full, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation.</p> <p>Applications for allowance and payment of Administrative Expense Claims and Gap Claims must be filed on or within thirty (30) days after the Confirmation Date, except for a Professional's Claim for fees and expenses as to which the deadline shall be forty-five (45) days from the Effective Date. The Court shall not consider any applications for the allowance of an Administrative Expense Claim or Gap Claim filed after such dates. All Administrative Expense Claims and Gap Claims that become Allowed Administrative Expense or Gap Claims after the Confirmation Date will be treated like other Allowed Administrative Expense or Gap Claims and will be paid on the later of the Effective Date or within thirty (30) days after becoming an Allowed Administrative Expense or Gap Claim in Cash from the proceeds of the Sale as soon as practicable after closing of the Sale and the occurrence</p>

Unimpaired. Not entitled to vote.	of the Effective Date unless otherwise ordered by the Bankruptcy Court or agreed to by the parties. Estimated percentage recovery: 100%
<p>Unclassified: Allowed Priority Tax Claims.</p> <p>The total estimate of Allowed Priority Tax Claims is \$50,000.00, of which a pro-rated amount will be owed by the Debtor through the date of the Closing, due to Rapides Parish for property tax.</p> <p>Unimpaired. Not entitled to vote.</p>	<p>The holders of Allowed Tax Claims shall receive Cash in the amount of such Allowed Tax Claims upon the Closing of the Sale. Such payment shall be made out of the proceeds of the Sale. Any penalties due with respect to Allowed Tax Claims are deemed non-pecuniary and subordinate to Class 3 as permitted under 11 U.S.C. § 727(b)(4) and, accordingly, the holders of Allowed Tax Claims shall receive no distributions by virtue of such tax penalties and such tax penalties shall be deemed discharged.</p> <p>Estimated percentage recovery: 100%</p>
<p>Class 1: Any Allowed Secured Claim of Acadiana Railway Company, Inc. (“Acadiana”).</p> <p>The total estimate of the Allowed Class 1 Claim is approximately \$0.00.</p> <p>Impaired. Entitled to vote.</p>	<p>Any Allowed Class 1 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 1 Claimant agrees after the Effective Date as soon as practicable following the Sale of the Property in full satisfaction of its Class 1 Claim. If there are insufficient funds available from the Sale to pay all of the Class 1 Claim in full as set forth herein, if and to the extent that such Class 1 Claim is Allowed and determined to be secured by a valid Lien affecting the Property, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation.¹</p> <p>The Debtor anticipates filing an answer and counterclaim to the Adversary Proceeding filed by Acadiana and disputing the validity of the lien and the existence of any debt, as well as disputing any privilege or lien.</p>
<p>Class 2: Allowed Secured Claim of Cervenka & Lukes Mortgage Corp.</p> <p>The total estimate of the Allowed Class 2 Claim is approximately \$1,503,500.00, plus interest and reasonable fees (capped at \$200,000), costs or charges provided for under the agreements, and allowed under 11 U.S.C. §506(b).</p> <p>Unimpaired. Not entitled to vote.</p>	<p>The Allowed Class 2 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 2 Claimant agrees after the Effective Date as soon as practicable following the Sale of the Property in full satisfaction of its Class 2 Claim. If there are insufficient funds available from the Sale to pay all of the Class 2 Claim in full as set forth herein, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation.</p> <p>Estimated percentage recovery: 100%</p>

¹ For the avoidance of doubt, the Debtor disputes the Class 1 Lien and amount claimed owed on the Class 1 Claim. The Claim filed by Acadiana (Proof of Claim Number 14-1) reflects services performed for Aluminum. Although one contract dated January 1, 2017 reflects a monthly switching fee to be provided by Propco, there was no switching done for which Propco should be obligated to pay that monthly fee. Thus, the Debtor does not believe it owes Acadiana. The separate classification of this claim is intended to apply only if and to the extent that the Class 1 Claim is Allowed and is determined to be validly secured by a Lien affecting the Property.

<p>Class 3: Any Allowed Secured Claim of Carr’s Dirt Works and Pipeline Services, Inc. (“Carr’s”)</p> <p>The total estimate of the Allowed Class 3 Claim is approximately \$0.</p> <p>Impaired. Entitled to vote.</p>	<p>Any Allowed Class 3 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 3 Claimant agrees after the Effective Date as soon as practicable following the Sale of the Property in full satisfaction of its Class 3 Claim. If there are insufficient funds available from the Sale to pay all of the Class 3 Claim in full as set forth herein, if and to the extent that such Class 3 Claim is Allowed and determined to be secured by a valid Lien affecting the Property, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation.²</p> <p>The Debtor disputes that Carr’s has a valid secured claim arising out of any lien or privilege and has filed Adversary Proceeding Number 17-08004 seeking avoidance of its Claim.</p>
<p>Class 4: Allowed Unsecured Claims.</p> <p>The total estimate of the Allowed Class 4 Claims is \$3,223,067.62.</p> <p>Impaired. Entitled to Vote.</p>	<p>The Holders of the Allowed Class 4 Claims shall receive a pro rata distribution, up to the Allowed amount of each Class 4 Claim, from the proceeds of the Sale after the Unclassified Claims and Class 1, Class 2 and Class 3 Claims have been paid in full.</p>
<p>Class 5: Equity Interests.</p> <p>Impaired. Entitled to Vote.</p>	<p>Once all Unclassified Claims, Class 1 Claims, Class 2 Claims, Class 3 Claims and Class 4 Claims have been paid in full, the Holders of the Equity Interests shall receive pro rata distributions of any remaining proceeds of the Sale.</p>

III. GENERAL OVERVIEW AND BACKGROUND INFORMATION

A. BACKGROUND AND GENERAL INFORMATION

1. Overview and Background of the Debtor

Propco was formed in 2015 and is 100% owned by its parent company, Revolution Aluminum, LLC (“Aluminum”). Propco is managed by Roger Boggs (“Dr. Boggs”). Propco’s sole asset is the Property it owns in Pineville, Louisiana. The Property is an industrial park and

² For the avoidance of doubt, the Debtor disputes the Class 3 Claim and the Lien claimed to secure the Class 3 Claim. The separate classification of this claim is intended to apply only if and to the extent that the Class 3 Claim is Allowed and is determined to be validly secured by a Lien affecting the Property.

the former site of a paper mill. There are commercial infrastructures on the property in addition to raw land and timber. Propco has no current business operations and has no employees.

The Property is located on the former site of the International Paper Company and is comprised of approximately 1,400 acres, 400 of which are developed and suitable for immediate use. The Property has a railroad track and immovable office building structures.

Propco purchased the Property in part with funds utilized from entering into multiple short term loan commitments as well as traditional mortgage financing as the funds were meant to be on a short term basis until “traditional” long term was obtained. The Debtor had been working with Bank of Montgomery and Southern Heritage Bank to obtain long term financing and satisfy the short term loan commitments and mortgage in full when the involuntary was initiated.

This bankruptcy case was commenced by the filing of an involuntary petition under Title 11 of the United States Code by the creditors of the Debtor on September 15, 2016 (“Petition Date”) in the above captioned Chapter 11 bankruptcy proceeding. The Court entered an order for relief on February 1, 2017.

As a result of the commencement of the involuntary proceeding, these financial institutions would not agree to fund. Although the Debtor was able to obtain various loan commitments (“Loan Commitments”) from Thomas Tucker (“Tucker”), John M. Tudor and Bayou Engineering Company (“Bayou”) in the hope of re-financing the Property and distributing the proceeds to the creditors of Propco, these Loan Commitments did not come to fruition since appraisals and additional information from the proposed lenders were needed which could not be obtained in the short time period required. The appraisals needed would have taken an estimated twelve weeks, insufficient for these proposed lenders to work within the confines previously ordered by the Court. Thus, none of the Loan Commitments were funded.

Additionally, the lenders claimed that they were not obligated to provide any funds under the Loan Commitments as the “obligation to fund the loan shall be conditioned...on other such conditions considered customary and appropriate by the lenders for this type of financing transaction”. The proposed lenders were seeking financing for the Loan Commitments made to the Debtor from Chase Bank (“Chase”). One of the conditions Chase imposed was obtaining appraisals and ultimately mortgages or security interests on certain assets that belonged to Tucker or Bayou, a condition that was not envisioned when the Loan Commitments were made. Finally, at the time the Loan Commitments were made, the parties did not realize the extent of time it would take to finalize any transaction with Chase. Although a *Motion for Sanctions Pursuant to this Court’s Inherent Powers and for Civil Contempt of Court Sanctions for Defiance of this Court’s Order dated September 20, 2016* [Doc. 99] (the “Sanctions Motion”) was filed by the Petitioning Creditors seeking damages for the failure of the parties to make the loan commitments among other allegations, that matter was apparently settled and an order dismissing the Sanctions Motion was entered on July 18, 2017 [Doc. 289].

2. Environmental Issues

The Property contains a solid waste disposal facility which requires a permit issued by the Louisiana Department of Environmental Quality for which the owner must obtain a bond. The Debtor provided a bond on January 29, 2016 and the fees associated with the bond are current.

3. Debtor’s Corporate Structure

Propco is owned by Aluminum and managed by Dr. Boggs, who also manages Aluminum. Over the course of the last few months Aluminum has paid some of the Propco debt but has not sought reimbursement for those amounts. However, as will be discussed, the Debtor may have potential claims against Aluminum which a trustee may seek to recover following Confirmation.

B. THE DEBTOR’S MANAGEMENT

Propco is managed by Dr. Boggs who receives no compensation in connection with his management duties.

1. Director, Officer Compensation

There are no directors or officers compensated by Propco.

2. Insider Compensation

Propco does not employ any insiders.

3. Employee Compensation

Propco does not have any employees.

C. THE DEBTOR’S DEBT STRUCTURE

The following are the creditors of Propco:

*Disputed Secured Claim which was filed by Acadiana Railway Company, Inc. in the amount of \$1,360,678.83*³. The Debtor values this Claim at \$0.

Secured Claim of Cervenka & Lukes Mortgage Corp. - \$1,503,500.00, plus interest at the contractual rate and reasonable fees, costs or charges provided for under the agreement and which may be allowed under 11 U.S.C. §506(b).

*Disputed Claim which was filed as a Secured Claim by Carr’s Dirt Works and Pipeline Services, Inc. in the amount of \$3,197,949.46*⁴. The Debtor values this claim at \$0.

Priority Tax Claims – \$50,000.00

³ Acadiana Railway Company, Inc. has filed proof of claim number 14 in the amount of \$1,360,678.83 which represents work performed, monthly switching fees, interest and attorney’s fees. The Debtor has filed an objection [Doc. 224] to a portion of the claim and the extent of the validity of the lien.

⁴ Carr’s Dirt Works and Pipeline Services, Inc. has filed proof of claim number 1 in the amount of \$3,197,949.46 alleging it has a valid lien against the Property for work it performed under contract with another entity. The Debtor disputed the validity of the lien and does not believe any portion of the Carr’s claim will be deemed Allowed.

General Unsecured Claims - \$3,223,067.62 (according to proofs of claim as filed and amounts as scheduled).

The Debtor and/or the Agent reserve the right to object to the Allowance of any and all claims asserted against the Debtor and to whether and/or the extent to which any such Claims are secured by Valid Liens not subject to avoidance.

D. EVENTS LEADING TO THE CHAPTER 11 CASE

The Debtor sought investors to assist it in purchasing the Property and was unable to pay back the promissory notes and short term loans within the previously agreed to time. The Debtor also sought to enter into contracts with railway companies and other parties for the storage of tanker cars on the Property. None of these potential contracts came to fruition though efforts were made to enter into contracts which would generate revenue for the Debtor. After an unsuccessful demand for payment, three creditors initiated an involuntary chapter 11 proceeding against Propco on September 15, 2016. Following months of attempts to resolve the case and have the involuntary dismissed, the Court entered an order for relief on February 1, 2017.

1. Historical Financial Information

As the Debtor has no business operations, it does not have any financial information to provide as it does not maintain balance sheets or profit and loss statements. Further, the Debtor has proposed a liquidating Plan as the Debtor is not operating and there is no financial forecast to provide.

E. SIGNIFICANT POST-PETITION EVENTS

Shortly after the commencement of the case, the Debtor entered into an agreed order⁵ whereupon it consented to the hiring of an investment banking firm or firms or other entity suitable

⁵ Doc. 146.

to efficiently market the Debtor's real property and improvements thereon and/or its business for the highest and best offer obtainable under current market conditions if all of the deemed allowed claims of the Debtor's creditors have not been paid in full⁶ on or before May 1, 2017. The Court approved the hiring of Beau Box Real Estate (the "Agent") to handle the marketing and sale of the Property. To date, the Agent has conducted site tours and collected relevant information from the Debtor, Louisiana Department of Environmental Quality ("LDEQ"), Louisiana Economic Development ("LED"), CLECO, Rapides Parish, and the City of Alexandria. The property information has been posted on LoopNet, a Louisiana Commercial Database, and the LED website. Information has also been provided to CLECO to use in their economic development activities. A comprehensive flyer of the Property has been created for the property to distribute to prospects. The Agent has also made cold calls to potential users or investors trying to create interest and field calls and emails from prospects. Finally, the Agent has been in continuous contact with officials from LED to be aware of any potential users of the site.

The Debtor hired an appraiser, Cook, Moore and Associates, to assist with a determination of the fair market value of the Property. The appraisal has not been completed as of the date of this Disclosure Statement. The Debtor will supplement this Disclosure Statement with a valuation summary evidencing the appraised value of the Property once it has been received. At this time, the Debtor tentatively values the Property at \$4 million dollars though this estimation is subject to adjustment following receipt of the appraisal. The Debtor is current on all payments owed to the various taxing authorities and has filed all required monthly operating reports.

⁶ If the Debtor disputes its liability for or the amount of any claim asserted herein, it shall file an objection to the allowance of such claim on or before May 1, 2017, and shall provide for the escrow of sufficient funds with its counsel to pay such claim the full amount claimed if it shall be ultimately allowed by final order of this Court or on appeal, if an appeal is taken.

1. Continuation of Business; Automatic Stay.

The Bankruptcy Court has certain supervisory powers over the Debtor's operations during the pendency of the Chapter 11 Case, including the power to approve any transactions that are outside the ordinary course of the Debtor's business. An immediate effect of the filing of a bankruptcy case is the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins any action to obtain possession of property of the estate or exercise control over property of the estate. This injunction will remain in effect until the Effective Date unless modified or lifted.

Although originally commenced against Propco involuntarily, the Chapter 11 case has benefited the creditors of the Debtor as the automatic stay has given the Debtor a breathing spell, allowing the Debtor to ascertain available avenues for which it can obtain funding to satisfy all of its Allowed Claims.

2. First Day Pleadings

Following the entry of the order for relief, Propco filed, among other pleadings, the following "first day pleadings" with the Bankruptcy Court:

- a. Application to Employ William E. Steffes and the law firm of Steffes, Vingiello & McKenzie, LLC as Attorneys for Debtor [Doc.75];
- b. Chapter 11 Supplemental Schedule [Doc. 81];
- c. Ex Parte Motion to Extend Deadline to File Schedules, Statements and/or Plan or Provide Required Information with Certificate of Service [Doc. 89]; and,
- d. Ex Parte Motion to Set Last Day to File Proof of Claim with Certificate of Service [Doc. 134]

3. Compliance with Bankruptcy Code, Bankruptcy Rules, Local Court Rules, and U.S. Trustee Deadlines.

On March 1, 2017, Propco filed its Statement of Financial Affairs, Schedules of Assets and Liabilities, and Schedules of Executory Contracts and Unexpired Leases [Doc. 113], as amended [Doc. 178] on March 31, 2017. Pursuant to section 341 of the Bankruptcy Code, a meeting of creditors for the Debtor was held and concluded on March 22, 2017. The Debtor has complied with the monthly reporting requirements of the Office of the United States Trustee and has paid all U.S. Trustee quarterly fees.

IV. THE PLAN

The Debtor has proposed the Plan based on the prior agreement of interested parties and creditors which was subsequently memorialized into an agreed order entered March 14, 2017 [Doc. 146] (the “Order”). The Debtor believes that the classification and treatment of Claims and Interests provided for in the Plan are consistent with the requirements of the Bankruptcy Code. Under the Bankruptcy Code, holders of Allowed Claims against and Interests in the Debtor that are Impaired and that receive distributions under the Plan are entitled to vote on the Plan. A copy of the Plan accompanies this Disclosure Statement as Exhibit “A”. A summary of the classification and treatment of Claims and Interests under the Plan is set forth above in this Disclosure Statement.

A. VALUATION OF THE DEBTOR

Propco is a single asset real estate entity and its sole asset is the land, certain improvements, and infrastructure located at 300 Williams Lake Road in Pineville, Louisiana. The Property is subject to a first mortgage in favor of Cervenka & Lukes Mortgage Corp. Although Carr’s Dirt Works and Pipeline Services, Inc. (“Carr’s”) filed a privilege (lien) against the property in 2016, the Debtor does not believe Carr’s has a valid claim against the Debtor, nor that Carr’s holds a valid lien right, and filed an Adversary Proceeding bearing case number 17-8004 seeking to

determine if any amount is owed by the Debtor and the validity of any lien. Acadiana Railway has also asserted a privilege (lien) in an unspecified portion of the Property and filed an adversary proceeding bearing case number 17-08009 (collectively, the “Adversary Proceedings”). The resolution of the Adversary Proceedings will determine how many creditors have a lien against the Property and the amount of any such liens. The Debtor does not believe (i) Acadiana has a valid claim against the Debtor in any amount or that, in the event the Court finds Acadiana does a claim against the Debtor, that (ii) such claim is secured.

B. TREATMENT OF UNCLASSIFIED CLAIMS UNDER THE PLAN

The Plan provides for the payment of Claims against the Debtor, including the treatment of Unclassified Claims. The principal Priority Tax Claim known to the Debtor is the property taxes for year 2017 which will be due to Rapides Parish. The Debtor is current on all other tax obligations. The principal Administrative Claims known to the Debtor include the fees and expenses of counsel to the Debtor, Steffes, Vingiello & McKenzie, LLC (“SVM”); the fees and expenses owed to the Petitioning Creditors; the fees and expenses owed to counsel for the Official Committee of Unsecured Creditors, Gold, Weems, Brusser, Sues & Rundell, APLC, LLC; and, the estimation of quarterly fees due to the Office of the U.S. Trustee through closure of the case. It also includes the Gap Claims that may be owed by the Debtor.

C. MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

1. Effective Date.

The “Effective Date” of the Plan is the date on which the Plan shall take effect and is the day after which all of the following have occurred:

- (1) the Confirmation Order has been entered by the Bankruptcy Court;

(2) the Confirmation Order has become a Final Order (this requirement may be waived by mutual agreement of the Debtor and the Purchaser);

(3) the Sale has been approved by the Court; and,

(4) the Debtor shall have executed a deed conveying the Property to the Purchaser and the Agent shall have received the proceeds (the "Proceeds") of the Sale and the Agent shall have determined that the Proceeds are sufficient to pay all expenses of the Sale, including, but limited to, any commissions due the Agent, and to pay all Unclassified Claims, any Allowed Class 1 Claim, Class 2 Claim and any Allowed Class 3 Claim in accordance with the provisions of the Plan.

2. Means to Implement the Plan.

The Debtor has filed and the Court has approved an *Application by the Debtor for Entry of an Order Authorizing the Employment and Retention of Beau Box Real Estate and Approval as Real Estate Broker and Manager of the Debtor* [Doc. 197], as supplemented [Doc. 206] (the "Application"), seeking to retain Beau Box Real Estate (the "Agent") to market and sell the Property as required by the Order. Unless otherwise ordered by the Bankruptcy Court, after Confirmation, the Agent shall continue to be deemed to have the powers of the Manager of the Debtor, including, but limited to, full power and authority to continue to market the Debtor's real property and improvements and/or its business, to accept, on behalf of the Debtor and subject to approval of the Bankruptcy Court, any offer or offers to purchase the Debtor's real property and improvements and/or its business, and to execute such documents as may be necessary or desirable to consummate any sale or sales approved by the Bankruptcy Court. On or before the Confirmation Hearing, the Agent shall propose and the Court shall approve the terms of the Sale of the Property to be conducted as soon as practicable after the Confirmation Hearing. Once the Agent and a

Purchaser have entered into an agreement to purchase the Property, the Agent, acting through Debtor's counsel of record, shall seek approval of the Sale from the Bankruptcy Court. Thereafter, a closing date shall be set by the Purchaser and the Agent. On the Closing, the Purchaser shall purchase from the Estate, and the Debtor, acting through the Agent, shall convey to the Purchaser the Property in consideration for the highest offer in cash, provided that such Sale is for a sufficient amount to make the payments required under the Plan to Unclassified Claims, any Allowed Class 1 Claim, Allowed Class 2 Claim and any Allowed Class 3 Claim, after payment of all expenses of the Sale, including, but not limited to, any commission due to the Agent.

The payment to the Holder of any Allowed Class 1 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 1 Claimant agrees after the Effective Date as soon as practicable following the Sale of the Property in full satisfaction of its Class 1 Claim. If there are insufficient funds available from the Sale to pay all of the Class 1 Claim in full as set forth herein, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation. The proceeds of the sale of the Property shall be escrowed until such time as a resolution of the adversary proceeding involving the Class 1 Claimant has occurred.

The payment to the Holder of the Allowed Class 2 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 2 Claimant agrees after the Effective Date as soon as practicable following the Sale of the Property in full satisfaction of its Class 2 Claim. If there are insufficient funds available from the Sale to pay all of the Class 2 Claim in full as set forth herein, if and to the extent that such Class 2 Claim is Allowed and determined to be secured by a valid Lien affecting the Property, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation.

In accordance with the provisions and priorities set forth in Section II (A) hereinabove, the payment to the Holder of any Allowed Class 3 Claim shall be paid in Cash equal to either (1) the Allowed Amount of its Claim or (2) such lesser amount as to which the Class 3 Claimant agrees after the Effective Date as soon as practicable following the Sale of the Property in full satisfaction of its Class 3 Claim. If there are insufficient funds available from the Sale to pay all of the Class 3 Claim in full as set forth herein, if and to the extent that such Class 3 Claim is Allowed and determined to be secured by a valid Lien affecting the Property, then the Effective Date shall not occur and confirmation of the Plan shall be subject to revocation.

The proceeds of the sale of the Property shall be escrowed pursuant to the terms of a litigation trust agreement to be approved by the Court until such time as a resolution of the adversary proceedings involving the Class 1 and Class 3 Claimants has occurred.

The Holders of Allowed Class 4 Claims shall receive a pro rata distribution, up to the Allowed amount of each Class 4 Claim, from the proceeds of the Sale after the Unclassified Claims and Class 1, Class 2 and Class 3 Claims have been paid in full. Once all Unclassified Claims, Class 1 Claims, Class 2 Claims, Class 3 Claims and Class 4 Claims have been paid in full as provided, the Holders of the Equity Interests shall receive pro rata distributions of any remaining proceeds of the Sale.

D. OBJECTIONS TO CLAIMS/ADMINISTRATIVE CLAIMS/INTERESTS

1. Objections to Claims or Interests; Prosecution of Disputed Claims or Disputed Interests.

The Debtor and, after Confirmation, the Agent shall share the responsibility and authority for administering, disputing, objecting to, compromising and settling or otherwise resolving and finalizing Distributions (if any) with respect to all Claims.

2. Estimation of Disputed Claims.

The Debtor or the Agent, after Confirmation, may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor has previously objected to such Claim.

3. No Distribution on Account of Disputed Claims.

If a Claim or any portion of a Claim is disputed, no payment or Distribution shall be made on account of the disputed portion of such Claim (or the entire Claim, if the entire Claim is disputed), unless such Disputed Claim or portion thereof becomes an Allowed Claim. The Debtor has identified the following Claims, a portion of which may be objectionable: Carr's Dirt Works and Pipeline Services, Inc. (Proof of Claim Number 1); Pan American Engineering, LLC (Proof of Claim Number 3); Stone, Pigman, Walther, Wittmann, LLC (Proof of Claim Number 6); Ryan & Associates, Inc. (Proof of Claim Number 7); Rapides Parish and Tax Collector (Proof of Claim Number 10); and, Acadiana Railway Company, Inc. (Proof of Claim Number 14) (collectively, the "Disputed Claims"). As of the date of this Disclosure Statement, the Debtor withdrew its objection to the claim of Stone, Pigman, Walther, Wittmann, LLC, and submitted an agreed order allowing the unsecured claim of Pan American Engineering, LLC. The claim of Rapides Parish was disallowed [Doc. 319]. The Debtor has filed objections to at least a portion of the amounts of the Disputed Claims, except for Carr's as to which the Debtor has filed an adversary proceeding objecting to the allowance of any amount of such claim. The objection to the Claim of Acadiana Railway Company, Inc. has been consolidated with the adversary proceeding it filed and the Debtor intends to dispute and object to the Claim of Acadiana in its entirety.

E. CLAIMS AGAINST OTHERS AND LITIGATION

Except as set forth in the Plan, the Debtor, acting through a duly appointed Litigation Trustee as defined further herein, shall retain the authority to and may enforce all Bankruptcy Causes of Action. Unless otherwise provided herein, such Claims and Bankruptcy Causes of Action of the Debtor against third parties may be used by the Debtor, to offset any payment due to such Entity under the Plan.

As of the date of the Plan, the Debtor believes that it has valid Avoidance actions against Bayou Engineering Company, to avoid and annul a lease of property of the Debtor dated as of April 1, 2016 for inadequate consideration, and Carr's Dirt Works and Pipeline Services, Inc., to avoid a Lien affecting property of the Debtor. The Debtor may also have actions against its parent company, Aluminum, for certain avoidable transfers and fraudulent conveyances in addition to a potential action to determine whether or not Aluminum is liable with the Debtor for certain Allowed Claims as a single business enterprise. If Avoidance actions against those entities have not been commenced prior to Confirmation of the Plan, such causes of action shall be reserved and preserved and shall be brought after Confirmation. Furthermore, any and all other Avoidance actions or causes of action of any kind and nature belonging to the Debtor or to its Estate not commenced prior to Confirmation of the Plan shall be reserved and preserved and may be brought after Confirmation.

Upon or before the occurrence of the Effective Date, the Debtor, after consultation with the UCC and subject to approval of the Court, shall enter into a Litigation Trust Agreement and appoint a trustee (the "Litigation Trustee") to handle all Preserved Claims, including any Avoidance Actions, Fraudulent Conveyances, Preferential Actions, and any single business enterprise claims against Aluminum that it may discover (the "Actions"), as well as litigation and

resolution of the Adversary Proceedings involving Carr's and Acadiana. A determination of whether any such action exist shall be left to the discretion of the Litigation Trustee after an investigation into same. All proceeds from the sale of the Property shall be escrowed pursuant to the terms of the Litigation Trust Agreement and shall be held in escrow pending a resolution of the Adversary Proceedings involving Carr's and Acadiana. Any funds received from the prosecution of any Actions initiated by the Litigation Trustee shall be held in escrow and distributed to Class 4 Claimants on a pro rata basis following the payment to any Allowed Class 1, Allowed Class 2, and Allowed Class 3 Claimants in accordance with the provisions and priorities of the Plan.

F. EXECUTION OF DOCUMENTS AND CORPORATE ACTION

Except to the extent that the Agent has been given such authority by Order of the Court, the Manager of the Debtor is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents, and to take such actions as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of the Plan.

G. POST-CONFIRMATION MANAGEMENT

Post-confirmation, the Debtor shall be managed by its Agent, who shall be deemed to have the powers of the Manager of the Debtor, including, but limited to, full power and authority to continue to market the Debtor's real property and improvements and/or its business, to accept, on behalf of the Debtor and subject to approval of the Bankruptcy Court, any offer or offers to purchase the Debtor's real property and improvements and/or its business, and to execute such documents as may be necessary or desirable to consummate any sale or sales approved by the

Bankruptcy Court. The remaining Managerial powers shall be retained by Dr. Boggs. Neither the Agent nor Dr. Boggs shall be compensated for their management services.

V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. ASSUMPTION

Except for that lease between the Debtor and Bayou which the Debtor believes lacks sufficient consideration, the proposed contract between the Debtor and Aluminum which is pending approval of the Court [Doc. 326], and any executory contract or unexpired lease that has otherwise been assigned or assumed or renegotiated and either assumed or rejected on renegotiated terms, pursuant to an order of the Bankruptcy Court entered prior to the Effective Date all executory contracts and unexpired leases between the Debtor and any Person shall be rejected pursuant to section 365(a) of the Bankruptcy Code as of the Effective Date. The Debtor anticipates the Litigation Trustee commencing an action against Bayou to avoid the lease as a fraudulent conveyance, and/or, to evict Bayou from the Property. Entry of the Confirmation Order shall constitute approval, pursuant to section 365(a) of the Bankruptcy Code, of the rejection of executory contracts and unexpired leases and for the rejection provided for herein.

B. REJECTION

On the Effective Date, unless the counter-party to such assumed lease or executory contract agrees to a less favorable treatment, the Debtor (a) shall cure or provide adequate assurance that it shall cure any and all undisputed defaults under any Assumed Contract, and (b) compensate or provide adequate assurance that it shall promptly compensate the other parties to such executory contract or unexpired lease for the agreed amount of any actual pecuniary loss to such party resulting from such undisputed default in accordance with section 365(b) (1) of the Bankruptcy Code. In the event that the Debtor disputes the existence of a default, or the nature, extent or

amount of any required cure, adequate assurance or compensation, the obligations of the Debtor, under section 365(b) of the Bankruptcy Code, shall be determined at the Confirmation Hearing or at any other hearing ordered by the Bankruptcy Court, and any such obligations shall be performed by the Debtor within thirty (30) days after the Effective Date unless otherwise provided in the Confirmation Order or by other order of the Bankruptcy Court. **THE DEBTOR ALLEGES THAT THERE ARE NO “CURE” REQUIREMENTS DUE TO ANY OTHER PARTY TO AN ASSUMED CONTRACT. The Debtor and Acadiana entered into an executory contract on December 13, 2016 (the “Acadiana Contract”) which terminates by its own terms in the event Propco enters into bankruptcy proceedings. To the extent the Acadiana Contract is not terminated by its own terms, the Debtor expressly rejects the Acadiana Contract.**

If the rejection of an executory contract or unexpired lease by the Debtor (pursuant to the Plan or otherwise) results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the Debtor unless a Proof of Claim is filed and served upon counsel for the Debtor no later than (i) the date on which an order previously rejecting the claim provided, or (ii) thirty (30) days after the earlier of (a) entry of the Confirmation Order, or (b) entry of an order approving such rejection and providing for a date in which the Proof of Claim must be filed. Unless otherwise ordered by the Bankruptcy Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated, to the extent they are Allowed Claims, as an Allowed Class 4 Claim.

C. CURE PAYMENTS, COMPENSATION FOR PECUNIARY LOSS, AND ADEQUATE ASSURANCE

On the Effective Date, the Debtor shall cure or provide adequate assurance that it shall cure any and all undisputed defaults under any Assumed Contract, and (b) compensate or provide adequate assurance that it shall promptly compensate the other parties to such executory contract

or unexpired lease for the agreed amount of any actual pecuniary loss to such party resulting from such undisputed default in accordance with section 365(b)(1) of the Bankruptcy Code. In the event that the Debtor disputes the existence of a default, or the nature, extent or amount of any required cure, adequate assurance or compensation, the obligations of the Debtor under section 365(b) of the Bankruptcy Code shall be determined at the Confirmation Hearing or at any other hearing ordered by the Bankruptcy Court, and any such obligations shall be performed by the Debtor within thirty (30) days after the Effective Date unless otherwise provided in the Confirmation Order or by other order of the Bankruptcy Court. **The Debtor is not aware of any cure payments or adequate assurance payments it will owe on the Effective Date as it remains current on its executory contract obligations.**

VI. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

A. INTRODUCTION

THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN OF THE SIGNIFICANT FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THE DEBTOR AND TO HOLDERS OF CLAIMS AND EQUITY INTERESTS AND IS BASED ON THE INTERNAL REVENUE CODE OF 1986 (TITLE 26, UNITED STATES CODE), AS AMENDED TO THE DATE HEREOF (THE "TAX CODE"), TREASURY REGULATIONS PROMULGATED AND PROPOSED THEREUNDER, JUDICIAL DECISIONS AND PUBLISHED ADMINISTRATIVE RULES AND PRONOUNCEMENTS OF THE IRS AS IN EFFECT ON THE DATE HEREOF. CHANGES IN SUCH RULES OR NEW INTERPRETATIONS THEREOF COULD SIGNIFICANTLY AFFECT THE TAX CONSEQUENCES DESCRIBED BELOW. NO RULINGS HAVE BEEN REQUESTED FROM

THE IRS. MOREOVER, NO LEGAL OPINIONS HAVE BEEN REQUESTED FROM COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN.

THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AND EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. IN ADDITION, THIS DISCUSSION DOES NOT COVER ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO THE DEBTOR OR THE HOLDERS OF ALLOWED CLAIMS OR EQUITY INTERESTS (SUCH AS HOLDERS WHO DO NOT ACQUIRE THEIR CLAIM ON ORIGINAL ISSUE), NOR DOES THE DISCUSSION DEAL WITH TAX ISSUES PECULIAR TO CERTAIN TYPES OF TAXPAYERS (SUCH AS DEALERS IN SECURITIES, S CORPORATIONS, LIFE INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, TAX-EXEMPT ORGANIZATIONS AND FOREIGN TAXPAYERS). NO ASPECT OF FOREIGN, STATE, LOCAL OR ESTATE AND GIFT TAXATION IS ADDRESSED.

THE FOLLOWING SUMMARY IS, THEREFORE, NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR EQUITY INTEREST. HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES PECULIAR TO THEM UNDER THE PLAN. THE DEBTOR ASSUME NO RESPONSIBILITY FOR THE TAX EFFECT THAT CONFIRMATION AND RECEIPT OF ANY DISTRIBUTION UNDER THE PLAN MAY HAVE ON ANY GIVEN CREDITOR OR OTHER PARTY IN INTEREST.

B. CONSEQUENCES TO HOLDERS OF CLAIMS

1. Realization and Recognition of Gain or Loss in General

The federal income tax consequences of the implementation of the Plan to a holder of a Claim will depend, among other things, upon the origin of the holder's Claim, when the holder's Claim becomes an Allowed Claim, when the holder receives payment in respect of such Claim, whether the holder reports income using the accrual or cash method of accounting, whether the holder has taken a bad debt deduction or worthless security deduction with respect to such Claim, and whether the holder's Claim constitutes a "security" for federal income tax purposes.

Generally, a holder of an Allowed Claim will realize gain or loss on the exchange under the Plan of its Allowed Claim for stock and other property (such as Cash and new debt instruments), in an amount equal to the difference between (i) the sum of the amount of any Cash and the issue price of any debt instrument, (other than any consideration attributable to a Claim for accrued but unpaid interest), and (ii) the adjusted basis of the Allowed Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). The treatment of accrued but unpaid interest and amounts allocable thereto varies depending on the nature of the holder's Claim and is discussed below.

Whether or not such realized gain or loss will be recognized (i.e. taken into account) for federal income tax purposes will depend in part upon whether such exchange qualifies as a recapitalization or other "reorganization" as defined in the Tax Code, which may in turn depend upon whether the Claim exchanged is classified as a "security" for federal income tax purposes. The term "security" is not defined in the Tax Code or in the Treasury Regulations. One of the most significant factors considered in determining whether a particular debt instrument is a security is the original term thereof. In general, the longer the term of an instrument, the greater the likelihood

that it will be considered a security. As a general rule, a debt instrument having an original term of 10 years or more will be classified as a security, and a debt instrument having an original term of fewer than five years will not. Debt instruments having a term of at least five years but less than 10 years are likely to be treated as securities, but may not be, depending upon their resemblance to ordinary promissory notes, whether they are publicly traded, whether the instruments are secured, the financial condition of the debtor at the time the debt instruments are issued, and other factors. Each holder of an Allowed Claim should consult his or her own tax advisor to determine whether his or her Allowed Claim constitutes a security for federal income tax purposes.

C. CONSEQUENCES TO DEBTOR

1. Discharge-of-Indebtedness Income Generally

The Debtor, as a wholly owned subsidiary of Revolution Aluminum, LLC, neither pays nor reports income tax—its revenues and expenses and other taxable transactions and events and taxable income generated thereby, if any, are reported on the return filed by its parent company each year.

VII. LIQUIDATION ANALYSIS UNDER CHAPTER 7

A. LIQUIDATION UNDER CHAPTER 7.

1. Generally

The Local Rules of this Court require that this Disclosure Statement contain an analysis of the projected effect of liquidation of the Debtor under Chapter 7 of the bankruptcy code so that creditors can analyze the Plan treatment against recovery that might occur upon liquidation. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the Debtor's assets. The proceeds of the liquidation, augmented by the Debtor's cash and any recoveries from third parties, would be distributed to the respective holders of Claims in accordance with the priorities

established by the Bankruptcy Code. The Trustee also would be entitled to compensation representing a statutorily fixed portion of the distributions made to Creditors. As discussed above and in the following paragraphs, the Debtor believes that the proceeds received by the Estate pursuant to a bankruptcy trustee's liquidation sale of the Debtor's assets will result in significantly less recovery to creditors than provided for in the Plan.

2. LIQUIDATION ANALYSIS

The Debtor has considered liquidation in the context of a chapter 7 proceeding. In a chapter 7 liquidation, the Debtor would also have to pay the Trustee Fees and commission as well as the Professionals hired in the chapter 7 Proceeding. As previously mentioned, the Debtor has hired an appraiser and is waiting on a final valuation report. When the Debtor receives the report it shall supplement this Disclosure Statement with a copy of the report evidencing the appraised value of the Property. The Debtor believes the property is worth approximately \$4 million dollars. As such, the validity and amounts of liens subject to the Adversary Proceedings filed against Carr's and by Acadiana will determine whether or not there will be funds available to pay unsecured creditors. Based upon an estimated value of \$4 million dollars, the Debtor believes that a Chapter 7 liquidation would result in more fees and commissions being paid and less money would be available for distribution to general unsecured claimants than would be available in a Chapter 11 case provided the Debtor is successful in avoiding the lien of Carr's and Acadiana. In a chapter 7 proceeding, the estate would have the additional expense of the commission of the trustee in addition to professional fees.

As evidenced by the above liquidation analysis, the Debtor believes that the creditors of the Debtor's bankruptcy Estate will receive at least as much if not more on account of their claims under the terms of the Plan than they would in a chapter 7 case.

VIII. CONFIRMATION PROCEDURE

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. VOTING AND OTHER PROCEDURES

A Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of Claims that are entitled to vote to accept or reject the Plan. Each holder of a Claim or Interest in Classes 1, 3, 4 and 5 shall be entitled to vote to accept or reject the Plan. Pursuant to the provisions of the Bankruptcy Code, only holders of claims or interests in classes that are impaired under the terms and provisions of a Chapter 11 plan and are to receive distributions thereunder are entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims and interests will not receive or retain any property under a Chapter 11 plan are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims or interests are unimpaired under a Chapter 11 plan are deemed to have accepted the plan and also are not entitled to vote to accept or reject the plan.

The Bankruptcy Code defines “acceptance” of a plan by a class of: (i) Claims, as acceptance by creditors actually voting in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims; and (ii) Interests, as acceptance by interest holders in that class actually voting that hold at least two-thirds in number of ownership shares of the common stock of a debtor.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or otherwise in accordance with the provisions of the Bankruptcy Code.

With respect to the Plan, any holder of a Claim in an Impaired Class (i) whose Claim has

been listed by either the Debtor in the Schedules filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated), or (ii) who filed a proof of claim on or before the applicable bar date (or, if not filed by such date, any proof of claim filed within any other applicable period of limitations or with leave of the Bankruptcy Court), which Claim has not been disallowed and is not the subject of an objection, is entitled to vote. Holders of Claims that are disputed, contingent and/or unliquidated are entitled to vote their Claims only to the extent that such Claims are Allowed for the purpose of voting pursuant to an order of the Bankruptcy Court. The Debtor may seek a determination that any Class of Claims that is entitled to vote to accept or reject the Debtor's Plan that does not vote to accept or reject the Debtor's Plan be deemed to accept the Plan, as applicable.

After carefully reviewing this Disclosure Statement, including any exhibits, each holder of an Allowed Claim or Equity Interest entitled to vote may vote whether to accept or reject the Debtor's Plan. A Ballot for voting on the Plan accompanies this Disclosure Statement. If you hold a Claim or Equity Interest in more than one Class and you are entitled to vote Claims in more than one Class, you may receive a Ballot or Ballots, which will permit you to vote in all appropriate Classes of Claims. Please vote and return your Ballot to Steffes, Vingiello & McKenzie, LLC as follows, whether by U.S. Mail, or by hand delivery or courier service:

Steffes, Vingiello & McKenzie, LLC
Attention: Noel Steffes Melancon
13702 Coursey Boulevard, Bldg.3
Baton Rouge, Louisiana 70817

ANY EXECUTED BALLOT THAT FAILS TO INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. BALLOTS RETURNED TO STEFFES, VINGIELLO & MCKENZIE, LLC BY FACSIMILE TRANSMISSION OR ANY OTHER ELECTRONIC MEANS WILL NOT BE COUNTED.

THE VOTING DEADLINE IS 5:00 P.M., CENTRAL TIME ZONE, ON ____, 2017.

APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. ALL CREDITORS THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

If you are entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact Noel Steffes Melancon at the following telephone number: (225) 751-1751 or email address: nmelancon@steffeslaw.com.

B. DISCLAIMERS AND ENDORSEMENTS

This Disclosure Statement contains information about the Debtor's Plan. Holders of Claims and Interests are urged to study the text of the Plan carefully to determine the impact of the Plan on their Claims or Interests and to consult with their financial, tax and legal advisors.

Nothing contained in this Disclosure Statement or the Plan will be deemed an admission or statement against interest(s) that can be used against the Debtor in any pending or future litigation. Any reference to creditors or Claims or Interests in this Disclosure Statement is not an admission with respect to the existence, ownership, validity, priority, or extent of any alleged Lien, Claim, Equity Interest or encumbrance.

Certain statements and assertions in this Disclosure Statement may be subject to dispute by parties in interest.

C. THE CONFIRMATION HEARING

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing with respect to the Plan. The Confirmation Hearing in respect to the Plan has been scheduled for the date and time set forth in the accompanying notice before the Honorable John W. Kolwe, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Western District of Louisiana, on _____, 2017, at ____ CST. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made at the Confirmation Hearing or posted at the courthouse at the Confirmation Hearing or at an adjournment thereof. Any objection to confirmation (i) must be made in writing, (ii) must specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or a description of the interest in the Debtor held by the objector, and (iii) must be timely made. Any such objections must be filed with the Bankruptcy Court and served so that they are received by the Bankruptcy Court, and the following counsel, on or before the date and time set forth in the accompanying notice:

Counsel to the Debtor:

Steffes, Vingiello & McKenzie, LLC
William E. Steffes
Noel Steffes Melancon
13702 Coursey Boulevard, Bldg.3
Baton Rouge, Louisiana 70817
Telephone: (225) 751-1751
Facsimile: (225) 751-1998

D. CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan is (i) accepted by all Impaired Classes of Claims or, if

rejected by an Impaired Class, that the plan “does not discriminate unfairly” and is “fair and equitable” as to such Class, (ii) feasible, and (iii) in the “best interests” of creditors that are Impaired under the Plan.

E. UNFAIR DISCRIMINATION AND FAIR AND EQUITABLE TESTS

Under the Bankruptcy Code, a plan does not have to be accepted by every class of creditors or interest holders to be confirmed. If a class of claims or interests rejects a plan or is deemed to reject a plan, the plan proponent has the right to request confirmation of the plan pursuant to Section 1129(b) of the Bankruptcy Code, the so-called “cram down” provision of the Bankruptcy Code. Section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more impaired classes of claims and interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not “discriminate unfairly” and is “fair and equitable” with respect to each non-accepting class, and meets the other legal criteria for confirmation.

In the event that any Class of Claims or Interests fails to accept the Plan in accordance with section 1129(a)(8) of the Bankruptcy Code, the Debtor request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

Accordingly, to obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to each Impaired, non-accepting Class. The Bankruptcy Code provides a nonexclusive definition of the phrase “fair and equitable.” The Bankruptcy Code establishes “cram down” tests for Classes of Secured Claims, Unsecured Claims and Interests that do not accept the plan, as follows:

1. Secured Creditors

Either (a) each Impaired class of secured creditor(s) retains the Liens securing its Secured Claim and receives on account of its Secured Claim deferred cash payments (x) totaling at least the Allowed Amount of the Secured Claim and (y) having a present value at least equal to the value of the secured creditor's collateral, (b) each Impaired secured creditor realizes the "indubitable equivalent" of its Allowed Secured Claim, or (c) the property securing the Claim is sold free and clear of Liens with the secured creditor's Lien to attach to the proceeds of the sale and such Lien is treated in accordance with clause (a) or (b) of this subparagraph. As to the three potential secured Claims in Classes 1, 2, and 3, the Plan meets the requirement under subsection (c) above.

2. Unsecured Creditors

Either (a) each Class of Impaired unsecured creditors receives or retains under the plan property of a value equal to the amount of its Allowed Claim, or (b) the holders of Claims and Interests that are junior to the Claims of the dissenting Class will not receive any property under the plan, and the "best interest" test is met so that each Impaired unsecured creditor recovers at least what that creditor would receive if the case was converted to a chapter 7 case.

3. Holders of Interests

Either (a) a holder of Impaired Interests receives or retains under the plan property of a value equal to the greatest of the Allowed Amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) no holder of junior interests receives or retains any property, and the "best interest" test is met, so that each Impaired Equity Interest holder recovers at least what that Equity Interest holder would receive if the case was converted to a chapter 7 case.

4. No Unfair Discrimination

In addition, the “cram down” standards of the Bankruptcy Code prohibit “unfair discrimination” with respect to the claims of any impaired, non-accepting class. While the “unfair discrimination” determination depends upon the particular facts of a case and the nature of the claims at issue, in general, courts have interpreted the standard to mean that the impaired, non-accepting class must receive treatment under a plan of reorganization which allocates value to such class in a manner that is consistent with the treatment given to other classes with claims against the debtor of equal or junior status.

All Classes of creditors may receive distributions under the Plan; thus, no Class of creditors is conclusively presumed to have rejected the Plan. The Debtor believes that the treatment of all Classes of Claims and Interests under the Plan satisfies the “no unfair discrimination” requirement for nonconsensual confirmation of the Plan under section 1129(b) of the Bankruptcy Code.

With respect to any Impaired, non-accepting Class, if any, there is no Class of equal priority receiving more favorable treatment under the Plan, and no Class that is junior to such Impaired, non-accepting Class that will receive or retain any property under the Plan on account of the Claims or Interests in such Class.

F. FEASIBILITY

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization unless the liquidation of the Debtor is provided for in the plan. Here, the Debtor is proposing a liquidating plan.

G. BEST INTEREST TEST

In order to confirm a plan of reorganization, the Bankruptcy Court must determine that the plan is in the best interests of all classes of creditors and equity security holders impaired under

that plan. The "best interest" test requires that the Bankruptcy Court find that the plan provides to each member of each impaired class of claims and interests (unless each such member has accepted the plan) a recovery which has a value at least equal to the value of the distribution that each creditor or interest holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

As reflected in the discussion above, the Debtor believes that the Plan provides to each holder of a Claim and Interest holder a value at least equal to the value of the distribution that each holder would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

H. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN (AND ANY DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE), BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND THE IMPLEMENTATION OF THE PLAN.

The major risk factor is that the Property will have to be sold at auction at a later date in the event the Agent cannot locate a suitable purchaser.

I. CERTAIN BANKRUPTCY CONSIDERATIONS

1. Risk of Liquidation of the Debtor's Estate

This is a liquidating Plan so this factor is not relevant.

2. Risk of Non-Occurrence of the Effective Date

The occurrence of the Effective Date of the Plan is conditioned upon the happening of certain events. There can be no assurance that all of these events will occur or that those that do not occur will be waived. Accordingly, even if the Plan is confirmed, there can be no assurance that the Effective Date will occur.

IX. CONCLUSION AND RECOMMENDATION

The Debtor believes that confirmation and implementation of the Plan is preferable to any alternative. In addition, any other alternative would involve significant delay and substantial additional administrative costs. The Debtor urges holders of Impaired Claims to vote in favor of the Plan.

Dated: September 13, 2017

Respectfully submitted:

Revolution Aluminum Propco, LLC

By: /s/ Roger D. Boggs

Roger D. Boggs, Manager

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