

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS**

In Re:)	
)	
PROMOMANAGERS, INC.)	CHAPTER 11
)	CASE NO. 17-10747-JNF
DEBTOR)	
)	

**COMBINED PLAN OF LIQUIDATION
AND DISCLOSURE STATEMENT FOR SMALL BUSINESS DEBTOR**

I. INTRODUCTION

A. General

This is the Combined Plan of Liquidation and Disclosure Statement for a Small Business Debtor (the “Plan and Disclosure Statement”) for Promomanagers, Inc. (the “Debtor”). Portions of the Plan and Disclosure Statement which refer solely to the Plan of Reorganization will be referred to as the “Plan”. This Plan and Disclosure Statement contains a description of (1) the Debtor, (2) the operation of its business, and (3) the sale of the business and the distributions to be made under the liquidating plan. It also discusses the alternatives to confirmation of the liquidating Plan.

On March 6, 2017, the Debtor filed a voluntary petition for relief under Title 11, United States Code, known as the Bankruptcy Code (the “Code”). The Chapter 11 case is pending in the United States Bankruptcy Court for the District of Massachusetts in Boston, Massachusetts (the “Court”). During the case, the Debtor has operated an on-line business which provides custom imprinted promotional products, corporate gifts, promotional items and corporate apparel to clients worldwide. The company specializes in providing high quality custom backpacks, promotional holiday gifts, custom USB drives and totes and other items, delivered directly to the customer by the vendor, but with shipping paid by the Debtor. The business has operated as a Debtor-in-Possession under Sections 1107 and 1108 of the Code.

On July 19, 2017, the Debtor filed a Motion for Entry of Orders (I)(A) Establishing Bidding Procedures Relating to the Sale of Substantially all of the Debtor’s Assets, (B) Approving Form and Manner of the Notice of Sale, and (C) Scheduling a Hearing to Consider the Proposed Sale; (II) Approving the Sale of the Debtor’s Assets Free and Clear of all Liens, Claims, Encumbrances and Interests and (III) Granting Related Relief. [Doc. No. 57]. The Court approved the sale of the Assets to the Buyer as evidenced by the Orders approving the sale. [Doc. 64 and 66] (the “Orders”). Thereafter, the closing upon the sale was concluded and the Debtor is presently holding the sums,

net of the payment of the secured claim to the Massachusetts Department of Revenue pending confirmation of Plan of Liquidation.

Pursuant to Section 1125 of the Code, this Plan and Disclosure Statement is being sent to all holders of claims against the Debtor so that the Debtor may solicit votes for the Plan and creditors may be provided with information concerning the Plan, the Debtor and the proposed dividend to creditors. All references herein to the Plan and the Disclosure Statement are as it may be amended from time to time.

The Debtor contemplates that it will collect the sums which are due to the Debtor prior to the sale all as outlined in the Asset Purchase Agreement. The distributions under the Plan will be from cash on hand from the sale proceeds as well as the collection of accounts receivable from which the Debtor proposes to pay its post-petition obligations¹, its administrative creditors, priority tax claims, and the Massachusetts Department of Revenue which is the only secured creditor.

The Plan proposes to pay their unsecured creditors a pro rata dividend of the Creditor Fund on the Effective Date of the Plan as defined below.

THE PLAN IS A LEGALLY BINDING ARRANGEMENT AND SHOULD BE READ IN ITS ENTIRETY. ACCORDINGLY, SOLICITED PARTIES MAY WISH TO CONSULT WITH THEIR ATTORNEYS REGARDING THE CONTENTS OF THE PLAN AND DISCLOSURE STATEMENT.

B. DEFINITIONS

Some terms and phrases used throughout this Disclosure Statement are shorthand expressions having longer meanings. In the interest of making this Disclosure Statement more easily read, the following terms will have their associated definitions:

1. Administrative Claim shall mean the costs and expenses of administration of the Chapter 11 case as allowed under Section 503(b) of the Code, including, without limitation, any actual, necessary costs and expenses of preserving or operating the Debtor's estate, and all allowances of compensation and reimbursement of expenses to the extent allowed by the Bankruptcy Court under Section 330 of the Code.

2. Allowed Claim shall mean any Claim proof of which was filed on or before the Bar Date, or that has been, or hereafter is, listed by either Debtor-in-Possession as liquidated in amount and not disputed or contingent and, in either case, a Claim as to which no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by the Bankruptcy Code or an order of the Court, or as to which any objection has been determined by an order or judgment that is no longer subject to appeal or certiorari proceeding, and as to which no appeal or certiorari proceeding is pending, after giving effect to any such order or judgment reducing or modifying such Claim.

¹ Except as provided for under the Asset Purchase Agreement.

Unless otherwise specified and in accordance with applicable laws, no allowed secured Claim shall include any component of interest on the principal amount of such Claim, as the Debtor is insolvent.

3. Bar Date shall mean the last day for filing claims in this proceeding, fixed by this Court pursuant to Rule 3003(c)(3) of the Rules of Bankruptcy Procedure. The Bar Date was June 16, 2017 for filing claims.

4. Claim shall mean any claim of whatever character against Promomanagers, Inc. whether or not such claim is provable under Section 502 of the Bankruptcy Code; reduced to judgment; liquidated or unliquidated; secured or unsecured; fixed or contingent; matured or unmatured; disputed or undisputed; a legal claim or a claim to an equitable remedy for breach of performance, if such breach gives rise to a right to payment.

5. Claimant shall mean any Person having a Claim against the Debtor that arose on or before the Filing Date or a Claim against the Debtor's estate of a kind specified in Section 502(g), (h) or (i) of the Code.

6. Priority Claimant shall mean the holder of an Allowed Priority Claim.

7. Class shall mean the category of holders of Claims that are substantially similar to the other Claims in such category.

8. Code means the United States Bankruptcy Code, Title 11 of the United States Code, as enacted in 1978, and as thereafter amended.

9. Confirmation shall mean the date on which the Debtor's proposed Plan of Liquidation is confirmed by order of the Bankruptcy Court.

10. Court shall mean the United States Bankruptcy Court for the District of Massachusetts including the United States Bankruptcy Judge presiding therein.

11. Creditor shall mean holder of an Allowed Claim.

12. Debtor shall mean Promomanagers, Inc.

13. Effective Date shall mean the later of 30 days following the last day on which an appeal from an order of the Court confirming the Debtor's Plan of Liquidation may be taken under applicable law and no such appeal has been taken or, if any appeal has been taken, the first business day following the date upon which all appeals have been exhausted and the Plan may be put into effect, whichever is later. For purposes of distribution hereunder the phrase "paid upon the Effective Date" shall mean on the Effective Date or within a reasonable period thereafter so as to allow the writing and mailing of dividend checks.

14. Executory Contract shall mean any pre-petition executory contract or unexpired leases of the Debtors within the meaning of Section 365 of the Bankruptcy Code.

15. Fair Market Value shall mean the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

16. Filing Date shall mean March 6, 2017, the date on which the Debtor filed the voluntary petition.

17. Final Order shall mean an order, or decree of the Bankruptcy Court, which order shall not have been reversed, stayed, modified or amended and the time to appeal from the or to seek review or rehearing of such order shall have expired and which shall have become final in accordance with Rule 8002 of the Rules of Bankruptcy Procedure and any applicable local procedural rule.

18. Lien shall mean any charge against or interest in property to secure payment of a debt or performance of an obligation and includes, without limitation, any judicial lien, security interest, mortgage, and statutory lien as defined in 11 U.S.C. Section 101.

19. Plan shall mean the Plan of Liquidation, either in its present form or as it may be amended from time to time.

20. Secured Claim shall mean any Allowed Claim with respect to which a Security Interest is held in or against any property of the Debtor's estate, to the extent of the value of such Creditor's Interest in the estate's interest in such property.

21. Unimpaired Creditor shall mean a Creditor whose interest is not materially and adversely affected by this Plan. In the event of controversy, the Court shall, after hearing and upon notice, determine whether any Creditor or class of Creditors is an Unimpaired Creditor.

II. THE PLAN

A. Payment of Administrative Claims

Administrative Claims will be paid in cash, in full, on the later of the Effective Date or the date they are allowed by an Order of the Bankruptcy Court. Ordinary trade debt incurred by the Debtor in the course of the Chapter 11 case will be paid as provided under the Asset Purchase Agreement. The payments contemplated by the Plan will be conclusively deemed to constitute full satisfaction of Allowed Administrative Claims.

Administrative Claims include any post-petition fees and expenses allowed to professionals employed upon Court authority to render services to the Debtor during the course of the Chapter 11 cases.

In this case, Nina M. Parker, Esq. and Parker and Associates were employed as counsel to the Debtor. In order to be compensated, all professionals will have to apply to the Court for compensation and they will be paid that amount which the Court allows. It is estimated that administrative fees in the Debtor's case may be approximately \$25,000.00, but that is only an estimate by the Debtor and actual fees may be higher than as represented. This Plan and Disclosure Statement was prepared and submitted approximately sixty (60) days prior to the date anticipated for Confirmation and considerably more work by professionals for the Debtor may have been rendered by the time of Confirmation.

B. **Payment of Tax Claims.** Priority and Administrative Tax Claims, as scheduled or as filed and allowed by the Court, of whatever kind or nature will be paid in full in cash upon the Confirmation Date or in the alternative, in monthly installments with interest over a five-year period from the Petition Date. As of the Petition Date, the Massachusetts Department of Revenue ("DOR") was the holder of a secured claim in the sum of \$26,304.86 and Priority tax claims of \$4,026.86 [Claim 12] and Administrative Claims in the sum of \$1,656.31. [Claim 13]. The Internal Revenue Service has filed a Proof of Claim in the sum of \$3,400.00 asserting estimated unsecured priority claims of approximately \$3,400.00 for taxes assessed as estimated due to the lack of the filing of tax returns for periods prior to the time when the principal of the Debtor operated the business. [Claim 8]. The Debtor disputes the claims filed by the Internal Revenue Service and is in the process of have the outstanding tax returns prepared for filing. It is contemplated that the sums owed to the Internal Revenue Service shall be either significantly reduced or that there shall be no sums determined to be due.

During the course of the proceedings, the Debtor has filed the required payroll returns for 2014 through 2017. Prior to 2016, there company had no employees and so no 941 or 940 returns were required. In order to clarify for the purposes of the taxing authorities filing of amended proofs of claim, the returns were filed with the information that zero was paid. Any outstanding returns will be filed prior to the hearing on confirmation.

C. **Payment of Administrative Claims.** Administrative claims consisting of post-petition accounts payable which accrued during the course of the proceedings have been paid from the proceeds of the sale. Except as set forth herein, there are no post-petition accounts payable.

D. **Payment of Fees of the United States Trustee.** Administrative expenses shall include all quarterly fees owing to the U.S. Trustee through the filing of the Application for Final Decree. The Debtor is current upon its Quarterly Fee payments and the balance projected to be due upon Confirmation is the sum of \$15,000.00 which shall be paid to the U.S. Trustee upon the Effective Date of Confirmation. Pursuant to the provisions of 28 U.S.C. §1930 as amended by Pub.L.No. 104-99 (1996) the Debtor shall provide the United States Trustee with Post-Confirmation monthly operating reports and make quarterly payments of the United States Trustee's fees until the case is closed. The Debtor will be responsible for timely payment of fees incurred pursuant to 28 U.S.C. §1930(a)(6). Upon the Effective Date the Debtor will file an Application for Final Decree or, the Debtor will serve the United States Trustee with a monthly financial report for each month (or portion thereof) the case remains open. The Debtor shall pay all quarterly fees owing to the U.S. Trustee until the Chapter 11 proceeding is closed by the issuance of a Final Decree by the Court. The monthly financial report shall include the following:

1. A statement of all disbursements made during the course of the month, whether or not pursuant to the plan;
2. A summary, by class, of amounts distributed or property transferred to each recipient under the plan, and an explanation of the failure to make any distributions or property under the plan;
3. Debtor's projections as to its continuing ability to comply with the terms of the plan;
4. A description of any other factors which may materially affect the Debtor's ability to consummate the plan; and
5. An estimated date when an application for final decree will be filed with the Court (in the case of the final monthly report, the date the decree was filed).

E. Designation and Payment of Classes of Claims.

1. Class One: Claims of the Massachusetts Department of Revenue. Class One consists of the claim the Massachusetts Department of Revenue ("MDOR"), a creditor whose claim is secured by a lien upon all assets of the Debtor. At the Petition Date, MDOR held a secured claim in the sum of \$26,304.86. The Debtor's assets have been sold and the secured claim paid in full. To the extent that the MDOR asserts a balance due upon its secured claim, it shall be paid in full. The Class One claimant is unimpaired.

2. Class Two: Unsecured Claims. Class Two consists of all Unsecured Claims, as scheduled or as filed and allowed by the Court, against the Debtor of whatever kind or nature which are not included in any other Class hereof, including, without limitation, claims based on the rejection of executory contracts or unexpired leases, and claims for damages to person or property based on strict liability, negligence or breach of a warranty, express or implied, relative to services rendered or products delivered by the Debtor. Unsecured creditor claims are approximately \$237,970.90 inclusive of the unsecured claims of the taxing authorities. Each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, its pro rata share of the sums remaining after satisfaction of the obligations of the Priority, Administrative and Secured claims. Holders of Class Two General Unsecured Claims are impaired and are entitled to vote to accept or reject the Plan. The Class Two claimants are impaired.

3. Class Three: Equity Interests. Class Three consists of all Equity Interests of Heather Simard. The Debtor believes that its common capital stock has no present value. The stockholders will retain their equity interests.

F. Treatment of Executory Contracts and Unexpired Leases.

The Debtor was not a party to any executory contracts. To the extent there were claims asserted as a result of an executory contract, each is hereby rejected. All proofs of Claim with respect to Claims arising from the rejection of executory contracts or unexpired leases must be filed with the Bankruptcy Court within thirty (30) days from and after the date of entry of an order of the Bankruptcy Court approving such rejection or such Claims will be barred. A creditor whose claims arise from rejection of executory contracts and unexpired leases will be treated as an unsecured creditor.

G. **Means for Implementation of the Plan.**

On Confirmation, all property of Debtor not conveyed to the purchaser under the Asset Purchase Agreement shall revert to the Debtor free and clear of all claims and interests except as provided herein, to the Debtor.

The Debtor will pay the claims described above from the proceeds of the sale of its assets under the Asset Purchase Agreement. The funds to be distributed are \$79,000 as follows:

Administrative claims of Debtors Counsel	\$25,000
Secured Claims of Massachusetts Dept. of Revenue	\$26,305
Priority Claims of Taxing Authorities	\$ 8,496
United States Trustee Quarterly Fees	\$ 5,000
Reservation of Accrued Interest due to	
Taxing authorities and/or administrative claims	<u>\$ 5,000</u>
Estimated balance to Creditors Fund	\$ 9,198

The Creditors Fund shall be distributed, pro rata to the General Unsecured Creditors. The funds for distribution under the Plan are being held by Nina M. Parker, Esq. counsel to the Debtor who shall serve as Disbursing Agent and shall make the payments required on the Effective Date.

All quarterly disbursement fees, arising under 23 U.S.C. § 1930 (“Quarterly Fees”), accrued prior to confirmation shall be paid in full, on or before the date of confirmation of the Debtor’s plan, by the Debtor or any successor to the Debtor. All Quarterly Fees which accrue post-confirmation shall be paid in full on a timely basis by the Debtor or any successor to the Debtor prior to the Debtor’s case being closed, converted or dismissed.

H. **Provision for Disputed Claims:**

The Debtor may object to the allowance of any Claims within 90 days of the Effective Date by filing an objection with the Bankruptcy Court and serving a copy thereof on the holder of the Claim in which event the Claim objected to will be treated as a Disputed Claim under the Plan. If and when a Disputed Claim is finally resolved by allowance of the Claim in whole or in part, the Debtor will make any payments in respect of such Allowed Claim in accordance with the Plan.

III. **INFORMATION PERTAINING TO THE DEBTOR**

A. **Description of the Debtor’s Business.**

From the time of the filing until the sale of the Debtor’s assets, the Debtor operated an online business of which provided on-line business which provides custom imprinted promotional products, corporate gifts, promotional items and corporate apparel to clients worldwide. The company specializes in providing high quality custom backpacks, promotional holiday gifts, custom USB drives and totes and other items, delivered directly to the customer by the vendor, but with shipping paid by the Debtor. The company was in business for eleven years prior to the business operation being sold as a going concern.

B. Officers, Directors and Shareholders.

From the time of the filing, Heather Simard was the sole shareholder, officer and director of the Debtor. During the course of operating the business in 2017, the compensation was \$15,000.

C. Actions During the Chapter 11

Prior to the filing of this Chapter 11, the Debtor had received and accepted an offer for the purchase of the business as a going concern. Thereafter, the offer was withdrawn and the determination was made that Promomanagers should file a Chapter 11 in an effort to restructure its affairs. At the time of the filing, Promomanagers intended either to obtain a new purchaser or to submit a Plan of Reorganization which would enable it to reorganize its financial affairs and address its pre-petition obligations through future business operations.

During the course of the proceedings, the Debtor determined that for a variety of reasons, it was not going to be able to reorganize and continue operations. Thereafter, the Debtor solicited its customers and competitors in an effort to obtain an offer for the acquisition of the business. On July 17, 2017, an Asset Purchase Agreement was executed pursuant to which, the Debtor would sell the personal property used in the operation of the Debtor's business (the "Asset Transaction") including but not limited to the customer lists, books and records, purchase orders, inventory, contracts, agreements, equipment as defined by the Asset Purchase Agreement.

The Debtor filed a Motion for Entry of Orders (I)(A) Establishing Bidding Procedures Relating to the Sale of Substantially all of the Debtor's Assets, (B) Approving Form and Manner of the Notice of Sale, and (C) Scheduling a Hearing to Consider the Proposed Sale; (II) Approving the Sale of the Debtor's Assets Free and Clear of all Liens, Claims, Encumbrances and Interests and (III) Granting Related Relief. [Doc. No. 57].

There was one qualified counteroffer received in connection with the purchase. In accordance with the bidding procedures, a sealed bid, followed by open cry auction resulted in a sale being approved for the purchase price of \$79,000.

The closing upon the sale was consummated on August 22, 2017 and the purchase price of \$79,000 and was paid. Since that date, counsel to the Debtor who shall serve as the Disbursing Agent is holding the sums pending confirmation of the Plan and the Effective Date.

IV. VOTING AND CONFIRMATION

A. General Requirements

In order to confirm a Plan, the Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that: (1) the Plan has classified Claims in a permissible manner; (2) the Plan complies with the technical requirements of Chapter 11 of the Code; (3) the proponent of the Plan has proposed the Plan in good faith; (4) the disclosures concerning the Plan as required by Chapter 11 of the Code have been adequate and have included

information concerning all payments made or promised by the Debtor in connection with the Plan; (5) the Plan has been accepted by the requisite vote of creditors, except, as explained below, to the extent that "cramdown" is available under Section 1129(b) of the Code; (6) the Plan is "feasible" (that is, there is a reasonable prospect that the Debtor will be able to perform its obligations under the Plan and continue to operate its business without further financial reorganization, except if the Plan contemplates a liquidation of the Debtor's assets); and (7) the Plan is in the "best interests" of all creditors (that is, that creditors will receive at least as much under the Plan as they would receive in a Chapter 7 liquidation). To confirm the Plan, the Bankruptcy Court must find that all of these conditions are met. Thus, even if the creditors of the Debtor accept the Plan by the requisite number of votes, the Bankruptcy Court must make independent findings respecting the Plan's feasibility and whether it is in the best interests of the Debtor's creditors before it may confirm the Plan. The Debtor believes that the Plan fulfills all of the statutory conditions of Section 1129 of the Code. The statutory conditions to confirmation are more fully discussed immediately below.

B. Classification of Claims and Interest

The Code requires that a Plan place each creditor's claim in a class with other claims which are "substantially similar." The Debtor believes that the Plan meets the classification requirements of the Code.

C. Voting

As a condition to Confirmation, the Code requires that each impaired class of claims accept the Plan. The Code defines acceptance of a Plan by a class of claims as acceptance by holders of two-thirds in dollar amount and a majority in number of claims of that class, but for that purpose the only ballots counted are those of the creditors who are allowed to vote and who actually vote to accept or to reject the Plan. Persons who are considered "insiders," as that term is defined in Section 101 of the Code, may vote, but its vote is not counted in determining acceptance of the Plan.

Classes of claims that are not "impaired" under the Plan are deemed to have accepted the Plan. Acceptances of the Plan are being solicited only from those persons who hold Allowed Secured and Unsecured Claims that are impaired under the Plan. An Allowed Claim is "impaired" if the legal, equitable, or contractual rights attaching to the Allowed Claims of the class are modified, other than by curing defaults and reinstating maturity or by payment in full in cash. A claim to which an objection is filed is not an Allowed Claim. However, the Court may allow such a claim for purposes of voting on the Plan. If you have not received an objection to your claim prior to Confirmation of the Plan and you have received a ballot for purposes of voting on the Plan, then most likely your claim is an Allowed Claim. If you have a question, you should consult your own attorney.

Only holders of Allowed Claims or Interests in an impaired Class of Claims or Interest are entitled to vote to accept or reject the Plan as provided for in herein. A Claimant holding a Disputed Claim (whether subject of a motion to expunge, reduce, adjust or re-classify such

Claim, or otherwise) shall have the right to vote on the Plan only to the extent: (i) any portion of such Claim is reflected on the Debtor's books and records as undisputed as to amount and classification (but only in the amount and in the priority reflected in Debtor's books and records); (ii) the Debtor and such Claimant stipulate in writing to allow such Claimant to vote some or all of its Claim; or (iii) the Bankruptcy Court so orders, upon motion noticed to the Debtor and such Claimant.

D. Best Interest of Creditors

Notwithstanding acceptance of the Plan by creditors of each class, in order to confirm the Plan the Bankruptcy Court must independently determine that the Plan is in the best interests of all classes of creditors impaired by the Plan. The "best interests" test requires that the Bankruptcy Court find that the Plan provides to each member of each impaired class of claims a recovery which has a value at least equal to the value of the distribution which each such creditor would receive if the Debtor was converted to a case under Chapter 7 of the Code. Please see the discussion below.

E. Confirmation without Acceptance by All Impaired Classes

Even if a Plan is not accepted by all impaired classes, it may still be confirmed. The Code contains provisions for confirmation of a plan where at least one impaired class of claims has accepted it. These "cramdown" provisions are set forth in Section 1129(b) of the Code.

A plan may be confirmed under the cram-down provisions if, in addition to satisfying the usual requirements of 11 U.S.C. § 1129 of the Code, it (i) "does not discriminate unfairly" and (ii) "is fair and equitable," with respect to each class of claims that is impaired under, and has not accepted, the plan. As used by the Code, the phrases "discriminate unfairly" and "fair and equitable" have narrow and specific meanings unique to bankruptcy law.

The requirement that a plan not "discriminate unfairly" means that a dissenting class must be treated equally with respect to other classes of equal rank. The Debtor believes that its Plan does not "discriminate unfairly" with respect to any class of Claims.

The "fair and equitable" standard differs according to the type of claim to which it is applied. In the case of secured creditors, the standard is met if the secured creditor retains its lien and is paid the present value of its interest in the property which secures the secured creditor's claim. With respect to unsecured creditors, the standard is met if the unsecured creditor receives payment in the full amount of its claim or, in the event that it receives less than the full amount of its claim, no junior class receives or retains any interest in property of the debtor. The standard as applicable to unsecured creditors is also known as the "absolute priority rule."

V. LIQUIDATION UPON CONVERSION TO CHAPTER 7

The Assets of the Debtor have been fully liquidated and the proceeds are held by counsel to the Debtor. As such, the Bankruptcy Court must only determine that the aggregate dollar amount that will be distributed by the Debtor is greater under the Chapter 11 than would be available if the case were converted to a Chapter 7 case under the Code whereafter, the remaining proceeds after administration by the Chapter 7 Trustee would be distributed. The Debtor believes that there would be no distribution available to general unsecured creditors as there would be no contribution of new value by the equity interest holder. Furthermore, the costs of administration under Chapter 7 would include the compensation of the Chapter 7 Trustee, as well as of counsel to the Chapter 7 Trustee and of other professionals who might be retained by the Trustee; all unpaid Priority and Administrative expenses incurred by Debtor during the Chapter 11 case (such as compensation for attorneys, certified public accountant, taxes and the United States Trustee) when allowed. The distributions available under the proposed Chapter 11 Liquidating Plan when compared with the distribution in the event of a conversion make it clear that confirmation of the Plan is in the best interests of each creditor. The Debtor believes that not only would conversion to a case under chapter 7 result in no distribution to the holders of General Unsecured Claims, the delays in administration would significantly delay distributions to Administrative, Priority and Secured creditors. If conversion to a chapter 7 were to occur, unsecured creditors will receive no distribution as can be seen by the below:

Sums Available for Distribution under Plan	\$79,000
Administrative Fees and Expenses Chapter 7 (estimated)	(\$ 10,000)
Administrative Expenses-Professionals (Chapter 11 (estimated)	(\$ 25,000)
United States Trustee	(\$ 5,000)
Priority Tax/ Claims	
IRS	(\$ 3,400)
MDOR	(\$ 1,656)
MDOR	(\$ 3,441)
Interest Reserve (estimated)	(\$ 5,000)
Sums Available for Distribution to Class Claimants	(\$802)
 Creditors Fund: Sums Available for Class Three/Four (General Unsecured Claims)	 \$ 0.00

The unsecured creditors would receive no dividend in the event of a conversion of the Debtor to a Chapter 7. The Debtor believes that the Plan is in the best interests of all creditors.

VI. FEDERAL INCOME TAX CONSEQUENCES

Implementation of the Plan may result in federal income tax consequences to holders of Allowed Claims. Tax consequences to a particular creditor may depend on the particular circumstances or facts regarding the claim of the creditor. No tax opinion has been sought or will be obtained with respect to any tax consequences of the Plan, and the following disclosure (the "Tax Disclosure") does not constitute and is not intended to constitute either a tax opinion or tax advice to any Person. Rather, the Tax Disclosure is provided for information purposes only.

In general, the IRC provides that a taxpayer who realizes a cancellation or discharge of indebtedness must include the Debt Discharge Amount in its gross income in the taxable year of discharge. The Debt Discharge Amounts may arise with respect to Creditors who will receive, in partial satisfaction of their Claims, including any accrued interest, consideration consisting of or including cash. The Debtor's Debt Discharge Amount may be increased to the extent that unsecured Creditors holding unscheduled claims fail to timely file a Proof of Claim and have their Claims discharged on the Confirmation Date pursuant to Section 1141 of the Bankruptcy Code. No income from the discharge of indebtedness is realized to the extent that payment of the liability being discharged would have given rise to a deduction.

If a taxpayer is in a case under the Bankruptcy Code and a cancellation of indebtedness occurs pursuant to a confirmed plan, however, such Debt Discharge Amount is specifically excluded from gross income (the "Bankruptcy Exception"). The Debtor intends to take the position that the Bankruptcy Exception applies to it. Accordingly, the Debtor believes it will not be required to include in income any Debt Discharge Amount as a result of Plan transactions.

Section 108(b) of the IRC, however, requires certain tax attributes of the Debtor to be reduced by the Debt Discharge Amount excluded from income. Tax attributes are reduced in the following order of priority: net operating losses and net operating loss carry-overs; general business credits; minimum tax credits; capital loss carry-overs; basis of property of the taxpayer; passive activity loss or credit carry-overs; and foreign tax credit carry-overs. Tax attributes are generally reduced by one dollar for each dollar excluded from gross income, except that general tax credits, minimum tax credits, and foreign tax credits are reduced by 33.3 cents for each dollar excluded from gross income. An election can be made to alter the order of priority of attribute reduction by first applying the reduction against depreciable property held by the taxpayer in an amount not to exceed the aggregate adjusted basis of such property. The Debtor does not presently intend to make such election. If this decision were to change, the deadline for making such election is the due date (including extensions) of the Debtor's federal income tax return for the taxable year in which such debt is discharged pursuant to the Plan.

The federal tax consequences of the Plan to a hypothetical investor typical of the holders of claims or interests in this case depend to a large degree on the accounting method adopted by that hypothetical investor. A "hypothetical investor" in this case is defined as a general unsecured creditor. In accordance with federal tax law, a holder of such a claim that uses the accrual method and who has posted its original sale to the Debtor as income at the time of the product sold or the service provided hypothetically should adjust any net operating loss to reflect the dividend paid by the Debtor under the Plan provided that holder previously deducted the liability to the Debtor as a "bad debt" for federal income tax purposes. Should that holder lack a net operating loss, then in accordance with federal income tax provisions, the holder should treat the dividend paid as ordinary income, again provided the holder previously deducted the liability to the debtor as a "bad debt" for federal income tax purposes. If the accrual basis holder of the claim did not deduct the liability as a "bad debt" for federal income tax purposes, then the dividend paid by the Debtor has no current income tax implication. A holder of a claim that uses a cash method of accounting would, in accordance with federal income tax laws, treat the dividend as income at the time of receipt.

THE DEBTOR MAKES NO REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO ANY CREDITOR. EACH PARTY AFFECTED BY THE PLAN SHOULD CONSULT HER, HIS OR ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO A CLAIM.

VII. FEASIBILITY

The Bankruptcy Code requires as a condition to confirmation that the Bankruptcy Court find that liquidation of the Debtor or the need for further reorganization is not likely to follow after Confirmation. The Debtor has liquidated all Assets and is no longer operating a business nor the owner of any real estate. The funds are on hand for distribution in accordance with the terms of the Plan.

VIII. PROVISIONS GOVERNING DISTRIBUTIONS

A. Method of Distributions under the Plan

1. Disbursing Agent. Except as otherwise set forth, all distributions under the Plan shall be made by Nina M. Parker, Esq.

2. Rights and Powers of Disbursing Agent. The Disbursing Agent shall be empowered to: (a) affect all actions and execute all agreements, instruments and other documents necessary to perform her duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent her with respect to her responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

3. On or after the Confirmation Date through the Entry of the Final Decree, the Disbursing Agent shall be entitled to compensation and expense reimbursement (including reasonable attorney fees and expenses) which shall be paid in cash from the Administrative Fund unless exhausted at which time, shall be paid from the Creditors Fund.

4. Confirmation Date Payments. On the Confirmation Date or as soon thereafter as is reasonably practical, the Debtor shall (i) remit to holders of Allowed Administrative Expense Claims and Allowed Priority Claims amounts in cash equal to the amount of such Allowed Claim, or such lesser amount as may be agreed to by such holders and the Allowed Secured Claims of Class Two.

5. **Effective Date Payments.** On the Effective Date or as soon thereafter as is reasonably practical, the Debtor shall remit sums remaining in the Creditors Fund to holders of Allowed Unsecured Claimants in Class Three and Class Four.

6. **Delivery of Distributions and Undeliverable Distributions.** Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court, unless superseded by a new address as set forth (a) on a proof of claim filed by a holder of an Allowed Claim, or (b) in another writing notifying the Debtor (at the addresses set forth in the Plan) of a change of address. If any holder's Distribution is returned as undeliverable, no further Distributions to such holder shall be made unless and until the Disbursing Agent for the Debtor is notified of such holder's then-current address, at which time the missed Distributions shall be made to such holder. The Debtor shall make a good faith effort to locate correct addresses for any Distribution that is returned as undeliverable. All Claims for undeliverable Distributions shall be made on or before the earlier of (i) with respect to the Distributions made on the Effective Date and within ninety (90) days after the date such undeliverable Distribution was initially made whereupon, neither the Debtor nor the Disbursing Agent shall have any further liability to make such Distribution and the claimant shall have no further claim against the Debtor.

B. Time Bar to Cash Payments. Checks issued by the Disbursing Agent with respect to Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Disbursing Agent by the holder of the Allowed Claim to whom such check originally was issued. Failure to request same in the time set forth here shall result in the Debtor having no further liability to the claimant and the claimant shall have no further claim against the Debtor.

IX. PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

1. **Disbursing Agent.** Except as otherwise set forth, all distributions under the Plan shall be made by Nina M. Parker, Esq.

2. **Rights and Powers of Disbursing Agent.** The Disbursing Agent shall be empowered to: (a) affect all actions and execute all agreements, instruments and other documents necessary to perform her duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent her with respect to her responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

3. On or after the Confirmation Date through the Entry of the Final Decree, the Disbursing Agent shall be entitled to compensation and expense reimbursement (including reasonable attorney fees and expenses) which shall be paid in cash from the Administrative Fund unless exhausted at which time, shall be paid from the Creditors Fund.

4. Confirmation Date Payments. On the Confirmation Date or as soon thereafter as is reasonably practical, the Debtor shall (i) remit to holders of Allowed Administrative Expense Claims and Allowed Priority Claims amounts in cash equal to the amount of such Allowed Claim, or such lesser amount as may be agreed to by such holders and the Allowed Secured Claims of Class Two.

5. Effective Date Payments. On the Effective Date or as soon thereafter as is reasonably practical, the Debtor shall remit sums remaining in the Creditors Fund to holders of Allowed Unsecured Claimants in Class Three and Class Four.

6. Delivery of Distributions and Undeliverable Distributions. Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court, unless superseded by a new address as set forth (a) on a proof of claim filed by a holder of an Allowed Claim, or (b) in another writing notifying the Debtor (at the addresses set forth in the Plan) of a change of address. If any holder's Distribution is returned as undeliverable, no further Distributions to such holder shall be made unless and until the Disbursing Agent for the Debtor is notified of such holder's then-current address, at which time the missed Distributions shall be made to such holder. The Debtor shall make a good faith effort to locate correct addresses for any Distribution that is returned as undeliverable. All Claims for undeliverable Distributions shall be made on or before the earlier of (i) with respect to the Distributions made on the Effective Date and within ninety (90) days after the date such undeliverable Distribution was initially made whereupon, neither the Debtor nor the Disbursing Agent shall have any further liability to make such Distribution and the claimant shall have no further claim against the Debtor.

C. **Time Bar to Cash Payments.** Checks issued by the Disbursing Agent with respect to Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Disbursing Agent by the holder of the Allowed Claim to whom such check originally was issued. Failure to request same in the time set forth here shall result in the Debtor having no further liability to the claimant and the claimant shall have no further claim against the Debtor.

X. RELEASES AND EXCULPATION

Except as otherwise expressly provided in 11 U.S.C. §1141 or the Plan, the Distributions made pursuant to and in accordance with the applicable terms and conditions of the Plan are in full and final satisfaction, settlement, release and discharge as against the Debtor of any debt or obligation of the Debtor that arose before the Effective Date, and any debt of the Debtor of a kind specified in §§502(g), 502(h), or 502(i), and all Claims against the Debtor or the Estate of any nature, including without limitation, any interest accrued thereon from and after the Petition Date, whether or not (i) a proof of claim based on such debt, obligation or Equity Interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) such Claim is Allowed under §502 or (iii) the holder of such Claim has accepted the Plan.

XI. MISCELLANEOUS

A. Modification of Plan. The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Date, the Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with Bankruptcy Code §1127(b), or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the Plan's purpose and intent. A holder of an Allowed Claim or interest that is deemed to have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Interest of such holder.

B. Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

C. Exemption from Transfer Taxes

In accordance with Section 1146(c) of the Bankruptcy Code: (a) the issuance, transfer or exchange of any security under the Plan or the making or delivery of any instrument or transfer pursuant to, in implementation of, or as contemplated by the Plan, including any merger agreements or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan, or the re-vesting, transfer or sale of any real or personal property of the Debtor pursuant to, in implementation of, or as contemplated by the Plan, (b) the making, delivery, creation, assignment, amendment or recording of any note or other obligation for the payment of money or any mortgage, deed of

trust or other security interest under, in furtherance of, or in connection with the Plan, the issuance, renewal, modification or securing of indebtedness by such means, and (c) the making, delivery or recording of any deed or other instrument or transfer under, in furtherance of, or in connection with, the consummation of the Settlement Agreement which is the Plan, including, without limitation, the Confirmation Order, shall not be subject to any document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment. The recorder of deeds in connection with the sale pursuant to the Settlement Agreement as modified and ratified under the Plan has been directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, transfer tax, intangible tax or similar tax.

D. Amendment or Modification of the Plan

Alterations, amendments or modifications of this Plan may be proposed in writing by the Debtor at any time prior to the Confirmation Date, provided that this Plan, as altered, amended or modified, satisfies the conditions of Sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with Sections 1125 of the Bankruptcy Code. This Plan may be altered, amended or modified at any time before or after the Confirmation Date and before substantial consummation, provided that the Plan, as altered, amended or modified, satisfies the requirements of Sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under Section 1129 of the Bankruptcy Code. A holder of a Claim that has accepted this Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

The Debtor may, without notice to holders of Claims insofar as it does not materially and adversely affect the interests of any such holders, correct any defect or omission in this Plan and any exhibit to the Plan.

E. Notices

All notices, requests and demands to or upon the Debtor shall only be effective if in writing and, unless otherwise expressly provided in this Plan, shall be deemed to have been duly given or made when actually delivered upon notice by electronic transmission to the Debtor and notice by United States Postal Service to Counsel to the Debtor, when received and confirmed, addressed as follows:

Heather Simard
Heather@promomanagers.com

With a copy to Counsel to the Debtor:

Nina M. Parker, Esq.
Parker & Associates
10 Converse Place, Suite 201
Winchester, MA 01890

XII. CONFIRMATION

A. Confirmation hearing. The Bankruptcy Code at §1128(a) requires the Bankruptcy Court, after notice, to hold a confirmation hearing to consider confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. The Bankruptcy Court shall schedule a Confirmation hearing to consider whether the Plan satisfies the various requirements of the Bankruptcy Code. At that time, the Debtor will submit a report to the Bankruptcy Court concerning the vote for acceptance or rejection of the Plan by the parties entitled to vote thereon. Confirmation hearing Notices are being provided to all holders of Claims as required by the Bankruptcy Rules. Objections to confirmation must be filed with the Bankruptcy Court and are governed by Bankruptcy Rules 3020(b) and 9014 and the local rules of the Bankruptcy Court. **UNLESS AN OBJECTION TO CONFIRMATION OF THE PLAN IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THE CONFIRMATION HEARING NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

B. Requirements for Confirmation. At the hearing on Confirmation, the Bankruptcy Court will determine whether the provisions of §1129 of the Bankruptcy Code have been satisfied by the Plan. If all the provisions of §1129 of the Bankruptcy Code are met, the Bankruptcy Court may enter an order confirming the Plan. We believe that all the requirements of § 1129 of the Bankruptcy Code will be satisfied.

C. Class Acceptance of the Plan. As a condition to confirmation, the Bankruptcy Code requires that each impaired class of claims or interests accept a plan, subject to the exceptions described in the section entitled "cram down" below. At least one impaired class of claims must accept a plan in order for the plan to be confirmed. For a class of interests to accept a plan, §1126 of the Bankruptcy Code requires acceptance by interest holders that hold at least two-thirds in amount of the allowed interests of such class. In this instance, the holders of interests who fail to vote are deemed to have voted to accept the Plan. If the Plan is confirmed, the Plan will be binding on all holders of Claims of each Class, including Classes and members of such Classes that did not vote or that voted to reject the Plan. The Debtor believes that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that we have complied or will have complied with all the requirements of chapter 11 and that the Plan has been proposed and made in good faith.

D. Cram Down. A court may confirm a plan, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims and the plan meets the "cram down" requirements set forth in section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires the court to find that the plan is "fair and equitable" and does not "discriminate unfairly" against any nonaccepting impaired class of claims or interests. With respect to a dissenting class of claims, the "fair and equitable" standard requires, among other things, that, pursuant to the Plan, either (i) each holder of a claim in such dissenting class will receive or retain property having a value, as of the effective date of a plan, equal to the allowed amount of its claim, or (ii) no holder of allowed claims or interests in any junior class will receive or retain any property on account of such claims or interests. With respect to a dissenting class of interests, the "fair and equitable" standard requires that pursuant to the Plan, either (i) each holder of an interest in the dissenting class will receive or retain property having a value, as of the effective date, equal to the greater of the allowed amount of any fixed liquidation preference to which such holder is entitled, or the value of such interests or (ii) no holder of an interest in any junior class will receive or retain any property on account of such interests. The strict requirement of the allocation of full value to dissenting classes before junior classes can receive a distribution is known as the "absolute priority rule."

E. Plan Meets Requirements of Best Interests of Creditors for Confirmation

To confirm the Plan, the Bankruptcy Court must determine that the Plan meets the requirements of §1129(a)(7) of the Bankruptcy Code, that is, that the Plan is in the best interests of each holder of a Claim in an Impaired Class that has not voted to accept the Plan. To satisfy this "best interests" test, the Bankruptcy Court must find that the Plan provides each non-consenting holder in such Impaired Class with a recovery, on account of such holder's Claim that has a value at least equal to the value of the distribution that each such holder would receive if the Debtor were to case under chapter 7 of the Bankruptcy Code.

Confirmation of the Plan is in the best interests of the Holders of Claims because it provides distributions to such Holders having a present value, as of the Effective Date, of not less than the value such holders likely would receive if the Debtor was converted to a case under chapter 7 of the Bankruptcy Code.

XIII. EFFECT OF THE ORDER CONFIRMING THE PLAN

To understand the full effect of an order confirming the Plan you should read §1141 of the Code. The following is a summary of that section.

A. Release of Assets. Until the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Assets and liabilities of the Debtor. Thereafter, jurisdiction of the Bankruptcy Court shall be limited to the subject matter set forth in this Disclosure Statement and Plan.

B. Binding Effect. Except as otherwise provided in §1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against or Equity Interest in the Debtor and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

C. Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case pursuant to Bankruptcy Code §§105 or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Chapter 11 Case is closed.

D. Rights of Action. Except as otherwise provided elsewhere in the Plan, on and after the Effective Date, the Debtor will have the exclusive right to enforce any and all present

or future rights, claims or causes of action against any Person and rights of the Debtor that arose before or after the Effective Date.

E. Injunction. EXCEPT AS PROVIDED HEREIN, ON AND AFTER THE CONFIRMATION DATE, ALL PERSONS ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR PROCEEDING AGAINST THE DEBTOR (WHETHER DIRECTLY, INDIRECTLY, DERIVATIVELY OR OTHERWISE) BASED ON ANY ACT, OMISSION, TRANSACTION, OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED ON OR BEFORE THE CONFIRMATION DATE. THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF ALL CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE DEBTOR OR ANY OF THE ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE DEBTOR SHALL BE FULLY RELEASED AND DISCHARGED, AND THE INTERESTS SHALL BE CANCELLED.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN OR IN OBLIGATIONS ISSUED PURSUANT HERETO FROM AND AFTER THE EFFECTIVE DATE, ALL CLAIMS AGAINST THE DEBTOR SHALL BE FULLY RELEASED AND DISCHARGED, AND ALL INTERESTS SHALL BE CANCELLED, AND THE DEBTORS' LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(G) OF THE BANKRUPTCY CODE.

ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTOR AND THE DEBTORS' ESTATE, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, AND THEIR ASSETS AND PROPERTIES, ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS OR ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE.

XIV. RETENTION AND JURISDICTION

Notwithstanding the entry of the Confirmation Order, the Bankruptcy Court shall, retain the maximum legally permissible jurisdiction over this Chapter 11 Case and with respect to all matters related to this Chapter 11 Case, the Debtor and this Plan, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim, the resolution of any and all objections to the allowance or priority of any Claim, and the resolution of any and all issues related to the release of Liens upon payment of a Secured Claim;
2. for periods ending on the Effective Date, grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan;
3. resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease to which the Debtor is a party or with respect to which the Debtor may be liable; and to adjudicate and, if necessary, liquidate, any Claims arising there from;
4. ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of this Plan;
5. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other causes of action that may be commenced in the future, and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Plan Administrator after the Confirmation Date; provided, however, that the Plan Administrator shall reserve the right to commence actions in all appropriate forums and jurisdictions;
6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with this Plan or the Disclosure Statement;
7. resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of this Plan or any obligations incurred in connection with this Plan;
8. hear and determine all Causes of Action pending as of the Confirmation Date or that may be commenced in the future;

9. issue injunctions and enforce them, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with the enforcement of this Plan;
10. resolve any cases, controversies, suits or disputes with respect to the releases by the Debtor, the exculpation and other provisions contained in the Plan and enter such orders or take such others actions as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;
11. enter and implement such orders, or take such other actions as may be necessary or appropriate, if the Confirmation Order is modified, stayed, reversed, revoked or vacated;
12. resolve any matters that may arise in connection with or relate to the sale of the Business Assets or the Real Property or any contract, instrument, other agreement or document adopted in connection with the sale and to enter orders in connection therewith;
13. resolve any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document adopted in connection with this Plan or the Disclosure Statement; and enter an order concluding this Chapter 11 Case and the granting of a Final Decree.
14. enter an order concluding this Chapter 11 Case and the granting of a Final Decree.

XV. DEBTOR'S RECOMMENDATION

Failing confirmation of the Plan, this Chapter 11 case will be converted to a case under Chapter 7 in which a trustee in bankruptcy would be appointed to take charge and distribute the Assets. Promomanagers, Inc. is of the opinion that conversion would yield no distribution for the unsecured creditors and is firmly convinced that its Plan is in the interest of all creditors. The Debtor strongly urges its creditors to cast their votes in favor of the Amended Liquidating Plan as confirmation of the Plan is in the best interests of creditors and the Plan should be confirmed.

The Debtor recommends that all holders of Claims that are entitled to vote on the Plan vote to accept the Plan. Each creditor is urged to consult with its own counsel in evaluating its claim and in determining how to vote.

Respectfully submitted,
Promomanagers, Inc.
By President

/s/ Heather Simard
Heather Simard
Duly Authorized