UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

IN RE:

QUALITY CONSTRUCTION & PRODUCTION, LLC, ET AL.,[1]	CASE NO: 18-50303 (Joint Administration)
Debtors	Chapter 11

THIRD AMENDED DISCLOSURE STATEMENT UNDER SECTION 1125 OF THE BANKRUPTCY CODE WITH RESPECT TO THE JOINT CHAPTER 11 PLAN PROPOSED BY DEBTORS

DATED: February 14, 2019

Respectfully submitted,

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[1] The Debtors in these Chapter 11 cases are Quality Construction & Production, LLC (18-50303), Quality Production Management, LLC (18-50304), Traco Production Services, Inc. (18-50305), and Quality Acquisition Company, LLC (18-50306).

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INTRODUCTORY STATEMENT

THIS DISCLOSURE STATEMENT PROPOSED BY THE DEBTOR CONTAINS SUMMARIES OF THE PLAN AND CERTAIN DOCUMENTS RELATING TO THE CONSUMMATION OF THE PLAN OR THE TREATMENT OF CERTAIN CLAIMS AND EQUITY INTERESTS OF PARTIES-IN-INTEREST, AND CERTAIN FINANCIAL INFORMATION RELATING THERETO. WHILE THE DEBTOR BELIEVES THAT THESE SUMMARIES PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS. EACH HOLDER OF AN IMPAIRED CLAIM OR AN IMPAIRED EQUITY INTEREST SHOULD REVIEW THE ENTIRE PLAN AND SEEK THE ADVICE OF ITS OWN COUNSEL BEFORE CASTING A BALLOT.

NO PARTY IS AUTHORIZED BY THE DEBTOR TO PROVIDE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTOR, ITS ANTICIPATED FINANCIAL POSITION OR OPERATIONS AFTER CONFIRMATION OF THE PLAN, OR THE VALUE OF THE BUSINESS AND PROPERTY OF THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. TO THE EXTENT INFORMATION IN THIS DISCLOSURE STATEMENT RELATES TO THE DEBTOR, THE DEBTOR HAS PROVIDED THE INFORMATION IN THIS DISCLOSURE STATEMENT.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESSED OR IMPLIED, IS INTENDED TO GIVE RISE TO ANY COMMITMENT OR OBLIGATION OF THE DEBTOR OR SHALL CONFER UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER.

EXCEPT AS HEREAFTER NOTED, THE INFORMATION CONTAINED HEREIN IS GENERALLY INTENDED TO DESCRIBE FACTS AND CIRCUMSTANCES ONLY AS OF THE DATE OF THE COURT'S APPROVED DISCLOSURE STATEMENT AND NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR THE CONFIRMATION OF THE PLAN WILL CREATE ANY IMPLICATION, UNDER ANY CIRCUMSTANCES, THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF OR THEREOF OR THAT THE DEBTOR WILL BE UNDER ANY OBLIGATION TO UPDATE SUCH INFORMATION IN THE FUTURE.

DISCLOSURE STATEMENT UNDER SECTION 1125 OF THE BANKRUPTCY CODE WITH RESPECT TO THE JOINT PLAN PROPOSED BY THE DEBTORS

I. INTRODUCTION

Quality Construction & Production, LLC ("QCP"), Quality Production Management, LLC ("QPM"), Traco Production Services, Inc. ("Traco"), and Quality Acquisition Company, LLC ("QAC") (collectively, the "Debtors" or "Quality") submit this Disclosure Statement under Section 1125 of the Bankruptcy Code with respect to the plan proposed by the Debtors (the "Plan").

On March 16, 2018, the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Since that date, the Debtors have continued to maintain their property as Debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

Without a confirmed plan, the Debtors will be forced to liquidate its assets pursuant to Chapter 7 of the Bankruptcy Code, resulting in additional delays and substantially lower payments to creditors.

II. NOTICE TO HOLDERS OF CLAIMS AND EQUITY INTERESTS

The purpose of this Disclosure Statement is to enable you, as the holder of a Claim against or Equity Interest in the Debtors, to make an informed decision with respect to voting on acceptance or rejection of the Plan.

All persons receiving this Disclosure Statement are urged to review fully the provisions of the Plan and all exhibits attached hereto, in addition to reviewing the text of this Disclosure Statement. This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid in your review of the Plan and in an effort to explain the terms and implications of the Plan. Every effort has been made to explain fully the various aspects of the Plan as it affects all holders of Claims and Equity Interests. However, to the extent any questions arise, the Debtors urges you to seek independent legal advice.

After notice and hearing, the Debtors are requesting the Bankruptcy Court to approve this Disclosure Statement as containing information of a kind and in sufficient detail, adequate to enable holders of Claims against or Equity Interests in the Debtors, whose votes on the Plan are being solicited, to make an informed judgment whether to accept or reject the Plan.

You should read this Disclosure Statement in its entirety prior to voting on the Plan. No

solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code, and no person has been authorized to utilize any information concerning the Debtors or their business other than the information contained in this Disclosure Statement or in other information approved for dissemination of holders of Claims or Equity Interests by the Bankruptcy Court. You should not rely on any information relating to the Debtors and their businesses, other than that contained in this Disclosure Statement, the Plan, and the exhibits attached thereto, except as otherwise approved by the Bankruptcy Court.

SECTION 1125(b) OF THE BANKRUPTCY CODE PROHIBITS SOLICITATION OF AN ACCEPTANCE OR REJECTION OF A PLAN OF REORGANIZATION UNLESS A COPY OF THE PLAN OR A SUMMARY THEREOF IS ACCOMPANIED OR PRECEDED BY A COPY OF A DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN AND EXHIBITS, NO REPRESENTATIONS CONCERNING THE DEBTOR, THEIR ASSETS, PAST OR FUTURE BUSINESS OPERATIONS, OR THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR.

THE FACTUAL INFORMATION REGARDING THE DEBTOR AND ITS ASSETS AND LIABILITIES HAS BEEN DERIVED FROM THE DEBTOR'S SCHEDULES, AVAILABLE PUBLIC RECORDS, PLEADINGS AND REPORTS ON FILE WITH THE BANKRUPTCY COURT, THE DEBTOR'S INTERNAL DOCUMENTS, AND RELATED DOCUMENTS SPECIFICALLY IDENTIFIED HEREIN. WHILE EVERY EFFORT HAS BEEN MADE BY THE DEBTOR TO PROVIDE ACCURATE INFORMATION HEREIN, THE DEBTORS AND THEIR RESPECTIVE LEGAL AND FINANCIAL ADVISORS, CANNOT AND DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT ANY INACCURACY.

THE APPROVAL BY THE BANKRUPTCY COURT OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED

BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

EACH HOLDER OF AN IMPAIRED CLAIM OR AN IMPAIRED EQUITY INTEREST SHOULD REVIEW THE ENTIRE PLAN AND SEEK THE ADVICE OF ITS OWN COUNSEL BEFORE CASTING A BALLOT.

After carefully reviewing this Disclosure Statement and all exhibits attached hereto, if you have received a ballot to vote for or against the Plan, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on such ballot, in accordance with the instructions thereon, and return the ballot in the enclosed self-addressed, return envelope by _____, 2019, to Weinstein & St. Germain, LLC, 1414 NE Evangeline Thwy, Lafayette, Louisiana 70501.

For further information concerning voting, see Section V herein ("Voting Procedures and Requirements").

On or about _____, 2019, the Bankruptcy Court entered an order (i) fixing _____, 2019 at 10:00 a.m., Central Time, United States Bankruptcy Court, Western District of Louisiana, 214 Jefferson Street, Lafayette, Louisiana 70501, as the date, time and place for a hearing on the final approval of this disclosure statement and confirmation of the Plan, and (ii) fixing _____, 2019, as the last date for the filing with the Bankruptcy Court and serving upon counsel for the Debtors any objections to confirmation of the Plan. The hearing on confirmation may be adjourned from time to time without further written notice.

III. PLAN OVERVIEW

The Plan (or "Plan") treats all Claims fairly and equitably. This Plan is a joint plan and is not intended to be a plan of substantive consolidation. Each Debtor will retain its separate identity. The following is a brief summary of the Plan's treatment of Claims. This summary is qualified in its entirety by reference to the provisions of the entire Plan. You are urged to read the Plan in its entirety. To the extent there is any conflict between this Disclosure Statement and the Plan, the terms of the Plan control.

IV. SUMMARY OF BASIC PLAN PREMISES

The Debtors will continue to operate the three current divisions, QCP, QPM, and Traco, in order to generate income which will allow the Debtors to make payments under this Plan.

QAC will continue to own the shares of Traco.

The Real Estate will be purchased for $3,500,000 by Wein Air LA, LLC.[2] The Class 1 claim of MSBCH will receive a payment on the Effective Date of $3,500,000 with the balance of the Class 1 claim being paid over a five year period. The Class 6 claim of MSBCH will either be paid on the same basis as the Class 7 creditors or will be converted as partial consideration for equity depending on whether any MSBCRP acquire the MidSouth Bank Claim.

Unsecured creditors will be paid a pro-rata portion of $1,000,000.00 over five (5) years plus any additional consideration set forth in this Plan, which may include recoveries from claims against insiders, if any, if the insiders do not acquire the MidSouth Bank Claim.

The Exit Funding Entity will acquire the equity interests in the Debtors equal to 75% of the Reorganized Debtor for contributing the Exit Funding, and, for making the capital contribution contained in this Plan, Nathan Granger and Troy Collins will own the other 25%.

The Debtors will also continue to manage their own affairs post confirmation. Nathan Granger and Troy Collins will continue to oversee the day to day operations of the Reorganized Debtor and will continued to be compensated with the same salary and benefits approved during this Chapter 11 case. The current monthly salary of Troy Collins is $17,577.00, and the current monthly salary of Nathan Granger is $16,449.00.

V. VOTING PROCEDURES AND REQUIREMENTS

A. Ballots and Voting Deadline

ONLY HOLDERS OF IMPAIRED CLAIMS IN CLASSES 1 THROUGH 7 ARE BEING SOLICITED TO VOTE TO ACCEPT OR REJECT THE PLAN.

The Claims classified in Classes 1 through 7 are IMPAIRED under the Plan. The holders of Claims in those classes are being solicited to vote to accept or reject the Plan.

A ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure Statement for those entitled to vote. The holder of a Claim or Equity Interest, as the case may

[2] Wein Air LA, LLC is a company owned and operated by John Weinstein. John Weinstein is an attorney who practiced law with Weinstein & St. Germain, LLC, attorney for the Debtors. However, Mr. Weinstein is not an owner of the law firm and has not practiced law with the firm or received any compensation from the firm for over six years. Mr. Weinstein has also had no involvement with this case as an attorney.

be, that is entitled to vote must: (i) carefully review the ballot and the instructions thereon, (ii) complete and execute the ballot, and (iii) return the ballot to the address indicated thereon by the deadline to enable the ballot to be considered for voting purposes. Any ballot received by the Debtors that does not reflect a vote for either the acceptance or rejection of the Plan will be deemed a vote for acceptance of the Plan.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than_____, 2019, at the following address: Weinstein & St. Germain, LLC, 1414 NE Evangeline Thruway, Lafayette, LA 70501.

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ABOVE ADDRESS BY NO LATER THAN _____, 2019.

YOUR BALLOT WILL NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER _____, 2019.
NOTE: BALLOTS WITHOUT A SIGNATURE WILL NOT BE COUNTED.

You may be contacted by representatives of the Debtors with regard to your vote on the Plan. Votes cast by holders of Claims and Equity Interests will be irrevocable once received by the Debtors, unless the Bankruptcy Court, after application, notice and hearing, permits a change of vote. If any ballot received by the Debtors is not discernible as to the Class of the Claim or Equity Interest or the name of the holder thereof, such ballot will be disregarded and not counted. If a ballot is damaged or lost, please contact Debtor's counsel. If you have any questions regarding the procedures for voting on the Plan, please contact your legal counsel for advice.

B. Holders of Claims Solicited to Vote.

Any holder whose Claim is within a Class impaired under the Plan and who is eligible (upon Allowance of such Claim) to receive distributions under the Plan, is being solicited to vote to accept or reject the Plan if either (i) its Claim has been scheduled by the Debtors, but such Claim is not scheduled by the Debtors as disputed, contingent or unliquidated, (ii) such holder has filed a proof of Claim (a) on or before the Bar Date, or (b) after the Bar Date with leave of the Bankruptcy Court pursuant to a Final Order, and as to which no timely objection has been filed, or if a timely objection has been filed, to the extent which such Claim is Allowed by a Final Order of the Bankruptcy Court or temporarily Allowed for purposes of voting only.

Any Claim as to which an objection has been filed (and such objection is still pending on the voting date) is not entitled to have its vote counted unless the Bankruptcy Court temporarily allows the Claim for voting purposes in an amount which the Bankruptcy Court deems proper upon motion by the holder to whose Claim has been objected. Such a motion must

be heard and determined by the Bankruptcy Court prior to the date and time established by the Bankruptcy Court for commencement of the Confirmation Hearing. In addition, a vote may be disregarded if the Bankruptcy Court determines that such vote was not solicited or procured in good faith, in accordance with the provisions of the Bankruptcy Code.

C. Definition of Impairment.

Under Section 1124 of the Bankruptcy Code, a class of claims or interests is impaired under a plan of reorganization unless, with respect to each claim or interest of such class, the Plan

1. leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or

2. notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to receive accelerated payment of such claim or interest after the occurrence of a default:

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

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

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

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

D. Vote Required for Class Acceptance.

As a condition of confirmation, the Bankruptcy Code envisions acceptance of a plan of reorganization by all impaired classes (except that a plan having one consenting impaired class and providing "fair and equitable" treatment to all impaired classes, may be confirmed, as discussed below). The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance of holders of two-thirds in dollar amount and one-half in number of the claims of that class which actually cast ballots for acceptance of rejection of the plan, i.e., acceptance takes place only if two-thirds in amount and majority in number of the holders of claims in a given class actually voting cast their ballots in favor or acceptance. The Bankruptcy Code defines acceptance of a plan by a class of equity interest holders as acceptance by holders of two-third in amount of the interests of that class which actually cast ballots for acceptance or rejection of the plan. Notwithstanding the requirement of class

acceptance, a plan may be confirmed even if one or more impaired classes does not accept the plan if at least one impaired class of non-insider claims has accepted the plan and the Court determines that the plan does not discriminate unfairly, and is fair and equitable, with respect to each class that is impaired and has not accepted the plan.

If the Plan is confirmed, all holders of Claims against the Debtors, and Equity Interests in the Debtors, whether voting or non-voting and, if voting, whether accepting or rejecting the Plan, will be bound by the terms of the Plan.

VI. CONFIRMATION OF THE PLAN

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

A. Confirmation Hearing.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing to determine whether all requirements for confirmation of the Plan have been satisfied. By Order of the Bankruptcy Court entered on _____, 2019, the Confirmation Hearing has been scheduled for _____, 2019 at 10:00 a.m., Central Time, at the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division, 214 Jefferson Street, Lafayette, Louisiana 70501 (the "Confirmation Hearing"). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement made at the Confirmation Hearing or any adjournment thereof.

ANY ANNOUNCEMENT OF ADJOURNMENT OF THE DATE AND TIME OF THE CONFIRMATION HEARING MADE IN COURT SHALL BE THE ONLY NOTICE PROVIDED TO HOLDERS OF CLAIMS AND EQUITY INTERESTS, UNLESS THE BANKRUPTCY COURT ORDERS OTHERWISE.

Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan. Any objection to confirmation must be made in writing and filed with the Bankruptcy Court with proof of service and served upon the Debtors' counsel listed below on or before _____, 2019 at the address below:

Weinstein & St. Germain, LLC
1414 NE Evangeline Thwy
Lafayette, LA 70501

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED UPON THE DEBTORS' COUNSEL AND FILED WITH THE BANKRUPTCY COURT, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Requirements for Confirmation of the Plan.

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the confirmation requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court shall enter an order confirming the Plan. The applicable requirements for confirmation are as follows:

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

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

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

4. Any payment made or promised by the Debtors, or by a person acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.

5. The Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an affiliate of the Debtors participating in a Plan with the Debtors or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy, and the Debtors has disclosed the identity of any insider that will be employed or retained by the reorganized Debtors, and the nature of any compensation of such insider.

6. With respect to each Class of impaired Claims or Equity Interests, either each holder of a Claim or Equity Interest of such class has accepted the Plan, or will receive or retain under the Plan on account such Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated on such date under Chapter 7 of the Bankruptcy Code; or if Section 1111(b)(2) of the Bankruptcy Code applies to the Claims of such Class, each holder of a Claim will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the Debtors estates' interest in the property that secures such Claims.

7. Each Class of Claims or Equity Interests has either accepted the Plan or is not impaired under the Plan, except as set forth in Section 8, below.

8. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Allowed Administration Expense Claims and

Allowed Other Priority Claims will be paid in full on the Effective Date; and that Allowed Priority Tax Claims will receive on the account of such Allowed Claims deferred cash payments, over a period not exceeding five (5) years after the Petition Date of such Claim of a value, equal to the Allowed amount of such Claim, as of the Effective Date.

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

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

11. The Plan must provide that the quarterly fees required under 28 U.S.C. 1930 have been paid or that they will be paid on the Effective Date of the Plan.

12. The Plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in Section 1114 of the Bankruptcy Code, at any time prior to confirmation of the Plan, for the duration of the period the Debtors has obligated itself to provide such benefits.

The Debtors believes that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all of the requirements of Chapter 11, and that the proposal of the Plan is made in good faith. To the extent that any of Classes 1 through 6 vote to reject the Plan, the Debtors will seek confirmation under the "Cramdown" provisions, as explained below.

C. Cramdown

Generally, under the Bankruptcy Code, a plan of reorganization must be approved by each impaired class of creditors. Bankruptcy Court, however, may confirm a plan that has not been approved by each impaired class if (a) at least one impaired class accepts the plan by the requisite vote and (b) the Bankruptcy Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to each class that is impaired and has not accepted the plan. A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if each dissenting class is treated equally with other classes of equal rank. "fair and equitable" has different meanings with respect to the treatment of secured claims, unsecured claims and equity interests.

As set forth in Section 1129(b)(2) of the Bankruptcy Code, the condition that a plan of reorganization be fair and equitable with respect to a class includes the following requirements. With respect to a secured claim, "fair and equitable" means either (i) the impaired secured creditor retains its liens to the extent of its allowed claim and receives

deferred cash payments at least equal to the allowed amount of its claims with a present value as of the effective date at least equal to the value of such creditor's interest in the property securing its liens, (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii) hereof, or (iii) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the plan.

With respect to an unsecured claim, "fair and equitable" means either, (i) each impaired unsecured creditor receives or retains 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 dissenting class will not receive or retain any property under the plan.

With respect to equity interests, "fair and equitable" means either (i) each impaired equity interest receives or retains on account of such interest 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; and (ii) the holder of any interest that is junior to the interest of such class will not receive or retain any property on account of such junior interest under the plan. These above "Cramdown" rules embody what is often referred to as the "absolute priority rule". Alternatively, Debtors may seek to retain property without paying unsecured creditors the full value of their claims by paying “new value”.

Thus, in the event there exists one or more Classes of impaired Claims or Equity Interests which reject the Plan, the Debtors reserve the right to proceed with Confirmation under the Cramdown rules pursuant to Section 1129(b) of the Bankruptcy Code, and the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is "fair and equitable" and does not unfairly discriminate against any rejecting, impaired Class of Claims, in which the Plan may be confirmed despite the fact that one or more impaired class rejects the Plan. The Plan does not require the consent of MidSouth or ESNA to be confirmed and to the extent MidSouth or ESNA opposes confirmation of the Plan and the Court upholds the objection, the Plan will not be confirmed.

VII. DESCRIPTION OF THE DEBTORS

A. Business and Ownership

1. Ownership and Operations

The Debtors’ co-founders, Troy Collins and Nathan Granger worked for competing oil and gas production manufacturers throughout the 1980s and 1990s until they met in the early 2000s and discovered a common passion: a better way of providing top-notch quality people to deliver quality products, along with high-level quality services, to top-tier customers in

the offshore oil and gas construction industry. A business endeavor and "better way" developed out of their mutual interest and in 2001, the two left their already successful careers and incorporated a new offshore contractor in their first Company together named "Quality Construction & Production" ("QCP"). QCP grew from 70 employees in early 2002 to over 800, initially primarily working on production platforms along the Gulf Coast and in the Gulf of Mexico (GOM).

Ultimately, QCP started an Industrial/International division which focuses on alternative energy projects in the United States and abroad, diversifying the company from the Gulf of Mexico. This diversification and expansion was not without experience in Industrial/International operations, as the division includes several individuals with stints working in plants in Venezuela, Bolivia, West Africa and Mexico. Collins and Granger still anticipate substantial growth opportunities and look forward to further diversifying QCP's operations and client base.

QCP enjoyed tremendous success and recognition in its rise to an industry leader, including earning a prestigious spot in Entrepreneur Magazine's Hot 500, as one of the fastest growing companies in America, as well as a spot on Acadiana's Top 50 Privately Held Companies for 2009-2014. QCP has also been featured in Construction Today Magazine and enjoys a safety record that is second to none in the construction and fabrication industry. Collins and Granger attribute much of their success to building solid, long-term, mutually beneficial relationships with clients as well as their own employees. This philosophy has given QCP a reputation as a service driven company that consistently exceeds customer and employee expectations.

Building on their success with QCP, Collins and Granger acquired the contract operations and Pro-Active Compliance (PAC) divisions of Production Management Industries, LLC (PMI) from Superior Energy Services in 2007, and added Quality Production Management, LLC (QPM) to the Quality Companies family. In just a relatively short period of time, QPM became a profitable enterprise experiencing growth not only in the Gulf of Mexico, but on land as well, by gaining a substantial natural gas plant operations project in North Dakota. In only its second year of operations, QPM was awarded the Lafayette District MMS S.A.F.E. award in 2009. During its inspections of GOM properties operated by QPM, MMS inspected 318 platform safety components and recognized QPM's Incident of Noncompliance-to-Component ratio of .028, which was substantially better than the industry average. MMS also noted the facilities inspected were rated excellent in maintenance and QPM facilities personnel were most cooperative in assisting in the MMS inspection activity. MMS also cited QPM's commitment to safety and the environment. Granger adds, "Much of the success of our companies can be attributed to our employees who are our greatest asset."

On April 1, 2011, Traco Production Services, Inc. joined the Quality Companies family.

Traco, founded in 1987 by a local family, offers a complete line of new and refurbished ASME coded production equipment, separators, pressure vessels, instrument and electrical safety systems, complete dehydration systems along with many other critical oil and gas production components while providing professional installation and repair for most of the products it sells. Traco also provides valve repair and equipment maintenance services, ASME coded vessel fabrication and repair, as well as glycol unit cleaning and servicing along with a host of other production related services. With Traco's well established reputation of providing superior service and continually meeting and exceeding customer expectations, it was the perfect complement to QCP and grew from a "mom & pop" operation to an industry leader in service.

Today, Quality still employs over 400 employees and sees growth opportunities with the service lines it currently offers. Quality has continued to expand its current market share and is primed and poised to take advantage of new markets, despite the downturn faced by the oil and gas industry.

2. Events Leading to Chapter 11 Filing

During the downturn in the oil and gas industry, Quality's primary lender, MidSouth Bank began attempting to reduce its exposure to the oil and gas industry by decreasing Quality's borrowing base on its line of credit. This action put a lot of pressure on Quality's business as Quality was reliant on its line of credit because of the nature of the fabrication and labor businesses. By taking Quality's liquidity away, MidSouth caused more problems than it helped because of the timing of the downturn. Quality and MidSouth entered into a settlement agreement on January 25, 2018, which provided that MidSouth would accept a discounted payoff if all of its loans were refinanced no later than March 15, 2018.

Once Quality made it clear to MidSouth that Quality would not be able to move the loans to another bank by the March 15, 2018 deadline, MidSouth Bank effectively cut off Quality's line of credit on March 9, 2018. On March 13, 2018, MidSouth refused to approve the draw request made the day before. As a result of being unable to draw on its line of credit, Quality was unable to use its accounts receivable collected and had no choice but to file a petition for relief under Chapter 11 of the Bankruptcy Code.

3. Major Creditors of the Debtors

(a) MidSouth Bank / ESNA

MidSouth Bank had a claim against the Debtors, as of the date of filing, in the approximate amount of $15,500,000.00. MidSouth Bank filed the following proofs of claim in these cases:

(i) Proof of Claim No. 136 filed in Bankruptcy Case bearing Docket Number 18-50303 in the stated amount of $15,455,880.14;
(ii) Proof of Claim No. 10 filed in Bankruptcy Case bearing Docket Number 18-50304 in the stated amount of $15,464,301.41;
(iii) Proof of Claim No. 116 filed in Bankruptcy Case bearing Docket Number 18-50305 in the stated amount of $15,515,063.60; and
(iv) Proof of Claim No. 3 filed in Bankruptcy Case bearing Docket Number 18-50306 in the stated amount of $15,453,757.77.

This claim is secured by a first mortgage on the Debtors' real estate, accounts receivable, cash, and most of the Debtors' equipment. This claim was acquired on or about December 19, 2018, by Energy Services Note Acquisition, LLC ("ESNA") for a purchase price of $10,480,000.00. Accordingly, ESNA's secured claim is valued at $10,480,000.00, the price actually paid.

(b) Pedestal Bank

Pedestal Bank has a claim against the Debtors in the amount of $1,578,311.45, which is secured by a first priority security interest in various vehicles, heavy equipment and welding equipment owned by the Debtors.

(c) Ford Motor Credit

Ford Motor Credit has secured claims against the Debtors in the total amount of $126,713.72, including $57,649.92 for QCP and $69,063.80 for Traco. These claims are secured by mortgages on various Ford vehicles owned by the Debtors.

(d) Fidelity Bank

Fidelity Bank has filed a secured claim against QCP in the total amount of $60,748.67. This claim is secured by a mortgage on QCP's 2017 GMC Yukon.

(e) Ally

Ally has filed a secured claim against QCP in the total amount of $10,682.92 . This claim is secured by mortgages on a 2012 Ford E350 van and a 2014 Ford F150 pickup truck.

(f) Priority Tax Claims

The Debtors owe priority tax claims as follows:

1. St. Charles School Board (Traco) $9,090.07

2. Internal Revenue Service (QPM) $1,552.12

The Debtors reserve the right to object to any or all of these priority tax claims to the extent they are inaccurate or conflict with filed tax returns.

(g) General Unsecured Creditors

The Debtors' schedules list general unsecured claims without priority totaling approximately $16,897,556.00. However, the total amount of general unsecured claims filed by the claims bar date of June 30, 2018, excluding unsecured claims previously paid by Court order, is $10,044,154.40.

(h) Administrative Expenses

The Debtors have incurred administrative expenses of professionals, which primarily include the services of Weinstein & St. Germain, LLC, attorneys for the Debtors, Allen & Gooch, special counsel for the Debtors, H. Kent Aguillard, attorney for the Unsecured Creditors' Committee, Mark Comeaux, accountant for the Debtors, and Darnall Sikes, accountants for the Debtors. In addition, the Debtors have incurred and will incur administrative expenses of Jeff W. Elmore and Elmore Consulting, LLC, their financial consultant. The Debtors also have a balance still owed to critical vendors under the agreed payment plans. It is estimated that the administrative expenses of professionals will be approximately $400,000.00 and the remaining critical vendors will be approximately $118,000.00 upon confirmation of the Plan.

B. Debtor's Assets

1. Immovable Property (Real Estate)

Debtor QCP owns the Debtors' facility, located at 425 Griffin Road, Youngsville, Louisiana, and a portable building owned by QPM. This real estate has been valued by the Debtors at $3,500,000.00. The real estate was valued at a higher value in the Debtors' schedules; however, the Debtors believe that the value of the real estate is currently $3,500,000.00, based on the prices investors have offered to purchase the Real Estate, an increased capitalization ratio because of current market conditions, and improvements that need to be made to the property.

2. Cash and Deposits

As of January 21, 2019, the Debtors had $2,378,916.06 in checking accounts at MidSouth Bank and Wesbanco.

3. Receivables

As of January 21, 2019, the Debtors were owed $9,492,653.52 in accounts receivable by non-Debtors, aged under 90 days. Of this amount, $4,746,326.76 would be collectible (50%) upon liquidation, based on the facts that 1) the costs of collection will be substantially increased, including trustee's fees and the possibility of selling or assigning the accounts to a collection agency, and 2) many customers will not pay the full amount owed when a company is being liquidated because of unbilled work in progress which would not be completed if the Debtors were shut down and lack on an ongoing business relationship. The Debtors also have various claims and causes of action, including claims in Chapter 11 bankruptcy proceedings, which have an unknown value.

4. Inventory

As of December 31, 2019, the Debtors held $451,408.50 worth of inventory, at liquidation value (50% of book value).

5. Vehicles

The Debtors own pickup trucks, tractor trucks, sport utility vehicles, and trailers worth $495,000.00 and boats valued at $46,000.00.

6. Machinery, Fixtures, and Equipment

The Debtors own machinery, fixtures, and equipment consisting of welding equipment, scaffolding, forklifts, cranes, heavy equipment, baskets, tools, and other equipment valued at $1,002,100.00. The Debtors also have office furniture and equipment worth $48,000.00.

C. Pre-Petition Legal Proceedings

At the time this case was filed, the Debtors were defendants in the following legal proceedings:

QCP

1. Arnold Garcia Nunez v. Quality Construction & Production, LLC, 15th Judicial District Court, Lafayette Parish, Docket No. 20165055B.
2. Brace Integrated Services, Inc. v. Quality Companies USA, et al., 15th Judicial District Court, Lafayette Parish, Docket No. 20181590D.
3. Miguel Garcia v. Quality Construction & Production, LLC, Office of Workers Compensation, Lafayette, LA, Docket No. 17-2502.

4. Donald Baptiste v. Quality Construction & Production, LLC, Office of Workers Compensation, Lafayette, LA.
5. Steve Richard v. Quality Construction & Production, LLC, Office of Workers Compensation, Lafayette, LA.
6. Neil Guidry v. Quality Construction & Production, LLC, Office of Workers Compensation, Lafayette, LA.
7. Juan Strong v. Quality Construction & Production, LLC, Office of Workers Compensation, Lafayette, LA.

Traco

1. A&B Valve & Piping Systems, LLC v. Traco Production Services, Inc., 15th Judicial District Court, Lafayette Parish, Docket No. 20181158.
2. Shannon Hardware Co., LLC v. Traco Production Services, Inc., 16th Judicial District Court, St. Mary Parish, Docket No. 132222B.
3. Anthony Guidry v. Traco Production Services, Inc., Office of Workers Compensation, Lafayette, LA, Docket No. 17-04317.

VIII. TRANSACTIONS AND POTENTIALLY AVOIDABLE TRANSACTIONS WITH INSIDERS.

Within the one year prior to bankruptcy, the Debtors has not made any potentially avoidable transfers to insiders or affiliates, other than those set forth in Exhibit E. After deducting salary payments, these payments to insiders total $49,598.40. Many of these potential claims may not be actionable because valid defenses may apply. To the extent that insiders do not acquire the MidSouth Bank claim the claims against the insiders (if any) will be evaluated by independent counsel and pursued for the benefit of the Class 6 and 7 creditors if warranted. Independent counsel will be selected in consultation with the Unsecured Creditors Committee and identified in a Plan supplement to be filed 10 days prior to Confirmation Hearing.

IX. THE DEBTOR'S CHAPTER 11 CASE

A. Significant Events During the Course of the Bankruptcy Proceeding.

On March 16, 2018, the Debtors filed a petition for relief under Chapter 11. The Debtors filed their remaining schedules on April 12, 2018. On or about March 29, 2018, the Court granted the Debtors' application to employ Weinstein & St. Germain, LLC, as their bankruptcy counsel. The Debtors have complied with all requirements of the US Trustees Office, have attended the IDI and the First Meeting of Creditors. The Debtors are current on monthly reporting and have paid all quarterly fees that have accrued or are due to the office of the US Trustee.

The Court heard the Debtors' first day motions, including the use of cash collateral of MidSouth Bank, on March 20, 2018, and granted them on an interim basis. The first day motions were granted on a final basis on April 17, 2018, with the exception of cash collateral, which was granted again on an interim basis. The Court also granted the Debtors the right to use MidSouth Bank's cash collateral on an interim basis in orders entered on March 21, 2018, July 13, 2018, August 21, 2018, and September 5, 2018, and at the hearings held on October 2, 2018 and January 8, 2019. The next hearing on cash collateral is set for February 12, 2019.

The Debtors' motion for insider compensation was granted on an interim basis on March 20, 2018, and on a final basis on April 24, 2018. Based on these orders, the current monthly salary of Troy Collins is $17,577.00 and the current monthly salary of Nathan Granger is $16,449.00.

On April 23, 2018, the Office of the United States Trustee appointed an Unsecured Creditors' Committee in these cases. H. Kent Aguillard was approved as counsel for this committee in an order entered on May 17, 2018. The application to employ also references that Michael A. Crawford and the law firm of Taylor, Porter, Brooks & Phillips, LLP would be employed by the Unsecured Creditors' Committee and would file a separate application.

The Court approved the Debtors' employment of Jeffrey Elmore as financial consultant and Mark Comeaux as accountant in orders entered on April 24, 2018. On May 29, 2018, the Court entered an order approving the employment of Darnall Sikes as additional accountants for the Debtors.

On May 4, 2018, the Debtors filed a motion to obtain debtor in possession financing from Ridgedale Partners, LLC. This motion was ultimately withdrawn.

On May 9, 2018, the Court set June 30, 2018, as the last day to file proofs of claim for creditors in these cases. The Court also approved the Debtors' payment of the prepetition claims of The Reynolds Company, RLC, LLC, National Welding Supply, and Hartford Steam Boiler Inspection and Insurance Co. as critical vendors and entered orders rejecting the lease with Atlantic Pacific Equipment, Inc., and the contract with Conrad Shipyard, LLC, on the same date.

The Court entered orders requiring adequate protection, including payments and maintenance of insurance, for Ford Motor Credit by QCP and Traco on May 29, 2018, and June 11, 2018, respectively.

The Court entered an order approving the procedures to pay professionals interim compensation on a monthly basis on June 11, 2018. The Court also entered orders

authorizing the Debtors to pay Norriseal - Wellmark, Knickerbocker Russell Co., Inc., and Dexter + Chaney, LLC as critical vendors and to pay adequate protection payments to Fidelity Bank on the same date.

On July 5, 2018, the Court extended the period during which the Debtors have the exclusive right to file a plan to October 11, 2018. This exclusivity period was subsequently extended to November 26, 2018, on October 17, 2018.

On August 21, 2018, the Court entered an order rejecting the lease of an industrial facility with T.D. Poultry, L.C., and an order to employ Cade Evans as special counsel.

On September 4, 2018, the Debtors filed a motion to obtain debtor in possession financing with Marquette Commercial Finance. This motion was subsequently withdrawn on October 2, 2018.

On October 31, 2018, the Court denied the motion filed by Kendall Allen to reject his employment contract and allowed the Debtors to assume the contract upon payment of Mr. Allen's final commission within 30 days. The Court also entered an order allowing the Debtors to make adequate protection payments to Pedestal Bank on the same date.

On November 7, 2018, the Court approved a part of the Debtors' settlement with Consolidated Electrical Distributors in order to remove a mineral lien that had been filed against one of the Debtors' customers.

On December 14, 2018, MidSouth filed a motion to lift the automatic stay to offset the Debtors' cash. This motion was set for hearing on January 8, 2019.

On December 19, 2018, Energy Services Note Acquisition, LLC ("ESNA") acquired the claim of MidSouth in these cases. On December 30, 2018, ESNA filed a motion to terminate the Debtors' exclusive right to file a plan in these cases.

On December 21, 2018, the Debtors filed an application to employ Brent Frederick and Ryan Ours as special counsel to advise and represent the Debtors in possible breaches of the non-disclosure agreement between the Debtors and The Stone Street Group, Inc., breach of fiduciary duty, failure to abide by good faith and fair dealing, unfair trade practices and other causes of action against The Stone Street Group, Inc., and other parties. The Court granted this application on December 27, 2018. On January 7, 2019, ESNA filed a motion to vacate the order approving the employment of Frederick and Ours. The motion to vacate is set for hearing on February 12, 2019.

On January 8, 2019, the Court denied ESNA's motion to terminate exclusivity. The Court ordered the Debtors to file an amended plan and disclosure statement by January 23, 2019, and set the disclosure statement for hearing on February 5, 2019. The use of cash collateral

was extended by consent to February 12, 2019, and the hearing on the motion to lift stay was also continued to February 12, 2019.

At a Rule 2004 Examination on held on January 21, 2019, ESNA testified that it paid $10,480,000.00 for the MidSouth Bank Claim. The insiders have exercised the rights they possess under Louisiana Law to acquire the claim of MidSouth Bank from ESNA.

B. Financial Performance During Chapter 11

During the course of these Chapter 11 cases, the Debtors transformed their operations and are now generating net profits. In August 2018, the Debtors collectively earned a net profit of $3,476.00. The Debtors posted net profits of $240,685.00 in September 2018, $232,537.00 in October 2018, $236,228.00 in November 2018, and $122,488.00 in December 2018. Copies of the Debtors' balance sheets and income statements taken from the Debtors' monthly reports during this Chapter 11 case are attached hereto as Exhibit C.

X. RISK FACTORS

A. Bankruptcy Considerations / Possible Inability of Debtors to Obtain Sufficient Votes to Confirm Plan

In considering whether to vote for or against the Plan, holders of Claims or Equity Interest in impaired Classes should consider the following:

There can be no assurance that the Plan as proposed will be accepted by the requisite number of holders or amounts of Claims or approved by the Bankruptcy Court, and there can be no assurance that the Plan will not be modified up to and through the Confirmation Date. Notwithstanding Bankruptcy Court approval, it is possible that the Plan may not be consummated because of other external factors that may adversely affect the funding of the distributions provided therein and/or the making of distributions.

Inasmuch as the plan envisions deferred contributions, there is a risk that the parties making the contribution are not in the position to make the contributions when required.

In addition, this Plan's projections assume the Class 1 creditor's secured claim is $10,480,000.00. If the parties do not agree on the valuation of this secured claim, the Court will set the value after notice and a hearing. A value of this secured claim in excess of $14,000,000.00 may affect feasibility.

B. Risks of Sales and Customer Attrition

There is no guarantee at the present time that the Debtors will be able to keep a sufficient

number of customers in order to generate sufficient funds to make the plan payments proposed. Customer attrition is a natural part of the Debtors' business and there is no guaranty that the Debtors' marketing plan will be able to replace any customers lost on a monthly basis.

C. Absolute Priority Rule

The Plan may violate the absolute priority rule if either Class 6 or Class 7 votes against the Plan. If the absolute priority rule is violated the Plan can only be confirmed if the Court invokes the "new value exception" to the absolute priority rule.

XI. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain considerations that may affect the anticipated federal income tax consequences of the implementation of the Plan to the Debtors, the holders of Claims, and the holders of Equity Interests. It does not address all federal income tax consequences of the Plan nor does it address the state or local income tax or other state and local tax consequences of implementation of the Plan to holders of claims against and interests in the Debtors. Counsel for the Debtors are not tax attorneys and have not, and will not, render any opinion concerning the tax consequences of the Plan to the Debtors or any other entity or person.

The description of the federal tax consequences of implementing the Plan is based on the interpretation of the applicable provisions of the Internal Revenue Code (the "Tax Code"), the Treasury regulations promulgated thereunder, judicial authorities and current administrative ruling, and practices now in effect, all of which are subject to change at any time by legislative, judicial or administrative action. Any such change could be retroactively applied in a manner that could adversely affect the Debtors, holders of Claims and holders of Equity Interests. In addition, certain aspects of the following discussion are based on proposed Treasury regulations. The tax consequences of certain aspects of the Plan are uncertain due to the lack of applicable legal authority, and may be subject to administrative or judicial interpretations that differ from the discussions below.

THE DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL INFORMATION ONLY. THE DEBTORS AND THEIR COUNSEL AND FINANCIAL ADVISORS ARE NOT MAKING ANY REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE CONFIRMATION AND CONSUMMATION OF THE PLAN, WITH RESPECT TO THE DEBTORS, HOLDERS OF CLAIMS OR HOLDERS OF EQUITY INTERESTS. NOR ARE THEY RENDERING ANY FORM OF LEGAL OPINION OR TAX ADVICE ON SUCH TAX CONSEQUENCES. THE TAX LAWS APPLICABLE TO CORPORATIONS IN BANKRUPTCY ARE EXTREMELY COMPLEX, AND THE FOLLOWING SUMMARY

IS NOT EXHAUSTIVE. HOLDERS OF CLAIMS AND HOLDERS OF EQUITY INTERESTS ARE STRONGLY URGED TO CONSULT THEIR TAX ADVISORS REGARDING TAX CONSEQUENCES OF THE PLAN, INCLUDING FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES.

A. Federal Income Tax Consequences to the Debtors.

In general, the Debtors do not expect to incur any substantial tax liability as a result of the implementation of the Plan.

In general, the Tax Code, with certain exceptions, provides that taxpayers realize a "cancellation of indebtedness" must include the amount of canceled indebtedness in gross income to the extent that the indebtedness canceled exceeds any consideration given for such cancellation. The Tax Code further provides, however, that where the taxpayer is in a Chapter 11 case and the cancellation of indebtedness is pursuant to a plan approved by the Bankruptcy Court, such cancellation of indebtedness will not be included in gross income, but the taxpayer must generally reduce tax attributes in a specified order.

The Debtors expect to realize a material amount of cancellation of indebtedness ("COD") income as a result of the Plan. Because the Debtors are in bankruptcy, however, they will not be required to include COD income in taxable income.

B. Federal Income Tax Consequences to Holders of Claims.

Holders of Claims may be required to recognize income or may be entitled to a deduction as a result of implementation of the Plan. The exact tax treatment depends on, among other things, each holder's method of accounting, the nature of each holder's Claim, the fair market value of any property received, and whether and to what extent such holder has taken a bad debt deduction in prior tax years with respect to the particular debt owed to it by the Debtors. A holder's method of accounting and the extent such holder has taken a bad debt deduction determines a holder's "tax basis" in its Claim. To the extent that the fair market value of property received under the Plan exceeds the tax basis in the Claim, taxable income must be recognized by a holder. To the extent the tax basis in a holder's Claim is greater than the fair market value of property received under the Plan, a loss may be recognizable.

ALL HOLDERS OF CLAIMS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF IMPLEMENTATION OF THE PLAN TO THEM UNDER APPLICABLE FEDERAL, STATE AND LOCAL TAX LAWS.

XII. ANTICIPATED FUTURE LITIGATION

A. Preferences.

Pursuant to the Bankruptcy Code, Debtors may recover certain preferential transfers of property, including cash, made while insolvent during the ninety (90) days immediately prior to the filings of his bankruptcy petition in respect of pre-existing debts to the extent the transferee received more than it would have in respect of the pre-existing debt had the Debtors been liquidated under chapter 7 of the Bankruptcy Code. The recovery period is one year if the recipient of the preferential transfer is an insider of the Debtors. There are certain defenses to such recoveries. Transfers made in the ordinary course of the Debtors's and the transferee's business according to the ordinary business terms in respect to debt less than ninety (90) days old are not recoverable. Furthermore, if the transferee extended credit subsequent to the transfer (and prior to the commencement of the bankruptcy case) for which transferee was not repaid, such extension constitutes an offset against any otherwise recoverable transfer of property. If a transfer is recovered by the Debtors, the transferee has a general unsecured claim against the Debtors to the extent of the recovery.

A list of the potentially actionable preference claims are included in a list attached hereto as Exhibit E. The Debtors made a total of $7,964,875.79 worth of payments to creditors within 90 days of the filing. Under 11 USC Section 547, some or all of the payments may be recoverable. It is not the intention of this Plan to sue the Class 7 creditors in light of the facts that 1) the recipients of the payments likely have defenses to defend some or all of the payments, 2) the cost of pursuing the payments is significant, 3) the claims against the recipients of the payments may not be collectable, 4) the recipients of the payments have already suffered a loss, and 5) pursuit of preferences is not conducive to future business dealings. Experience has shown that the net recoveries from preference actions are about 20% of the total payments made.

B. Fraudulent Conveyances.

Under the Bankruptcy Code and under various state laws, Debtors may recover certain transfers or property, including the grant of a security interest in property, made while insolvent or which rendered it insolvent if and to the extent the Debtors received less than fair value for such property.

A list of the potentially actionable fraudulent transfer claims are included in a list attached hereto as Exhibit E. The collectability of these potential fraudulent conveyance claims is substantially less than the amount of the transfers made because of (1) defenses to the causes of action, (2) the solvency of the defendants, and (3) the costs of litigation and collection. Experience has shown that the net recoveries from fraudulent conveyance actions are about 20% of the total payments made. The Debtors do not intend to pursue these fraudulent

conveyance actions because the benefits of pursuing them are questionable.

C. Other Litigation.

The Debtors will retain and may pursue any and all causes of action and/or claims against Roy Hill - CETA, Brennan Vinet, Mike Holmes, Kendall Allen, Chad Bergeron, Jason Alleman, Crimson Gulf, LLC, Ervin Cable, NX Utilities, BHP Billiton, Conoco Phillips, Petroquest Energy, Inc., Offshore Inland Marine & Oilfield Services Companies, Inc., Northstar Offshore Group, LLC, Rooster Energy, LLC, and other parties who owe accounts receivable to the Debtors, as well as MidSouth Bank, Energy Services Note Acquisition, LLC, and The Stone Street Group, Inc., and any other parties acting in concert with them, for breach of the non-disclosure agreement between the Debtors and The Stone Street Group, Inc., breach of fiduciary duty, failure to abide by good faith and fair dealing, unfair trade practices, and other causes of action.

XIII. ESNA CLAIMS THIS DISCLOSURE STATEMENT LACKS REQUIRED INFORMATION FOR CREDITORS TO VOTE ON THE PLAN

ESNA has provided the following comments to this Disclosure Statement:

The Debtors do not provide information as to continued operations of Quality Acquisition Company, LLC

The Debtors do not provide a sufficient liquidation analysis for each of the non-substantively consolidated Debtors.

The Debtors have provided neither sufficient details, nor a copy of all pertinent purchase/sale/lease documentation, regarding the proposed purchase of the Real Estate by Wein Air LA, LLC or the proposed leaseback of such property by Wein Air LA, LLC to the Debtors.

The Debtors have not provided any information or documentation as to the financial capability of Nathan Granger or Troy Collins to (a) provide $250,000 to the Debtors or (b) pay any of their Chapter 5 liabilities.

The Debtors do not address the preservation, treatment or collectability of the very high intercompany liabilities existing between the Debtors.

The Debtors do not mention that ESNA has one or more liens on the intercompany receivables owed by the Debtors to one another.

The Debtors do not disclose why the Chapter 5 liabilities owed by Nathan Granger and Troy Collins amount to only $49,598.40.

The insiders have not taken any steps required to properly exercise any rights they may have under Louisiana law to redeem litigious rights.

XIV. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe that the Plan affords the holders of Claims and Equity Interests the potential for the greatest realization on their Claims and Equity Interests and, therefore, is in the best interest of such holder. If the Plan is not confirmed, however, the theoretical alternatives include: (a) alternative plans of reorganization or (b) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code.

A. Alternative Plans of Reorganization.

If the Plan is not confirmed, it is possible that Debtors or any other party in interest in the Chapter 11 Case could attempt to formulate and propose a different plan or plans on such terms as they may desire. ESNA has stated its willingness to file a competing plan which "yields a greater, all cash (i.e., risk free), dividend to unsecured creditors than the Plan proposed by the Debtors."

B. Chapter 7 Liquidation.

In a Chapter 7 case, the amount distributed to unsecured creditors depends upon the net estate available after all assets of the Debtors have been reduced to cash. The cash realized from liquidation of the Debtors's assets would be distributed first to secured creditors. Under Chapter 7, a secured creditor whose claim is fully secured would be entitled to full payment, including interest from the proceeds of the sale of its collateral. A secured creditor whose collateral is insufficient to pay its secured claim in full will be entitled to assert an unsecured claim for its deficiency and share with unsecured creditors. Thereafter, any remaining funds would be distributed in accordance with the priorities set forth in Section 507 of the Bankruptcy Code. Claims entitled to priority under the Bankruptcy Code would be paid in full before any distribution to general unsecured creditors. Whether a bankruptcy case is one under Chapter 7 or Chapter 11, Administrative Expense Claims, Professional Compensation and Reimbursement Claims, Priority Tax Claims and Other Priority Claims are entitled to be paid in cash and in full before general unsecured creditors receive any funds.

As shown in the liquidation analysis attached hereto as Exhibit D, the Plan results in approximately $1,000,000.00 more being paid to general unsecured creditors than would be paid in a Chapter 7 liquidation. In addition, conversion to Chapter 7 would add another layer of administrative expenses, because of the fees of the Chapter 7 trustee and his attorneys,

accountants and other professionals, further reducing payments to creditors and increasing the time it would take for creditors to be paid.

XV. SUMMARY OF THE DEBTORS' PLAN

The following is a summary of the Chapter 11 Plan proposed by the Debtors. While the Debtors believes the summary to be accurate, in the event of any inconsistencies between the Plan and this summary, the provisions of the Plan shall be controlling.

ARTICLE II.

GENERAL PREMISES OF THE PLAN AND PLAN CONCEPTS

2.1 Basic Plan Premises

The Debtors will continue to operate the three current divisions, QCP, QPM, and Traco, in order to generate income which will allow the Debtors to make payments under this Plan. QAC will continue to own the shares of Traco.

The Class 1 claim of MSBCH will receive a payment on the Effective Date of $3,500,000 with the balance of the Class 1 claim being paid over a five year period. The Class 6 claim of MSBCH will either be paid on the same basis as the Class 7 creditors or will be converted as partial consideration for equity depending on whether any MSBCRP acquire the MidSouth Bank Claim.

Unsecured creditors will be paid a pro-rata portion of $1,000,000.00 over five (5) years plus any additional consideration set forth in this Plan, which may include recoveries from claims against insiders, if any, if the insiders do not acquire the MidSouth Bank Claim.

The Exit Funding Entity will acquire the equity interests in the Debtors equal to 75% of the Reorganized Debtor for contributing the Exit Funding, and, for making the capital contribution contained in this Plan, Nathan Granger and Troy Collins will own the other 25%.

The Debtors will also continue to manage their own affairs post confirmation. Nathan Granger and Troy Collins will continue to oversee the day to day operations of the Reorganized Debtor and will continued to be compensated with the same salary and benefits approved during this Chapter 11 case.

ARTICLE III

CLASSIFICATION OF CLAIMS AND EXISTING EQUITY INTERESTS

3.1 CLASSIFICATION OF CLAIMS

The following table designates the classes of Claims against and Equity Interests in the Debtors and specifies which of those classes are impaired or unimpaired by this Plan and entitled to vote to accept or reject this Plan in accordance with Section 1126 of the Bankruptcy Code:

Class Designation

Class 1 The claim of MSBCH

Class 2 The claim of Pedestal Bank

Class 3 The claim of Ford Motor Credit

Class 4 The claim of Fidelity Bank

Class 5a The claim of Ally - 2014 Ford F150

Class 5b The claim of Ally - 2012 Ford E350

Class 6 The deficiency claim of MSBCH

Class 7a The claims of the Unsecured Creditors of QCP

Class 7b The claims of the Unsecured Creditors of QPM

Class 7c The claims of the Unsecured Creditors of Traco

Class 7d The claims of the Unsecured Creditors of QAC

Class 8 The equity interests in the Debtors

ARTICLE IV

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

4.1 Administrative Expense Claims. Except to the extent that any person entitled to payment of any Allowed Administrative Expense Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on the Effective Date or, if later, the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or within ten (10) days thereof; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business, shall be paid in full and performed by Debtors in the ordinary course of business.

4.2 Professional Compensation and Reimbursement Claims. All entities, seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred within 30 days of the Effective Date. Notwithstanding any other paragraph herein, the Debtors shall pay Administrative Expense claims and Professional Compensation within 10 days after the Effective Date or within 10 days after such claims or compensation are allowed, whichever is later.

4.3 Allowed Priority Tax Claims. The priority tax creditors, if any, will be paid the full amount of their allowed priority tax claims within five (5) years of the Petition Date, pursuant to 11 U.S.C. Section 1129(a)(9)(C). The first payment to the priority creditors will be due on the Effective Date. The following payments thereafter will on the first day of each month thereafter. Priority tax creditors who have filed proofs of claim are as follows:

1. St. Charles School Board (Traco) $9,090.07
2. Internal Revenue Service (QPM) $1,552.12

The Debtors reserve the right to object to any or all of these priority tax claims to the extent they are inaccurate or conflict with filed tax returns.

4.4 Other Priority Claims. Other Priority Claims, if any, will be paid the full amount of their allowed priority claim in full on the Effective Date.

4.5 Statutory Fees Due the United States Trustee. Pursuant to 28 U. S. C. § 1930(a)(6), The Unites States Trustee's fees do not require allowance by the Court and both pre-confirmation and post-confirmation UST fees shall be paid in cash and in full pursuant to all applicable provisions of the Bankruptcy Code and other statutory provisions. The Debtors will file all monthly reports up until the time a final decree is entered.

ARTICLE V

TREATMENT OF CLAIMS AND EQUITY INTERESTS

5.1 CLASS 1 -- SECURED CLAIM OF MSBCH

(a) Impairment and Voting. Class 1 is impaired by the Plan. The holder of the Allowed Class 1 Claim is entitled to vote to accept or reject the Plan. The Claim of MSBCH shall be paid in monthly payments calculated based upon the following:

1. A payment of $3,500,000.00 on the Effective Date of the Plan incident to the sale of the Real Estate to Wein Air LA, LLC free and clear of liens and claims;

2. A principal amount equal to the value of the collateral that secures the MidSouth Bank Claim (which the Debtors contend is $10,480,000.00, based on the purchase price paid by ESNA, but will be valued in accordance with the Bankruptcy Code and applicable law) less the value of the Real Estate being sold ($3,500,000.00). The Debtors believe this principal amount is $6,980,000.00;

3. An interest rate equal to the Plan Rate; and

4. An amortization of ten (10) years.

Any remaining principal and interest shall be paid on the 5th Anniversary of the Effective Date.

(b) The collateral that presently secures the MidSouth Bank Claim (except for the Real Estate which shall be sold on the Effective Date to Wein Air, LA., LLC) shall serve as security for the payments due MSBCH under the Plan.

4.2 CLASS 2 -- SECURED CLAIM OF PEDESTAL BANK.

(a) Impairment and Voting. Class 2 is impaired by the Plan. The holder of the Allowed Class 2 Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The only Claim in, and party to, this Class is Pedestal Bank.

Pedestal Bank has a claim against the Debtors in the amount of $1,578,311.45 which is secured by a first priority security interest in various vehicles, heavy equipment and welding equipment owned by the Debtors. This claim will be treated as fully secured. This secured claim will be amortized over ten (10) years with interest at the Plan Rate. The first payment

will become due on the first day of the month that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each month thereafter.

4.3 CLASS 3 -- SECURED CLAIM OF FORD MOTOR CREDIT.

(a) Impairment and Voting. Class 3 is impaired by the Plan. The holder of the Allowed Class 3 Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The only Claim in, and party to, this Class is Ford Motor Credit.

Ford has secured claims against the Debtors in the total amount of $126,713.72, including $57,649.92 for QCP and $69,063.80 for Traco. These claims are secured by mortgages on various Ford vehicles owned by the Debtors. These claims will be treated as fully secured. These secured claims will be amortized over five (5) years with interest at the Plan Rate. The first payment will become due on the first day of the month that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each month thereafter.

4.4 CLASS 4 -- SECURED CLAIM OF FIDELITY BANK.

(a) Impairment and Voting. Class 4 is impaired by the Plan. The holder of the Allowed Class 4 Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The only Claim in, and party to, this Class is Fidelity Bank.

Fidelity has filed a secured claim against the Debtors in the total amount of $60,748.67. This claim is secured by a mortgage on QCP's 2017 GMC Yukon. This claim will be treated as fully secured. This secured claim will be amortized over five (5) years with interest at the Plan Rate. The first payment will become due on the first day of the month that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each month thereafter.

4.5a CLASS 5a -- SECURED CLAIM OF ALLY - 2014 FORD F150.

(a) Impairment and Voting. Class 5a is impaired by the Plan. The holder of the Allowed Class 5a Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The only Claim in, and party to, this Class is Ally for its secured claim against 2014 Ford F150 pickup truck.

Ally has filed a secured claim against the Debtor QCP for the 2014 F150 in the amount of $7,084.14. This claim is secured by a mortgage on a 2014 Ford F150 pickup truck. This claim will be treated as fully secured. This secured claim will be amortized over four (4)

years with interest at the Plan Rate. The first payment will become due on the first day of the month that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each month thereafter.

4.5b CLASS 5b -- SECURED CLAIM OF ALLY - 2012 FORD E350.

(a) Impairment and Voting. Class 5b is impaired by the Plan. The holder of the Allowed Class 5b Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The only Claim in, and party to, this Class is Ally for its secured claim against 2012 Ford E350 Econoline.

Ally has filed a secured claim against the Debtor QCP for the 2012 E350 in the amount of $3,654.86. This claim is secured by a mortgage on a 2012 Ford E350 Econoline. This claim will be treated as fully secured. This secured claim will be amortized over two (2) years with interest at the Plan Rate. The first payment will become due on the first day of the month that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each month thereafter.

5.6 CLASS 6 -- DEFICIENCY CLAIM OF MSBCH

(a) Impairment and Voting Class 6 is impaired by the Plan. The holder of an Allowed Class 6 Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The only Claim in, and party to, this Class is the holder of the MidSouth Bank Claim.

The amount of the Class 6 deficiency claim will be the total amount of the MidSouth Bank Claim less $10,480,000.00, the amount of the secured claim set forth in Class 1, above.

The holder of the Allowed Class 6 Claim will be paid in the same manner as the Class 7 creditors and will receive the same percentage of their Class 6 claim as the Class 7 creditors. If, however, any MSBCRP are determined to be the holder of the MidSouth Bank Claim, one quarter of the payments due the Class 6 creditor will be paid to the Class 7 creditors and the balance will be contributed to the Debtors by such MSBCRP as partial consideration in exchange for its equity interest in the Debtors.

5.7a CLASS 7a -- UNSECURED CLAIMS OF QCP.

(a) Impairment and Voting. Class 7a is impaired by the Plan. The holder of an Allowed Class 7a Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims in this Class include those of the general unsecured creditors of QCP (except the holder of the Class 6 Claim) holding Allowed Unsecured Claims, without priority.

All allowed unsecured claims in Classes 7a, 7b, 7c, and 7d will be paid a pro-rata portion of quarterly payments until a total of $1,000,000.00 has been paid. The quarterly payments will be in the amount of $50,000.00 per quarter for twenty (20) quarters. The first quarterly payment will be due the first day of the quarter that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each quarter thereafter. The payments will be completed in five years. If any disputed claim is allowed and not paid by insurance proceeds, then that creditor will receive a pro rata share of the monthly payments and the payments on all other allowed claims will be reduced accordingly.

If any of the MSBCRP are the holders of the MidSouth Bank Claim on the Effective Date of the Plan or become the holders of the MidSouth Bank Claim, the Class 7a - 7d creditors shall share pro-rata in a payment of $125,000.00 to be paid by the Debtors either on the Effective Date or within thirty (30) days of the date the order rendered determining that any of the MSBCRP are the owner of the Mid South Bank Claim becomes final and non-appealable, whichever occurs last.

In the event the insiders do not acquire the MidSouth Bank Claim, the Class 7a - 7d creditors will share pro-rata in any recovery with respect to claims asserted against the insiders to the extent that such claims exist.

5.7b CLASS 7b -- UNSECURED CLAIMS OF QPM.

(a) Impairment and Voting. Class 7b is impaired by the Plan. The holder of an Allowed Class 7b Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims in this Class include those of the general unsecured creditors of QPM (except the holder of the Class 6 Claim) holding Allowed Unsecured Claims, without priority.

All allowed unsecured claims in Classes 7a, 7b, 7c, and 7d will be paid a pro-rata portion of quarterly payments until a total of $1,000,000.00 has been paid. The quarterly payments will be in the amount of $50,000.00 per quarter for twenty (20) quarters. The first quarterly payment will be due the first day of the quarter that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each quarter thereafter. The payments will be completed in five years. If any disputed claim is allowed and not paid by insurance proceeds, then that creditor will receive a pro rata share of the monthly payments

and the payments on all other allowed claims will be reduced accordingly.

If any of the MSBCRP are the holders of the MidSouth Bank Claim on the Effective Date of the Plan or become the holders of the MidSouth Bank Claim, the Class 7a - 7d creditors shall share pro-rata in a payment of $125,000.00 to be paid by the Debtors either on the Effective Date or within thirty (30) days of the date the order rendered determining that any of the MSBCRP are the owner of the Mid South Bank Claim becomes final and non-appealable, whichever occurs last.

In the event the insiders do not acquire the MidSouth Bank Claim, the Class 7a - 7d creditors will share pro-rata in any recovery with respect to claims asserted against the insiders to the extent that such claims exist.

5.7c CLASS 7c -- UNSECURED CLAIMS OF TRACO.

(a) Impairment and Voting. Class 7c is impaired by the Plan. The holder of an Allowed Class 7c Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims in this Class include those of the general unsecured creditors of Traco (except the holder of the Class 6 Claim) holding Allowed Unsecured Claims, without priority.

All allowed unsecured claims in Classes 7a, 7b, 7c, and 7d will be paid a pro-rata portion of quarterly payments until a total of $1,000,000.00 has been paid. The quarterly payments will be in the amount of $50,000.00 per quarter for twenty (20) quarters. The first quarterly payment will be due the first day of the quarter that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each quarter thereafter. The payments will be completed in five years. If any disputed claim is allowed and not paid by insurance proceeds, then that creditor will receive a pro rata share of the monthly payments and the payments on all other allowed claims will be reduced accordingly.

If any of the MSBCRP are the holders of the MidSouth Bank Claim on the Effective Date of the Plan or become the holders of the MidSouth Bank Claim, the Class 7a - 7d creditors shall share pro-rata in a payment of $125,000.00 to be paid by the Debtors either on the Effective Date or within thirty (30) days of the date the order rendered determining that any of the MSBCRP are the owner of the Mid South Bank Claim becomes final and non-appealable, whichever occurs last.

In the event the insiders do not acquire the MidSouth Bank Claim, the Class 7a - 7d creditors will share pro-rata in any recovery with respect to claims asserted against the insiders to the extent that such claims exist.

5.7d CLASS 7d -- UNSECURED CLAIMS OF QAC.

(a) Impairment and Voting. Class 7d is impaired by the Plan. The holder of an Allowed Class 7d Claim is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims in this Class include those of the general unsecured creditors of QAC (except the holder of the Class 6 Claim) holding Allowed Unsecured Claims, without priority.

All allowed unsecured claims in Classes 7a, 7b, 7c, and 7d will be paid a pro-rata portion of quarterly payments until a total of $1,000,000.00 has been paid. The quarterly payments will be in the amount of $50,000.00 per quarter for twenty (20) quarters. The first quarterly payment will be due the first day of the quarter that is at least 30 days after the Effective Date. Subsequent payments will be made on the first day of each quarter thereafter. The payments will be completed in five years. If any disputed claim is allowed and not paid by insurance proceeds, then that creditor will receive a pro rata share of the monthly payments and the payments on all other allowed claims will be reduced accordingly.

If any of the MSBCRP are the holders of the MidSouth Bank Claim on the Effective Date of the Plan or become the holders of the MidSouth Bank Claim, the Class 7a - 7d creditors shall share pro-rata in a payment of $125,000.00 to be paid by the Debtors either on the Effective Date or within thirty (30) days of the date the order rendered determining that any of the MSBCRP are the owner of the Mid South Bank Claim becomes final and non-appealable, whichever occurs last.

In the event the insiders do not acquire the MidSouth Bank Claim, the Class 7a - 7d creditors will share pro-rata in any recovery with respect to claims asserted against the insiders to the extent that such claims exist.

5.8 CLASS 8 -- CLAIMS OF MEMBER INTERESTS.

(a) Impairment and Voting. Class 8 is impaired by the Plan. The holders of Allowed Class 8 Member Interests will obtain a total of twenty-five percent (25%) ownership interests in the Debtors.

(b) Treatment. The Debtors' members, Troy Collins and Nathan Granger, will obtain a total of 25% ownership interests in the Debtors by contributing new value in the total sum of $250,000.00 to the Debtors. On the Effective Date, $125,000.00 shall be contributed, and, on the first anniversary of the Effective Date, an additional $125,000.00 shall be contributed. The Exit Funding Entity will obtain a 75% interest for contributing the Exit Funding. The total contribution to equity will be $1,000,000 if the Guarantors do not acquire the MidSouth Bank Claim and if they do acquire the MidSouth Bank claim the contribution to Equity shall

be the Class 6 deficiency claim of MSBCH.

Troy Collins and Nathan Granger intend to fund this additional capital contribution through a combination of cash on hand, additional personal debt, assets that can be readily liquidated, and/or gifts from close family or friends.

Debtors shall have the right, but not the obligation, to prepay some or all of the plan payments listed above at any time without penalty.

ARTICLE VI
EXECUTORY CONTACTS AND UNEXPIRED LEASES

6.1 Assumption or Rejection of Executory Contracts and Unexpired Leases.

(a) Executory Contracts and Unexpired Leases. The Debtors hereby assume all master service agreements with customers and all other executory contracts and leases not specifically rejected herein or rejected by prior order of the Court. The Debtors also hereby reject any and all leases with De Lage Landen Financial Services and Brace Integrated Services, Inc. / Brace Industrial Group.

(b) Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and rejection of the executory contracts and unexpired leases assumed or rejected pursuant to Section 5.1(a) hereof.

ARTICLE VII

IMPLEMENTATION AND EFFECT OF CONFIRMATION OF PLAN

7.1 Retained Property. As of the Effective Date, the Debtors' property will be revested in the Debtors free and clear of any claims, liens, mortgages, ownership interests, or any other encumbrances, other than those mortgages that shall continue as specified in the Plan.

Notwithstanding the foregoing, on the Effective Date, the Debtor shall sell to Wein Air LA, LLC (a company owned and operated by John Weinstein) the Real Estate for the sum of $3,500,000, free and clear of liens and claims. The sale shall be in the form of an Internal Revenue Code Section 1031 exchange. Wein Air shall then lease the Real Estate back to the Reorganized Debtor based upon the following terms:

The Reorganized Debtor shall enter into a 10 year lease with Wein Air, LA, LLC on a triple net basis for $38,000 per month for the Real Estate purchased by Wein Air LA, LLC, as referenced above.

In connection with the proposed sale of the Real Estate set forth above, the holder of the MidSouth Bank claim, if it is a party other than the Guarantors, shall possess whatever rights they have pursuant to 11 USC 363(k) to the extent the Court allows such holder to "credit bid."

7.2 Causes of Action. Except as provided in the Plan, as of the Effective Date, pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, any and all Causes of Action accruing to the Debtors and Debtors in Possession, including, without limitation, actions under Sections 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, shall remain assets of the Debtors, including actions against the potential defendants set forth in Exhibit E.

In addition, the Debtors will retain and may pursue, without limitation, any and all causes of action and/or claims against Roy Hill - CETA, Brennan Vinet, Mike Holmes, Kendall Allen, Chad Bergeron, Jason Alleman, Crimson Gulf, LLC, Ervin Cable, NX Utilities, BHP Billiton, Conoco Phillips, Petroquest Energy, Inc., Offshore Inland Marine & Oilfield Services Companies, Inc., Northstar Offshore Group, LLC, Rooster Energy, LLC, and other parties who owe accounts receivable to the Debtors, as well as, without limitation, MidSouth Bank, Energy Services Note Acquisition, LLC, and The Stone Street Group, Inc., and/or those acting in concert with them, for breach of the non-disclosure agreement between the Debtors and The Stone Street Group, Inc., breach of fiduciary duty, failure to abide by good faith and fair dealing, unfair trade practices, contesting the validity of any pre-petition security interests, security devices, or mortgages acquired by Energy Services Note Acquisition, LLC, including the validity of the transfers, and other causes of action.

In the event the insiders of the Debtor acquire the MidSouth Bank Claim and such claim is contributed to equity, any claims against the insiders by the Debtor will be released. If the MidSouth Bank Claim is not acquired, then independent counsel will evaluate any potential claims against the insiders. Independent Counsel will be identified by the Debtors in a Plan supplement filed 10 days prior to the Confirmation Hearing in consultation with the Unsecured Creditors' Committee.

7.3 Discharge of Debtors. The Debtors will receive a discharge of all debts upon confirmation.

7.4 Injunction. Except as otherwise expressly provided in the Plan or the Confirmation Order, all entities who have held, hold or may hold Claims against or Equity Interests in the Debtors, are permanently enjoined, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors on account of any such Claim or Equity Interest, (c) creating, perfecting or enforcing any encumbrance of any kind against the Debtors or against the property or interests in property of the Debtors

on account of any such Claim or Equity Interest, and (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Equity Interest. Such injunction shall extend to successors and affiliates of the Debtors and their respective properties and interests in property.

XVI. GLOSSARY

As used in this Disclosure Statement, the following terms have the respective meanings specified below, unless the context otherwise requires:

15.1 "Administrative Expense Claim" means any right to payment constituting a cost or expense of administration of the Chapter 11 Case under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses, of preserving the estate of the Debtors, all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under Sections 330 or 503 of the Bankruptcy Code.

15.2 "Allowed" means where referenced to any Claim or Equity Interest, (a) any Claim against or Equity Interest in the Debtors which has been listed by the Debtors in their Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of Claim or Equity Interest has been filed, (b) any Claim or Equity Interest Allowed hereunder or Allowed under the Bankruptcy Code, or (c) any Claim or Equity Interest which is not Disputed, or any Claim or Equity Interest which, if Disputed, (i) as to which, pursuant to the, Plan or a Final Order of the Bankruptcy Court, the liability of the Debtors and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court, or (ii) has been Allowed by Final Order; provided, however, that any Claim or Equity Interest allowed solely for the purpose of voting to accept or reject the Plan pursuant to a Final Order of the Bankruptcy Court shall not be considered an "Allowed Claim" or "Allowed Equity Interest" hereunder. Unless otherwise specified herein or by Final Order of the Bankruptcy Court, "Allowed Administrative Expense Claim," "Allowed Claim, or "Allowed Equity Interest" shall not for purposes of computation of distributions under the Plan, include interest on such Administrative Expense Claim, Claim or Equity Interest from and after the Commencement Date.

15.3 "Ballot" means the form distributed to each holder of an impaired Claim or Equity Interest which indicates acceptance or rejection of the Plan.

15.4 "Bankruptcy Code" means Title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

15.5 “Bankruptcy Court” or “Court” means the United States Bankruptcy Court for the Western District of Louisiana, Lafayette Division.

15.6 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under Section 2075 of Title 28 of the United States Code, and any Local Rules of the Bankruptcy Court.

15.7 “Business Day” means any day of the week exclusive of Saturdays, Sundays, and "legal holidays." As used herein, "legal holidays" shall have the same meaning as used in Federal Bankruptcy Rule 9006.

15.8 “Cause of Action” means, without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims and demands whatsoever, whether known or unknown, in law, equity or otherwise.

15.9 “Claim” has the meaning set forth in Section 101 of the Bankruptcy Code.

15.10 “Claimant” means the holder of a Claim against any of the Debtors.

15.11 “Claims Register” shall mean the list of proofs of Claim prepared and maintained by the Clerk of Bankruptcy Court.

15.12 “Class” means a category of holder of Claims or Equity Interests as set forth in Article IV of the Plan.

15.13 “Collateral” means any property or interest in property of the estate of the Debtors subject to a lien or security interest to secure the payment or performance of a Claim, which lien or security interest is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.

15.14 “Commencement Date” or “Petition Date” means the date the original Chapter 11 voluntary petitions were filed, March 16, 2018.

15.15 “Confirmation” or “Confirmation Date” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

15.16 “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

15.17 “Confirmation Order” means the Final Order of the Bankruptcy Court confirming the

Plan pursuant to Section 1129 of the Bankruptcy Code.

15.18 "Contingent Claim" means any Claim which has not been finally allowed as of the Confirmation Date, including, without limitation, any Claims which may be asserted as the result of the rejection of an executory contract or unexpired lease under Section 7.1 of this Plan.

15.19 "Debtors" means Quality Construction & Production, LLC, Quality Production Management, LLC, Traco Production Services, Inc., and Quality Acquisition Company, LLC.

15.20 "Debtors in Possession" means the Debtors in their capacity as Debtors in possession in the Chapter 11 Case pursuant to Sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

15.21 "Disbursing Agent" means the Debtors.

15.22 "Disclosure Statement", means the Disclosure Statement relating to the Plan, including without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

15.23 "Disputed" means the portion (including, when appropriate, the whole) of any Claim as to which: (a) a proof of Claim has been or been deemed timely and properly filed under applicable law or Final Order of the Bankruptcy Court, and (b) an objection, motion to estimate, or complaint to determine the validity, priority or extent of any Lien asserted by the claimant with respect to the Claim has been timely filed.

15.24 "Disputed Claim Amount" means the higher of the amount set forth in the proof of Claim or listed on the Schedules relating to a Disputed Claim; provided, however, if a Disputed Claim is estimated for allowance purposes under Section 502(c)of the Bankruptcy Code, the amount so estimated pursuant to Final Order of the Bankruptcy Court shall be the Disputed Claim Amount.

15.25 "Effective Date" means 30 days after the Confirmation Order becomes a Final Order.

15.26 "Equity Holders" means Nathan Granger and Troy Collins.

15.27 "Exit Funding" shall mean $750,000.00, funded $375,000.00 on the Effective Date and $375,000.00 on the one year anniversary of the Effective Date, paid to the Debtors by the Exit Funding Entity.

15.28 " Exit Funding Entity" shall mean shall mean JDHT, LLC, a newly formed Delaware limited liability company comprised of the following members: John Weinstein, David

Weinstein, Harlan Foster and Todd Rader.

15.29 "Final Order" means an order of the Bankruptcy Court or any other court of competent jurisdiction that has been entered on the docket of the Bankruptcy Court or such other court for fourteen (14) or more days and that is not then stayed or reversed.

15.30 "MidSouth" shall mean MidSouth Bank.

15.31 "MidSouth Bank Claim" shall mean the claims of MidSouth acquired by Energy Services Note Acquisition, LLC ("ESNA") and the collateral that secures the claims.

15.32 "MSBCH" shall mean the entity that ultimately holds the MidSouth Bank Claim.

15.33 "MSBCRP" shall mean Nathan Granger, Troy Collins, Quality Companies USA, LLC, and/or Kayro Investments, LLC.

15.34 "Other Priority Claim" means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under Section 507(a)(4), (5), or (7) of the Bankruptcy Code.

15.35 "Plan" means the Debtors' Chapter 11 plan, including, without limitation, all exhibits, supplements, appendices and schedules hereto, either in its present form or as the same may be altered, amended or modified from time to time.

15.36 "Plan Rate" shall mean the greater of five percent (5%) or the Till Rate used by this Court.

15.37 "Priority Tax Claim" means any Claim of a governmental unit of the kind specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

15.38 "Real Estate" shall mean the immovable property described on Exhibit F, including all fixtures and other items incorporated into the immovable property.

15.39 "Schedules" means the schedules of assets and liabilities, the list of holders of Equity Interests, and the statements of financial affairs filed by the Debtors under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto through the Confirmation Date.

15.40 "Unsecured Creditors" means any unsecured Claim, except for the claim of the MSBCH for the difference between the amount due such creditor on the Petition Date and such creditor's Class 1 claim.

Dated: February 14, 2019

Respectfully submitted,

WEINSTEIN & ST. GERMAIN, LLC

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