THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MARYLAND
(BALTIMORE DIVISION)

In re:		
	*	
B52 MEDIA, LLC		**Case No. 18-12045-MHH**
	*	**Chapter 11**
Debtor.	*	

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DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE WITH RESPECT TO PLAN OF LIQUIDATION

(B52 Media, LLC)

McNamee Hosea Jernigan Kim
Greenan & Lynch, P.A.
Steven L. Goldberg (Fed. Bar No. 28089)
6411 Ivy Lane, Suite 200
Greenbelt, Maryland 20770
T: 301-441-2420

Counsel to:
B52 Media, LLC

B52 Media, LLC, as debtor-in-possession under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code")* Case No. 18-12045 (the "Chapter 11 Case"), hereby proposes and files this Disclosure Statement (the "Disclosure Statement") in connection with its Chapter 11 Plan of Liquidation dated July 5, 2018 (the "Plan").

THIS DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE INFORMATION TO ENABLE HOLDERS OF CLAIMS AGAINST THE DEBTOR TO MAKE AN INFORMED JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL HOLDERS OF CLAIMS ARE HEREBY ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, WHICH IS ANNEXED HERETO AS EXHIBIT A, OTHER EXHIBITS ANNEXED HERETO, AND OTHER DOCUMENTS REFERENCED AS FILED WITH THE COURT BEFORE OR CONCURRENTLY WITH THE FILING OF THIS DISCLOSURE STATEMENT. FURTHERMORE, THE PROJECTED FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN THE SUBJECT OF AN AUDIT. SUBSEQUENT TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL CONTINUE TO BE MATERIALLY ACCURATE; AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

ALL HOLDERS OF CLAIMS SHOULD READ AND CONSIDER CAREFULLY THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT AS A WHOLE PRIOR TO VOTING ON THE PLAN. IN MAKING A DECISION TO ACCEPT OR REJECT THE PLAN, EACH CREDITOR MUST RELY ON ITS OWN EXAMINATION OF THE DEBTOR AS DESCRIBED IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, INCLUDING THE MERITS AND RISKS INVOLVED. EVEN AFTER THE EFFECTIVE DATE, DISTRIBUTIONS UNDER THE PLAN MAY BE SUBJECT TO SUBSTANTIAL DELAYS FOR CREDITORS WHOSE CLAIMS ARE DISPUTED.

NO PARTY IS AUTHORIZED BY THE DEBTOR TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS OR INFORMATION CONCERNING THE DEBTOR, ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS ASSETS HAVE BEEN AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH HEREIN. ANY INFORMATION OR REPRESENTATIONS GIVEN TO OBTAIN YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH ARE DIFFERENT FROM OR INCONSISTENT WITH THE INFORMATION OR REPRESENTATIONS CONTAINED HEREIN AND IN THE PLAN SHOULD NOT BE RELIED UPON BY ANY CREDITOR IN VOTING ON THE PLAN.

* Capitalized terms not defined herein shall have the meanings ascribed to them in the Disclosure Statement.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NONBANKRUPTCY LAW. PERSONS OR ENTITIES HOLDING OR TRADING IN, OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST, OR SECURITIES OF, THE DEBTOR, IF ANY, SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

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

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED ACTIONS, THE DISCLOSURE STATEMENT AND PLAN AND THE INFORMATION CONTAINED THEREIN SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION, BUT RATHER AS STATEMENTS MADE IN SETTLEMENT NEGOTIATIONS GOVERNED BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER RULE OR STATUTE OF SIMILAR IMPORT.

THIS DISCLOSURE STATEMENT AND PLAN SHALL NEITHER BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY NOR BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN. EACH CREDITOR SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL, AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN OR THE TRANSACTIONS CONTEMPLATED THEREBY.

This Disclosure Statement, the Plan annexed hereto as **Exhibit A** (and the exhibit annexed hereto), the accompanying form of Ballot, and the related materials delivered together herewith are being furnished by the Debtor to Holders of Claims pursuant to Section 1125 of the Bankruptcy Code, in connection with the solicitation by the Debtor of votes to accept or reject the Plan (and the transactions contemplated thereby, as disclosed herein).

INTRODUCTION AND SUMMARY

Introduction

On February 16, 2018, B52 Media, LLC ("B52" or the "Debtor") filed a voluntary petition for relief under Chapter 11 of Title 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Maryland. The Chapter 11 Case is pending before the Honorable Michelle M. Harner.

This Disclosure Statement is provided pursuant to Section 1125 of the Bankruptcy Code to all of the Debtor's known Creditors, Equity Interest Holders and other parties in interest, in connection with solicitation of the acceptance of the Plan, which has been filed with the Bankruptcy Court. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holder of Claims against any interest in the Debtor, to make an informed judgment in exercising his, her or its right either to accept or reject the Plan.

The Debtor (the "Plan Proponent") seeks the support of the Creditors through confirmation of the Plan. The Plan is described in greater detail below, and is attached as **Exhibit A** to this Disclosure Statement. Your acceptance of the Plan is important.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

The Bankruptcy Court will hold a hearing on final approval of the Disclosure Statement and Confirmation of the Plan on August ____, 2018, at the hour of ____:00 a.m./p.m., in Courtroom 9C of the United States Bankruptcy Court, 101 W. Lombard Street, Baltimore, Maryland 21201.

THE PLAN PROPONENT BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR, ITS CREDITORS, AND THE ESTATE, AND OFFERS CREDITORS THE BEST OPPORTUNITY FOR A MEANINGFUL DISTRIBUTION ON ACCOUNT OF THEIR CLAIMS. THE PLAN PROPONENT URGES ALL OF THE DEBTOR'S CREDITORS TO VOTE IN FAVOR OF THE PLAN.

Voting Instructions

Your vote on the Plan is important. Non-acceptance of the Plan could lead to delays in distributions to Creditors. Your vote will help preserve the value of the Debtor's estate for the benefit of Creditors. A ballot is enclosed for use by Creditors. Whether or not you expect to be present at the hearing to consider confirmation of the Plan, you are urged to fill-in, date, sign and mail, e-mail, or fax the ballot accompanying the Plan and this Disclosure Statement to Steven L. Goldberg, McNamee Hosea, 6411 Ivy Lane, Suite 200, Greenbelt, Maryland 20770, Fax (301) 982-9450, sgoldberg@mhlawyers.com; dmoorehead@mhlawyers.com. For your ballot to count, it must be received prior to the date and time shown thereon.

TO BE COUNTED, ALL BALLOTS MUST BE SENT SO THAT THEY ARE ACTUALLY RECEIVED AT THE ABOVE ADDRESS NO LATER THAN 11:59 P.M. ON THE DATE IDENTIFIED IN THE ATTACHED ORDER CONDITIONALLY APPROVING RESTATED DISCLOSURE STATEMENT. IF YOUR BALLOT IS NOT PROPERLY COMPLETED, SIGNED AND RETURNED AS DESCRIBED, IT WILL NOT BE COUNTED. IF YOUR BALLOT IS DAMAGED OR LOST, YOU MAY REQUEST A REPLACEMENT BALLOT BY CONTACTING COUNSEL FOR THE DEBTOR.

Acceptance of Plan

Each Holder of an Allowed Claim or an Allowed Equity Interest that is Impaired under the Plan may vote to accept or reject the Plan. The only Classes entitled to vote under the Plan are Class 2 and Class 3.

An Impaired Class of Creditors is deemed to accept the Plan if at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in that Class (who actually vote) vote on the Plan. Except as provided in the Bankruptcy Code, the acceptance of each Class of Impaired Creditors is required in order to confirm the Plan. **IF YOU FAIL TO VOTE ON THE PLAN, THE OUTCOME WILL BE DETERMINED BY OTHER CREDITORS. YOU WILL BE BOUND BY THE RESULT, EVEN IF YOU FAIL TO VOTE.** The requirements for confirmation of the Plan are discussed in greater detail below.

DESCRIPTION AND HISTORY OF DEBTOR'S BUSINESS

A. Overview

B52 Media, LLC is a Maryland limited liability company. Prior to the Petition Date, the Debtor was engaged in the business of buying, selling and monetizing domain names. As of the Petition Date, the Debtor's principal asset consists of approximately 4300 domain names, with an estimated value of approximately $1,700,000.00. The Debtor, in consultation with its professionals, intends to widely expose the Assets to the market in order to realize the highest and best value for the Assets.

The Debtor was formed in November of 2005, and was owned and managed by Lonnie Borck until his untimely passing in October, 2016. B52 is widely known in the domain name industry. Jonathan W. Bierer, Esquire, as personal representative of the estate of Lonnie Borck, succeeded as managing member of B52 pursuant to the Debtor's Operating Agreement, related organizational documents, and applicable law.

Post-petition, the Debtor remains focused on marketing and selling its domain names at the highest possible value in order to fund payments to Creditors under the Plan.

EVENTS LEADING TO CHAPTER 11 FILING

The Debtor's Bankruptcy Case was filed, in part, due to pre-petition litigation between the Debtor and Suraj Rajwani, as described more fully herein. Though Mr. Rajwani's claims are disputed and unliquidated, Mr. Rajwani engaged in intentional and tortious acts to imepede the

Debtor's ability to operate by, among other things, preventing B52 from marketing and selling domain names.

The litigation between B52 and Mr. Rajwani arises out of a *Domain Name Purchase and Assignment Agreement* (the "Purchase Agreement") dated July 11, 2014. Pursuant to the Purchase Agreement, Mr. Rajwani offered to buy and the Debtor agreed to sell the domain name *Funding.com* for the sum of $560,000.00. Mr. Rajwani breached the Purchase Agreement almost at the inception by repeatedly failing to make timely payments under the agreement, despite four amendments to the agreement. Under the Purchase Agreement, Mr. Rajwani is entitled to a refund of $190,000.00.

More than six months after Mr. Rajwani's *last* breach of the Purchase Agreement in 2015, the Debtor entered into a purchase agreement to sell *Funding.com* to Payments IP Pty Ltd., a new purchaser, for the sum of $770,000.00. The transaction with *Funding.com* closed on or around June 9, 2016.

In October of 2016, Mr. Rajwani filed a Complaint, as amended, against the Debtor and other parties in the Superior Court of California, Case No. CGC16554684 (the "California Litigation"). In the California Litigation, Mr. Rajwani seeks a declaration that he is the rightful owner of *Funding.com*, as well as monetary damages against B52 and the Estate of Lonnie Borck. Payments IP Pty Ltd., the rightful owner of the domain name, has been awarded full access to *Fundng.com*, based on Mr. Rajawani's failure to demonstrate a likelihood of success on the merits on his claim against Payments IP.

The California Litigation is stayed by B52's bankruptcy filing. Mr. Rajwani has filed a motion for relief from the automatic stay to prosecute his claims in the California Litigation, which the Debtor has opposed. In the event the automatic stay is lifted, the cost to defend the California Litigation is expected to exceed $250,000.00. The Debtor would use cash on hand and the proceeds from the sale of domain names to fund the defense of the California Litigation.

SUMMARY OF EVENTS DURING THE BANKRUPTCY CASE

A. Retention of Professionals

Section 327(a) of the Bankruptcy Code provides that a debtor, with the court's approval, may employ one or more accountants or other professional persons that do not hold or represent an interest adverse to the estate and that are disinterested persons to represent or assist the debtor in carrying out its duties under the Bankruptcy Code.

On February 16, 2018, the Debtor sought approval of the Bankruptcy Court to retain the law firm of McNamee, Hosea, Jernigan, Kim, Greenan & Lynch, P.A., as its counsel. The application was granted pursuant to an order entered on March 9, 2018.

On May 14, 2018, the Debtor sought approval of the Bankruptcy Court to retain Name Experts, LLC as Non-Exclusive Personal Property Broker to the Debtor. Name Experts, LLC

has extensive experience in the sale and marketing of domain names. The application to approve Name Experts, LLC was granted on June 22, 2018.

B. The Motion to Approve Sale Procedures

On the Petition Date, the Debtor filed an Expedited Motion to Confirm Authority to Sell in the Ordinary Course of Business and to Approve Sale Procedures (the "Sale Procedures Motion"). The Sale Procedures Motion sought authority to continue the Debtor's pre-petition practice of selling domain names in the ordinary course of business to fund Debtor's operations and payments to Creditors under the Plan. On March 14, 2018, the Bankruptcy Court entered an *Order Approving Sale Procedures and Authorizing Sales of Domain Names Pursuant to Sale Procedures* (the "Sale Order") [Docket No. 37].

Since the entry of the Sale Order, the Debtor has continued to market and sell domain names in the ordinary course of business, as evidenced by the Reports of Sale filed in the Bankruptcy Case. The Debtor has also retained Name Experts, LLC as its non-exclusive agent to assist the Debtor in marketing and liquidating the Debtor's domain name portfolio at highest and best value.

C. Management of the Debtor Before and During the Bankruptcy

Since November of 2016, the Debtor was managed by Jonathan W. Bierer, Esquire, as personal representative of the Estate of Lonnie Borck. Mr. Bierer will continue to manage the Debtor and Reorganized Debtor as it liquidates its Assets for the benefit of creditors.

D. Assets of the Estate

The Debtor's principal Assets consist of approximately 4300 domain names. A list of the domain names is attached to the Debtor's Schedules [Docket No. 26] filed in the Bankruptcy Case. With appropriate time and exposure to the market, the domain name portfolio is estimated to be worth as much as $1,700,000.00, though for purposes of estimating recovery to Creditors under this Plan, the Debtor has estimated the value of the Assets more conservatively at $1,400,000.00. As of the date of this Disclosure Statement, the Debtor is holding cash in the amount of approximately $125,000.00.

Though the Debtor does not expect any meaningful recoveries from Avoidance Actions and Causes of Action, if any, the Debtor intends to investigate and, if appropriate, pursue any such Claims. The Avoidance Actions and Causes of Action are identified in the Debtor's Schedules and Statements of Financial Affairs.

SUMMARY OF THE PLAN

Introduction

The Plan will be funded from the sale of the Debtor's Assets and, to the extent available, from recoveries of Avoidance Actions and Causes of Action. Creditors are expected to receive a distribution consistent with the provisions of the Plan and priority scheme of the Bankruptcy

Code. A summary of the treatment of Claims and Equity Interests is set forth below. The Debtor reserves the right to object to the validity, priority or extent of Claims, as set forth in the Plan.

Class 1: (Allowed Priority Tax Claims) ($14.44). Class 1 consists of the Allowed Priority Tax Claim of Baltimore County, Maryland in the approximate amount of $14.44, plus statutory interest at the legal rate, arising out of unpaid personal property taxes for the period of July 1, 2017 through June 30, 2018. This Class is Unimpaired.

Class 2: (General Unsecured Claims) ($1,643,944.00). Class 2 consists of the General Unsecured Claims filed against, estimated and/or scheduled by B52 in the aggregate amount of approximately $1,643,944.00. The Debtor or Reorganized Debtor (as the case may be) reserves the right to object to the Class 2 Claims and nothing herein shall constitute an admission that such claims are Allowed. This Class is Impaired.

Class 3: (Contingent General Unsecured Claim of Payments IP Pty Ltd.) ($776,878.00). Class 3 consists of the Contingent General Unsecured Claim of Payments IP Pty Ltd. in the amount of $776,878.00. The Claim of Payments IP Pty Ltd. is contingent and unliquidated. This Class is Impaired.

Class 4: (Equity Interests in B52). Class 4 consists of the membership interest in the Debtor held by the Estate of Lonnie Borck. Class 4 is Impaired but cannot vote to accept or reject the Plan.

The above summary is subject to the full text of the Plan, a copy of which is attached hereto as Exhibit A. To the extent that a conflict exists between this summary and the terms of the Plan, the text of the Plan controls.

Classification and Treatment of Clais and Equity Interests

The following is the designation of the Classes of Claims and Equity Interests under the Plan. Administrative Expense Claims have not been classified and are excluded from the following Classes in accordance with Bankruptcy Code section 1123(a)(1). A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any portion or remainder of such Claim or Equity Interest qualifies within the description of such different Class. The Claims and Equity Interests identified below are subject to the right of the Debtor or Reorganized Debtor (as the case may be) to object to the amount, validity or extent of such Claims or Equity Interests.

Treatment of Class 1
(Allowed Priority Tax Claims, $14.44).

Priority Tax Claims represent certain pre-petition unsecured income, sales and other taxes described by Code Section 507(a)(8), including property taxes. The Code requires that each holder of such a Section 507(a)(8) allowed Priority Tax Claim receive the present value of such

claim in deferred cash payments, over a period not exceeding five years from the date of the assessment of such tax.

Class 1 consists of the Allowed Priority Tax Claim of Baltimore County, Maryland in the approximate amount of $14.44, plus statutory interest at the applicable rate. The Class 1 Allowed Priority Tax Claim shall be paid in full on the Effective Date.

Class 1 is Unimpaired under the Plan, and is not entitled to vote to accept or reject the Plan.

Treatment of Class 2
(General Unsecured Claims, $1,643,944.00).

Class 2 consists of General Unsecured Claims filed against, scheduled and/or estimated by the Debtor in the amount of approximately $1,643,944.00.[2]

In full and final satisfaction and discharge of each Allowed Class 2 Claim, each Holder of an Allowed Class 2 Claim shall receive their pro-rata share of the proceeds from the sale of the Debtor's Assets (*pari passu* with Allowed Class 3 Claims) after all Administrative Claims and the Allowed Class 1 Claim is paid. The Debtor estimates that Holders of Class 2 General Unsecured Claims will receive approximately 60% of their Allowed Claims, in cash, beginning on the Effective Date (to the extent funds are available), followed by semi-annual payments on January 1 and June 1 of each year for a period not to exceed five (5) years. Notwithstanding the foregoing, Holders of Class 2 Claims are advised that the proposed distribution is an estimate, and is subject to change based on litigation expenses, the allowance of Claims (*including the allowance of some or all of the Class 3 Claim*) and the net proceeds from the sale of the Debtor's Assets. The estimated distribution could be more or less than the stated percentage.

The Debtor or Reorganized Debtor (as the case may be) reserves the right to object to the Class 2 Claims and nothing herein shall constitute an admission that these claims are Allowed.

Class 2 is Impaired, and is entitled to vote to accept or reject the Plan.

Treatment of Class 3
(Contingent General Unsecured Claim of Payments IP Pty Ltd., $776,878.00).

Class 3 consists of the Contingent General Unsecured Claim filed by Payments IP Pty Ltd. against the Debtor in the amount of $776,878.00.

The Allowed Contingent Unsecured Claim of Payments IP Pty Ltd. is contingent and unliquidated. Payments IP Pty Ltd.'s claim arises out of the purchase of the domain name *Funding.com*, the ownership of which has been challenged by Suraj Rajwani in the California

[2] Suraj Rajwani has not filed a proof of claim. The Debtor estimates the amount of Mr. Rajwani's Class 2 Claim for purposes of voting on the Plan to be $190,000.00. The Debtor disputes that Mr. Rajwani has a Claim greater than $190,000.00.

Litigation. Although its proof of claim is presently contingent and unliquidated, if and to the extent Mr. Rajwani is successful in his claim for ownership of *Funding.com*, Payments IP Pty Ltd. would have a liquidated Claim against the Debtor in the amount of $776,878.00.

The Allowed Contingent Unsecured Claim of Payments IP Pty Ltd., to the extent Allowed after adjudication by this Court or a Court of competent jurisdiction, shall be paid on a pro-rata basis with Holders of Class 2 Claims. Payment as set forth herein to the Holder of the Class 3 Claim shall constitute full and final satisfaction of the Class 3 Claim. Payments to the Holder of the Class 3 Claim shall be paid in a reserve account as a disputed claim pursuant to Article V of the Plan.

The Debtor or Reorganized Debtor (as the case may be) reserves the right to object to the Class 3 Claim and nothing herein shall constitute an admission that these claims are Allowed.

Class 3 is Impaired, and is entitled to vote to accept or reject the Plan.

Treatment of Class 4
(Equity Interests).

Class 4 consists of Equity Interests in the Debtor. As of the Petition Date, the membership interest in B52 was owned by the Estate of Lonnie Borck.

The Holder of the Class 4 Equity Interests in B52 is expected to receive no distributions under the Plan. Following the sale of all of the Debtor's Assets and the distribution of sale proceeds pursuant to the Plan, the Equity Interests will be deemed cancelled and extinguished, without any further act or action under any applicable law, regulation, order or rule.

Class 4 is Impaired, but is not entitled to vote because the Holders of Equity Interests in Class 4 will not retain or acquire any property under the Plan on account of its Equity Interest unless all Creditors are paid in full. As such, Class 4 is deemed to reject the Plan.

Designation and Treatment of Unclassified Claims

Administrative Expenses

Except as set forth below, each holder of an Allowed Administrative Expense shall be entitled to payment in full in cash upon the later of (a) the Effective Date, (b) the date on which an order of the Bankruptcy Court allowing such Administrative Expense becomes a Final Order, or (c) the date, or dates, on which the Plan Proponent and the holder of such Allowed Administrative Expense agree or have agreed. Any final request for payment of an Administrative Expense must be filed no later than thirty (30) days after the Effective Date. The Administrative Claims Bar Date shall not constitute a bar to Professional Fee Claims, whether accruing prior to or after the Administrative Claims Bar Date. Requests for payment of Administrative Expenses shall be made by motion or application, as applicable, pursuant to the rules of the Bankruptcy Court. The failure to file a motion or application for the allowance of any Administrative Expense on or before the Administrative Claims Bar Date shall constitute a bar against the assertion or

collection of any such Administrative Expense, and shall relieve the Debtor's Estate and the Reorganized Debtor from any liability, responsibility or obligation with respect to such Administrative Expense. Notwithstanding the foregoing, the Debtor may, in its sole discretion, pay Administrative Expenses incurred in the ordinary course of the Debtor's business without motion or Court order. Notice of any application or motion for the allowance or payment of any Administrative Expense Claim shall be given to the Debtor, Debtor's Bankruptcy Counsel, the Office of the United States Trustee and to Creditors and parties in interest who have requested notice pursuant to Bankruptcy Rule 2002. The Debtor estimates Administrative Expenses of approximately **$7,500.00.**

Professional Fee Claims

Professionals or other entities asserting a Professional Fee Claim for services rendered before the Effective Date must, unless previously filed, file and serve on Debtor's Bankruptcy Counsel, the Office of the United States, and to Creditors and parties in interest who have requested notice pursuant to Bankruptcy Rule 2002, an application for final allowance of such Professional Fee Claim no later than thirty (30) days after the Effective Date. Professional Fee Claims shall be paid on the later of: (a) the Effective Date; (b) the date on which an order of the Bankruptcy Court allowing such Administrative Expense becomes a Final Order; or (c) the date, or dates, on which the Debtor and the Professional(s) may agree. Any party in interest may object to a Professional Fee Claim. Any objections to the allowance of a Professional Fee Claim must be filed and served no later than twenty-one (21) days after such Professional Fee Claim is filed and served. All fees and expenses earned by the Debtor's or Reorganized Debtor (as the case may be) professionals subsequent to the Confirmation Date shall be paid by the Debtor or Reorganized Debtor (as the case may be) as earned and billed without need for further approval of the Bankruptcy Court. The Debtor estimates Professional Fee Claims of approximately **$40,000.00**.

Statutory Fees and Continuing Duties to the Office of the U.S. Trustee

The Debtor and Reorganized Debtor, as applicable, shall pay to the United States Trustee, at the time such payments are due, all fees owed under 28 U.S.C. § 1930(a)(6) for disbursements by the Debtor from the Petition Date through the date on which the case is closed or converted to a case under Chapter 7. The Debtor and Reorganized Debtor, as applicable, will be responsible for disbursing any such payments to the Office of the U.S. Trustee as owed, and reporting such disbursements under applicable rules.

Assumption and Rejection of Executory Contracts and Unexpired Leases

Unless previously rejected by order of the Bankruptcy Court pursuant to section 365 of the Bankruptcy Code, or by operation of law, or assumed through the provisions of the Plan, on the Effective Date, all Executory Contracts and Unexpired Leases shall be rejected pursuant to Bankruptcy Code section 365. The Confirmation Order shall constitute an order of the Bankruptcy Court approving assumptions and rejections pursuant to section 365 of the Bankruptcy Code**.** No cure payments are believed to be due to the counter-parties of the Executory Contracts and Unexpired Leases.

In addition to the foregoing, all insurance policies shall remain in full force and effect unless otherwise validly terminated, and issuers of such policies of insurance shall remain responsible for claims in accordance with the terms and provisions of such insurance policies. The insurance policies that have expired as of the Confirmation Date (whether entered into prior or subsequent to the Petition Date) are not executory contracts subject to assumption or rejection. The issuers of insurance policies shall be responsible for continuing coverage obligations under such insurance policies, regardless of the payment status of any retrospective or other insurance premiums.

Rejection Claims

Any Rejection Damage Claim arising from the rejection of an Executory Contract or Unexpired Lease by operation of the Plan must be asserted by the filing of a Proof of Claim with the Bankruptcy Court, and the service of such Proof of Claim on Debtor's Bankruptcy Counsel. Such Proof of Claim must be filed with the Bankruptcy Court, and received by Debtor's Bankruptcy Counsel no later than the Rejection Claims Bar Date. Any Allowed Rejection Damage Claim shall be treated as a Class 2 Claim in accordance with Article IV of the Plan. The failure to file or deliver a Rejection Damage Claim by the Rejection Claims Bar Date shall constitute a bar against the assertion or collection of any such Claim, and shall relieve the Debtor and the Debtor's Estate, and the Reorganized Debtor, from any liability, responsibility or obligation with respect to such Claim. Without limiting the generality of the foregoing, no distribution shall be made pursuant to the Plan with respect to any Rejection Damage Claim that is not filed and delivered by the Rejection Claims Bar Date.

Effects of Confirmation of Plan

Discharge of Claims and Interests. In accordance with Section 1141(d)(3) of the Bankruptcy Code, the Debtor will not receive any discharge of debt in the Chapter 11 Case. Except for Avoidance Actions and Causes of Action, and/or as otherwise expressly provided by the Plan or Order of the Bankruptcy Court, all property of the Debtor's estate shall, upon entry of the Confirmation Order, be vested in the Reorganized Debtor and will be retained by the Reorganized Debtor on the Effective Date, subject to liquidation as provided under the Plan. All such property shall be free and clear of all Claims and the Interest of Creditors and other parties-in-interest, except as otherwise set forth in the Plan.

ACCEPTANCE AND CONFIRMATION OF PLAN

Except as discussed below, a prerequisite to the Confirmation of the Plan is the acceptance of the Plan by each Impaired Class. A Class is Impaired unless, with respect to each Claim or Equity Interest in such Class, the Plan: (1) leaves unaltered the legal, equitable, and contractual rights to which such Claim or Equity Interest entitles the holder of such Claim or Equity Interest; or (2) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim or Equity Interest to demand or receive accelerated payment of such Claim or Equity Interest after the occurrence of a default, (a) cures any such default that occurred before or after the commencement of the Chapter 11 Case (other than "ipso facto" defaults as specified in Section 365(b)(2) of the Bankruptcy Code); (b) reinstates the maturity of such Claim or Equity Interest as such maturity existed before such default; (c) compensates the holder of such Claim

or Equity Interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such 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 Equity Interest.

In order for the Debtor to carry a designated Class for purposes of confirmation of the Plan, the affirmative vote of Holders of Claims in each such Class that hold at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in that Class who actually vote on the Plan, other than a holder who has been designated by the Court as in bad faith having accepted or rejected the Plan, or whose acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of Chapter 11 of the Bankruptcy Code is required. If the requisite acceptances from Holders of Allowed Claims in each Class of Claims are obtained, and the Plan is confirmed, the Plan will be binding on all Holders of Claims and Equity Interests, including those who did not vote or who voted to reject the Plan (or those who are deemed to reject the Plan).

The Plan Proponent reserves the right to seek to confirm the Plan pursuant to the cramdown provisions of Section 1129(b) of the Bankruptcy Code. As a condition to confirmation, the Bankruptcy Code generally requires that each Impaired Class of Claims or Equity Interest accepts a plan of reorganization/liquidation. In the event that an Impaired Class does not accept the Plan, the Bankruptcy Court may nonetheless confirm the Plan if (i) the Plan satisfies all other requirements of Section 1129(a) of the Bankruptcy Code, and (ii) the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each Impaired Class that has not accepted the Plan.

A plan of reorganization/liquidation does not discriminate unfairly if (a) the legal rights of a non-accepting Class are treated in a manner that is consistent with the treatment of other Classes whose legal rights are identical with those of the non-accepting Class, and (b) no Class receives payments in excess of that which it is legally entitled to receive for its Claims or Interests. The Plan Proponent believes that the Plan satisfies these requirements with respect to each Class.

The Bankruptcy Code establishes different tests for Secured Creditors, Unsecured Creditors and Equity Interest Holders to determine if the Plan is "fair and equitable." The tests may be summarized as follows:

(a) Secured Creditors: either (i) each Impaired Secured Creditor retains its liens securing its Secured Claim and receives on account of its Secured Claim deferred cash payments having a present value as of the Effective Date equal to the amount of its Allowed Secured Claim, (ii) each Impaired Secured Creditor realizes the "indubitable equivalent" of its Allowed Secured Claim, or (iii) the property securing the Claim is sold free and clear of liens with such liens to attach to the proceeds, and the liens against such proceeds are treated in accordance with clause (i) or (ii), above.

(b) Unsecured Creditors: either (i) each Impaired Unsecured Creditor receives or retains under the Plan property of a value equal to the amount of its Allowed Unsecured Claim, or (ii) the Holders of Claims and Equity Interests that are junior to the Claims of the non-

accepting Class do not receive any property under the Plan on account of such Claims and Equity Interests.

(c) Equity Interest Holders: either (i) each Equity Interest holder will receive or retain under the Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any of his/her Equity Interest or (b) the value of his/her Equity Interest, or (ii) the Holders of Equity Interests that are junior to the non-accepting Class will not receive any property under the Plan.

The Plan Proponent believes that the Plan is "fair and equitable" to Equity Interest Holders, Unsecured Creditors and Secured Creditors.

The Plan Proponent reserves all rights to modify or withdraw the Plan at any time prior to the Effective Date.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The alternatives to the confirmation and consummation of the Plan is liquidation of the Debtor under Chapter 7 of the Bankruptcy Code. As set forth in **Exhibit B**, the Debtor believes that the Plan provides a greater return to Unsecured Creditors.

Alternative Plans of Reorganization

The Plan Proponent does not believe that an alternative plan would be viable or in the best interest of the Estate, Creditors or parties-in-interest. The Plan Proponent believes that the Plan provides Creditors a greater recovery than would result from a liquidation of the Assets under Chapter 7. Net of liquidation expenses, the Plan commits all proceeds from the sale of the Assets for the benefit of Holders of Allowed Claims. Accordingly, the Plan Proponent does not believe that rejection of the Plan in favor of Chapter 7 or dismissal would result in a greater distribution to Creditors. To the contrary, the pursuit of a non-consensual plan likely would result in the diminution of distributions to Creditors. Rejection of the Plan likely would lead to litigation, delay and increased expense, particularly if the Chapter 11 Case was converted to Chapter 7. The Plan Proponent firmly believes that the Plan is the best option for maximizing returns to Creditors.

Liquidation Under Chapter 7 of the Bankruptcy Code

If the Plan or any other chapter 11 plan for the Debtor cannot be confirmed under Section 1129(a) of the Bankruptcy Code, the Chapter 11 Case may be converted to Chapter 7 of the Bankruptcy Code, in which event a trustee would be appointed (or subsequently elected) to liquidate any remaining assets of the Debtor for distribution to creditors pursuant to chapter 7 of the Bankruptcy Code. A Chapter 7 trustee would substantially increase both costs and time necessary to fully administer the Estate. Likewise, in addition to fees of professionals retained by a Chapter 7 trustee, the Chapter 7 trustee would also charge a fee tied to the value of all assets administered by the Chapter 7 trustee in accordance with Section 326(a) of the Bankruptcy Code, which are elevated to the highest priority of payment under the Bankruptcy Code, and which will not be charged by the post-confirmation Debtor.

After consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to Creditors, including the Chapter 7 trustee's investment of substantial time and resources to investigate the facts underlying the Claims filed against the Estate, the Debtor has determined that confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to liquidation of the Debtor under Chapter 7. The Debtor submits that the value of any distributions to each Class of Allowed Claims in a Chapter 7 case would likely be less than the value of distributions under the Plan due to the costs of administration under Chapter 7 of the Bankruptcy Code and the likely "quick" sale of the Debtor's Assets.

A copy of the Debtor's Liquidation Analysis is attached hereto as **Exhibit B**.

IMPLEMENTATION OF PLAN

Feasibility. Section 1129(a)(1) of the Bankruptcy Code provides that a chapter 11 plan may be confirmed only if the Court finds that such plan is feasible. A feasible plan is one which will not lead to a need for further reorganization or liquidation of the debtor. Since the Plan provides for the complete liquidation of the Debtor's Assets, the Bankruptcy Court will find that the Plan is feasible of it determines that the Debtor will have sufficient funds to meet its post-Confirmation Date obligations to pay the costs of administering and fully consummating the Plan and closing the Chapter 11 Case. The Plan will be funded from the sale of the Assets and, to the extent applicable, from net recoveries from Avoidance Actions and Causes of Action. Attached hereto as **Exhibit B** is the Debtor's liquidation analysis based on the Debtor's estimate of sale proceeds and the outcome of Claim objections. Creditors should be aware that the estimates are subject to change based on the Allowed amount of Class 2 and Class 3 Claims, litigation expenses, and the sale proceeds ultimately obtained from the sale of the Assets. See Exhibit B. Notwithstanding the foregoing, liquidation under the Plan will result in the potential of a greater recovery to Creditors than liquidation under Chapter 7. The Debtor submits that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Code.

Revesting of Assets. On the Effective Date, all Assets of the Debtor shall be revested in the Reorganized Debtor as provided in section 1141 of the Bankruptcy Code free and clear of all liens, security interests, recording taxes, and other interests, choate or inchoate, resulting from all Claims and Equity Interests of all Creditors, Interest Holders and parties-in-interest.

Section 1146 Exemption. To the fullest extent permitted by Section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of any security under this Plan, or the execution, delivery or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by this Plan, or the vesting, transfer or sale of any property (real or personal) of the Debtor pursuant to, in implementation of or as contemplated by this Plan, shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee.

Distributions. The Reorganized Debtor shall make all distributions under the Plan in cash made by check drawn on a domestic bank or by wire transfer from a domestic bank. Subject to the provisions of Bankruptcy Rule 2002(g) and except as otherwise provided under the Plan, the Reorganized Debtor will make distributions to Holders of Allowed Claims at each Holder's address set forth on the Schedules filed with the Bankruptcy Court unless superseded by a different address set forth in a timely filed proof of Claim filed by the Holder or if the Reorganized Debtor have been notified in writing of a change of address at the following address.

Distributions under the Plan shall begin to be made no later than January 1, 2019, subject to the Debtor's or Reorganized Debtor's (as the case may be) right to seek an extension for up to 60 days, for good cause shown.

Estimation of Claims. The Debtor or any Creditor may, prior to the hearing on the Disclosure Statement, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

Corporate Action. On the Effective Date, all matters provided for under the Plan that would otherwise require approval of the members or comparable governing bodies of the Debtor, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law (or other applicable governing law) of the state in which the Debtor is organized without any requirement of further action by the member (or other governing body) of the Debtor. On the Effective Date, or as soon thereafter as is practicable, (i) the Debtor's articles of organization and operating agreement, shall, to the extent necessary, be amended to comply with the provisions of Section 1123(a)(6) of the Bankruptcy Code and otherwise in a manner not inconsistent with the Plan, and (ii) the Debtor shall take all actions necessary to implement the Plan.

Setoffs. The Debtor or Reorganized Debtor may, but shall not be required, to set off against any Claims (for purposes of determining the Allowed amount of such Claim on which distribution shall be made) of any nature whatsoever that the Debtor may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or Reorganized Debtor of any such Claim the Debtor may have against the Holder of such Claim.

Small Distributions and Unclaimed Funds. The Debtor or Reorganized Debtor shall not be required to make a distribution on account of any Claim, which distribution would be less than $50.00 in amount. Subject to the notice provision set forth herein, any payment that is not negotiated one-hundred eighty (180) days after the date on which it is mailed may be stopped,

and the funds made available for distribution to other Creditors pursuant to the Plan. Any payment that is returned as undeliverable may be voided, and the funds represented by such payment made available for distribution to other Creditors pursuant to the Plan. In the event that payment of an initial distribution is returned as undeliverable or is not negotiated within one-hundred eighty (180) days after it is mailed, the Debtor shall not be required to make any further distributions to such Creditor under the Plan, and the funds that otherwise would have been distributed to such Creditor may be made available, in the Debtor's discretion, as applicable, for distribution to other Creditors pursuant to the Plan.

Preservation of Rights of Action. The Debtor, Creditor and Parties-in-Interest reserve the right to commence any and all Causes of Action and Avoidance Actions on behalf of the Estate, provided, however, any such Causes of Action and Avoidance Actions must be brought no later than one-hundred eighty (180) days after the Effective Date. Any recovery, after payment of fees and expenses, obtained from any such action shall be made available for distribution to Holders of Allowed Class 2 and Class 3 Claims. The Debtor believes that certain Avoidance Actions may exist against one or more Creditors identified in the Debtor's Schedules and/or Statement of Financial Affairs filed in the Chapter 11 Case.

Disputed Claim Procedure.

(a) ***Authority to Prosecute Objections***

After the Effective Date, the Debtor, Creditors and parties-in-interest shall be entitled to object to all Claims. Objections to Claims, if any, must be filed no later than ninety (90) days after the Effective Date, unless such deadline is extended by order of the Bankruptcy Court. Settlement of Disputed Claims shall be subject to notice to the Debtor, Debtor's Bankruptcy Counsel, the Office of the United States, and to Creditors and parties in interest who have requested notice pursuant to Bankruptcy Rule 2002.

(b) ***No Distributions on Disputed or Disallowed Claims***

Except as may otherwise be ordered by the Bankruptcy Court or authorized under the terms of the Plan, the Reorganized Debtor shall not make distributions to Holders of Disputed Claims until the Disputed Claim becomes an Allowed Claim. The Reorganized Debtor shall make no distributions to Holders of Disallowed Claims.

(c) ***No Distributions on Estimated Claims***

Except as may otherwise be ordered by the Bankruptcy Court, the Reorganized Debtor shall not make distributions to Holders of Estimated Claims until the Estimated Claim becomes an Allowed Claim.

(d) ***Late Claims Void***

Unless otherwise expressly Allowed by Order of the Bankruptcy Court or otherwise provided by the Plan, any Claim filed after the applicable Claims Bar Date will be void and of no force or effect, and will receive no distributions under the Plan.

Exculpation. The Debtor and its officers and/or directors (including their respective Professionals)(collectively, the "Exculpation Parties") shall not have any liability to any Holder of a Claim for any act or omission occurring after the Petition Date and through the Effective Date in connection with, related to, or arising out of the Chapter 11 Case, including, without limitation, negotiations regarding or concerning the Plan, the pursuit of confirmation of the Plan, the consummation the Plan, or the administration of the Estate or the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence, and, in all respects, the Exculpation Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

Retention of Jurisdiction. The United States Bankruptcy Court shall retain exclusive jurisdiction after Confirmation of the Plan of all matters arising from or related to the Plan, for as long as necessary for the purpose of §§105(a), 1127, 1142(b) and 1144 of the Bankruptcy Code and for, inter alia, the following purposes:

(a) hear and determine motions, applications, adversary proceedings, and contested matters pending or commenced after the Effective Date;

(b) hear and determine objections to Claims (whether filed before or after the Effective Date), or requests for estimation of any Claim, and to enter any order requiring the filing of proof of any Claim before a particular date;

(c) estimate any Claim at any time, including, without limitation, during litigation concerning any objection to such Claim, including any pending appeal;

(d) ensure that distributions to Holders of Allowed Claims are accomplished as provided in the Plan;

(e) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(f) issue or construe such orders or take any action as may be necessary for the implementation, execution, enforcement and consummation of the Plan and the Confirmation Order, and hear and determine disputes arising in connection with the foregoing;

(g) hear and determine any applications to modify the Plan, to cure any defect or omission or to reconcile any inconsistency in the Plan, the Disclosure Statement, or in any order of the Bankruptcy Court including, without limitation, the Confirmation Order;

(h) hear and determine all applications for Professional Fee Claims;

(i) hear and determine other issues presented or arising under the Plan, including disputes among Holders of Claims and arising under agreements, and the documents or instruments executed in connection with the Plan;

(j) hear and determine any action concerning the recovery and liquidation of the Estate's Assets, wherever located, including without limitation, litigation to liquidate and recover the Estate's Assets or other actions seeking relief of any sort with respect to issues relating to or affecting Estate Assets;

(k) hear and determine any action concerning the determination of Taxes, Tax refunds, Tax attributes, and Tax benefits and similar or related matters with respect to the Debtor or the Estate including, without limitation, matters concerning federal, state, and local Taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(l) hear and determine any other matters related hereto and not inconsistent with Chapter 11 of the Bankruptcy Code; and

(m) enter the Final Decree.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain Federal income tax consequences to the Debtor and Debtor's Holders of Claims and Equity Interests. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder, judicial decisions and published administrative rulings and pronouncements of the IRS, as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations enacted or promulgated hereafter could alter or modify the analysis and conclusions set forth below. Any such changes or interpretations may be retroactive and could affect significantly the Federal income tax consequences discussed below. This summary does not address foreign, state or local tax law, or any estate or gift tax consequences of the Plan, nor does it purport to address the Federal income tax consequences of the Plan to special categories of taxpayers who are Holders of Claims (such as taxpayers who are not domestic corporations or citizens or residents of the United States, or are S corporations, banks, mutual funds, insurance companies, financial institutions, regulated investment companies, broker-dealers and tax-exempt organizations) and assumes that each Creditor holds its Claim directly.

The Federal income tax consequences of the Plan are complex and are subject to significant uncertainties. Debtor has not requested and will not request a ruling from the IRS with respect to any of the tax aspects of the Plan.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS AND EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. MOREOVER, THE TAX CONSEQUENCES OF CERTAIN ASPECTS OF THE PLAN ARE UNCERTAIN DUE TO THE LACK OF APPLICABLE LEGAL PRECEDENT AND THE POSSIBILITY OF CHANGES IN THE APPLICABLE TAX

LAW. THERE CAN BE NO ASSURANCE THAT THE IRS WILL NOT CHALLENGE ANY OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FOREIGN, FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE PLAN.

Certain Federal Income Tax Consequences to Creditors. The Federal income tax consequences of the Plan to a Creditor will depend upon several factors, including but not limited to: (i) whether the Creditor's Claim (or portion thereof) constitutes a Claim for principal or interest; (ii) whether the Creditor is a resident of the United States for tax purposes (or falls into any of the special classes of taxpayers excluded from this discussion as noted above); and (iii) whether the Creditor has taken a bad debt deduction with respect to its Claim. In addition, if a Claim is a "security" for tax purposes, different rules may apply. **CREDITORS ARE STRONGLY ADVISED TO CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE TAX TREATMENT UNDER THE PLAN OF THEIR PARTICULAR CLAIMS.**

A Creditor receiving solely cash in exchange for its Claim will generally recognize taxable gain or loss in an amount equal to the difference between the amount realized and its adjusted tax basis in the Allowed Claim. The amount realized will equal the amount of cash to the extent that such consideration is not allocable to any portion of the Allowed Claim representing accrued and unpaid interest, as further discussed below.

The character of any recognized gain or loss (i.e., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the Creditor, the nature of the Allowed Claim in the Creditor's hands, the purpose and circumstances of its acquisition, the Creditor's holding period of the Allowed Claim, and the extent to which the Creditor previously claimed a deduction for the worthlessness of all or a portion of the Allowed Claim.

A loss generally is treated as sustained in the taxable year for which there has been a closed and completed transaction, and no portion of a loss with respect to which there is a reasonable prospect of reimbursement may be deducted until it can be ascertained with reasonable certainty whether or not such reimbursement will be recovered.

A portion of the consideration received by a Creditor in satisfaction of an Allowed Claim may be allocated to the portion of such Claim (if any) that represents accrued but unpaid interest. If any portion of the distribution were required to be allocated to accrued interest, such portion would be taxable to the Creditor as interest income, except to the extent the Creditor has previously reported such interest as income.

In the event that a Creditor has not previously reported the interest income, only the balance of the distribution after the allocation of proceeds to accrued interest would be considered received by the Creditor in respect of the principal amount of the Allowed Claim. Such an allocation would reduce the amount of the gain, or increase the amount of loss, realized by the Creditor with respect to the Allowed Claim. If such loss were a capital loss, it would not offset any

amount of the distribution that was treated as ordinary interest income (except, in the case of individuals, to the limited extent that capital losses may be deducted against ordinary income).

Federal Income Tax Consequences to Holders of Equity Interests Receiving No Distributions. Holders of allowed Equity Interests receiving no distributions will generally recognize loss in the amount of each such holder's adjusted tax basis in the Equity Interest. The character of any recognized loss (i.e., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the holder, the nature of the Equity Interest in the holder's hands, the purpose and circumstances of its acquisition, the holder's holding period, and the extent to which the holder had previously claimed a deduction for the worthlessness of all or a portion of the Equity Interest.

A loss generally is treated as sustained in the taxable year for which there has been a closed and completed transaction, and no portion of loss with respect to which there is a reasonable prospect of reimbursement may be deducted until it can be ascertained with reasonable certainty whether or not such reimbursement will be recovered.

Importance of Obtaining Professional Tax Assistance. No holder of a Claim or Equity Interest should rely on the tax discussion in this Disclosure Statement in lieu of consulting with one's own tax professional. The foregoing is intended to be a summary only and not a substitute for consultation with a tax professional. The Federal, state, local and foreign tax consequences of the Plan are complex and, in some respects, uncertain. Such consequences may also vary based upon the individual circumstances of each holder of a Claim or Equity Interest. Accordingly, each holder of a Claim or Equity Interest is strongly urged to consult with its own tax advisor regarding the Federal, estate, local and foreign tax consequences of the Plan.

CONCLUSION

The Plan Proponent respectfully urges all Creditors to vote for the Plan. The Plan Proponent believes that the Plan represents the best opportunity for Creditors to realize the maximum possible distribution on account of their Claims against the Debtor.

Dated: July 5, 2018

Respectfully submitted,

B52 Media, LLC

/s/ Jonathan W. Bierer,
By: _____
Jonathan W. Bierer, Managing Member as
Personal Representative of Estate of Lonnie Borck

By and through counsel:

MCNAMEE, HOSEA, JERNIGAN, KIM GREENAN & LYNCH, P.A.

/s/ Steven L. Goldberg
Steven L. Goldberg (Fed Bar No. 28089)
6411 Ivy Lane, Suite 200
Greenbelt, Maryland 20770
Telephone: (301) 441-2420
Facsimile: (301) 982-9450
sgoldberg@mhlawyers.com
Attorneys for B52 Media, LLC

List of Exhibits to Disclosure Statement

Exhibit A	Debtor's Plan of Liquidation
Exhibit B	Liquidation Analysis