

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

In re:

NEOGENIX ONCOLOGY, INC.,

Debtor.

) **Chapter 11**

) **Case No. 12-23557 (TJC)**

)

**NEOGENIX ONCOLOGY, INC.'S FIRST AMENDED DISCLOSURE STATEMENT
WITH RESPECT TO NEOGENIX ONCOLOGY, INC.'S
FIRST AMENDED PLAN OF LIQUIDATION**

March 11, 2013

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DISCLAIMER

THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE DEBTOR'S PLAN OF LIQUIDATION AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CLAIM HOLDERS AND INTEREST HOLDERS ARE 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 WITH RESPECT TO THE PLAN ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THE EXHIBITS ANNEXED TO THE PLAN AND ANY OTHER PLAN DOCUMENTS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT (A) THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF, OR (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAWS. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR WITH "ADEQUATE INFORMATION" WITHIN THE MEANING OF THE BANKRUPTCY CODE, SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF THE DEBTOR SHOULD NOT RELY UPON THIS DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSES FOR WHICH THEY WERE PREPARED.

NOTHING CONTAINED IN THE DISCLOSURE STATEMENT CONSTITUTES AN ADMISSION OR ACKNOWLEDGMENT THAT ANY CLAIMS OR INTERESTS DESCRIBED AND IDENTIFIED IN THE DISCLOSURE STATEMENT ARE VALID, ENFORCEABLE, ALLOWABLE, OR NOT SUBJECT TO DISPUTES, COUNTERCLAIMS OR SETOFFS.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO CONSTITUTE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS IT RELATES TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR. PARTIES SHOULD CONSULT WITH THEIR OWN COUNSEL, ACCOUNTANTS, AND/OR TAX ADVISORS WITH RESPECT TO THE LEGAL EFFECTS AND OTHER CONSEQUENCES OF THE PLAN.

THE DEBTOR AND THE LIQUIDATING TRUSTEE RESERVE THE RIGHT TO OBJECT TO THE AMOUNT OR CLASSIFICATION OF ANY CLAIM OR INTEREST.

THE ESTIMATES SET FORTH IN THIS DISCLOSURE STATEMENT CANNOT BE RELIED ON BY ANY CLAIM HOLDER OR INTEREST HOLDER WHOSE CLAIM OR INTEREST IS SUBJECT TO AN OBJECTION. A CLAIM HOLDER OR INTEREST HOLDER WHOSE CLAIM OR INTEREST IS SUBJECT TO AN OBJECTION MAY NOT RECEIVE THE SPECIFIED SHARE OF THE ESTIMATED DISTRIBUTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT.

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Article 1
INTRODUCTION

Neogenix Oncology, Inc. (“**Neogenix**” or the “**Debtor**” or the “**Company**”) submits this disclosure statement (the “**Disclosure Statement**”) pursuant to Bankruptcy Code section 1125, for use in the solicitation of votes on the Debtor's First Amended Plan of Liquidation (the “**Plan**”). A copy of the Plan is annexed as Appendix A to this Disclosure Statement.

This Disclosure Statement sets forth certain information regarding the Debtor's prepetition operating and financial history, the need to seek chapter 11 protection, and significant events that have occurred during the Chapter 11 Case. This Disclosure Statement also describes terms and provisions of the Plan, certain effects of Confirmation of the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the plan confirmation process and the voting procedures that Holders of Claims and Holders of Interests entitled to vote under the Plan must follow for their votes to be counted.

Except as otherwise provided herein, capitalized terms not otherwise defined in this Disclosure Statement have the meanings ascribed to them in the Plan. Unless otherwise noted herein, all dollar amounts provided in this Disclosure Statement and in the Plan are given in United States dollars.

FOR A DESCRIPTION OF THE PLAN AND VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLAN AS IT RELATES TO CLAIMS AGAINST AND INTERESTS IN THE DEBTOR, PLEASE SEE ARTICLES 7 AND 8 HEREOF.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS IN THE CHAPTER 11 CASE AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT SUCH SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FULL TEXT OF SUCH DOCUMENTS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING FINANCIAL INFORMATION, IS WITHOUT ANY INACCURACY OR OMISSION.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, TO THE EXTENT THAT ANY ENTITY ASSERTS THAT THIS DISCLOSURE STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY, THE DEBTOR DOES NOT BELIEVE THAT THIS DISCLOSURE STATEMENT CONSTITUTES SUCH AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER IS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER APPLICABLE EVIDENTIARY RULES. THE DEBTOR

RESERVES ITS RIGHT TO ASSERT IN ANY SUCH CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS THAT THIS DISCLOSURE STATEMENT IS NOT ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY. THIS DISCLOSURE STATEMENT SHALL NOT BE DEEMED ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS OR INTERESTS. YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL CONSEQUENCES OF THE PLAN.

THE DEBTOR AND THE OFFICIAL COMMITTEE BELIEVE THAT THE PLAN WILL ENABLE THE DEBTOR TO ACCOMPLISH THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR AND THE HOLDERS OF ALL CLAIMS AND THE HOLDERS OF ALL INTERESTS. ACCORDINGLY, THE DEBTOR AND THE OFFICIAL COMMITTEE URGE HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS ENTITLED TO VOTE TO ACCEPT THE PLAN.

FOR FURTHER INFORMATION AND INSTRUCTION ON VOTING TO ACCEPT OR REJECT THE PLAN, SEE ARTICLE 2 AND ARTICLE 7 OF THE DISCLOSURE STATEMENT.

Article 2
PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Holders of Interests

This Disclosure Statement will be transmitted to Holders of Claims and Holders of Interests that are entitled to vote on the Plan. A discussion and listing of those Holders of Claims and Holders of Interests that are entitled to vote on the Plan and those Holders of Claims and Holders of Interests that are not entitled to vote on the Plan is provided herein. The primary purpose of this Disclosure Statement is to provide adequate information to enable such Holders of Claims and Holders of Interests to make a reasonably informed decision with respect to the Plan prior to exercising their right to vote to accept or reject the Plan.

The Bankruptcy Court has been asked to approve this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable such Holders of Claims and Holders of Interests to make an informed judgment with respect to acceptance or rejection of the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT (WHEN SUCH APPROVAL IS OBTAINED) DOES NOT CONSTITUTE EITHER A GUARANTY OF THE ACCURACY OR THE COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

WHEN AND IF CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND HOLDERS OF INTERESTS IN THE

DEBTOR, WHETHER OR NOT SUCH HOLDERS ARE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT SUCH HOLDERS RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS, YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT CAREFULLY. IN PARTICULAR, ALL HOLDERS OF IMPAIRED CLAIMS AND IMPAIRED INTERESTS WHO ARE ENTITLED TO VOTE ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS EXHIBITS CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. This Disclosure Statement contains important information about the Plan, the Debtor's business and operations, considerations pertinent to acceptance or rejection of the Plan and developments concerning the Chapter 11 Case.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ON THE PLAN. No solicitation of votes may be made except after distribution of this Disclosure Statement, and no person has been authorized to distribute any information concerning the Debtor other than the information contained herein.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES AND ASSUMPTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. Except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur subsequent to the date hereof and that may have a material impact on the information contained in this Disclosure Statement. The Debtor does not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement shall not under any circumstance imply that the information herein is correct or complete as of any time *subsequent* to the date hereof.

THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTING FIRM AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

B. Holders of Claims and Holders of Interests that are Entitled to Vote

Pursuant to the provisions of the Bankruptcy Code, only holders of claims or holders of interests in classes of claims or classes of interests that are impaired *and* that are in a class that will receive a distribution under a proposed chapter 11 plan are entitled to vote to accept or reject a proposed chapter 11 plan. Classes of claims or interests in which the holders of claims or interests are unimpaired under a chapter 11 plan are deemed to have accepted the plan and are not entitled to vote to accept or reject the plan. Classes of claims or interests that receive no distribution on account of their claims or interests are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan.

Under Bankruptcy Code section 1124, a class of claims or interests is deemed to be “impaired” under a plan unless (i) the plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitled the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In addition, a holder of an impaired claim or an impaired interest which is entitled to receive or retain property under a plan may vote to accept or to reject a plan only if the claim or interest is “allowed” for purposes of voting, which means generally that no party in interest has objected to such claim or interest or, if no proof of claim or proof of interest was filed, that such claim or interest has not been scheduled by a debtor as contingent, unliquidated or disputed.

Thus, a Holder of a Claim or a Holder of an Interest that is Impaired under the Plan is entitled to vote to accept or reject the Plan if (i) the Plan provides a Distribution in respect of such Claim or Interest, (ii) (a) the Claim or Interest has been scheduled by the Debtor (and such Claim or Interest is not scheduled at zero or as disputed, contingent or unliquidated) or (b) the Claim Holder or Interest Holder has filed a Proof of Claim or a Proof of Interest on or before the Bar Date applicable to such Holder, pursuant to Bankruptcy Code sections 502(a) and 1126(a) and Bankruptcy Rules 3003 and 3018, and (iii) (a) no objection to the Proof of Claim or the Proof of Interest has been timely filed or any timely objection has been withdrawn, dismissed or denied by Final Order, or (b) pursuant to Bankruptcy Rule 3018(a), upon application of the Holder of the Claim or the Holder of the Interest with respect to which there has been an objection, the Bankruptcy Court temporarily allows the Claim or the Interest in an amount that the Bankruptcy Court deems proper for the purpose of accepting or rejecting the Plan, all as further set forth in the Solicitation Procedures Motion.

Under the Plan, Class 1, Class 2 and Class 4 are Unimpaired and are presumed under Bankruptcy Code section 1126(f) to have accepted the Plan, and their votes to accept or to reject the Plan will not be solicited. Class 3 and Class 5 are Impaired under the Plan and are entitled to vote on the Plan, subject to the limitations set forth above. Class 6 is Impaired under the Plan and will not receive or retain any Distribution or property under the Plan on account of their Interests and, therefore, is deemed under Bankruptcy Code section 1126(g) to have rejected the Plan and is not entitled to vote to accept or reject the Plan. Pursuant to Bankruptcy Code section 1123(a)(1), Administrative Expense Claims and Priority Tax Claims are not classified and are not entitled to vote on the Plan.

C. Acceptance of the Plan

The Bankruptcy Code defines “acceptance” of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the claims that cast ballots for acceptance or rejection of the plan. Acceptance of a plan by a class of interests requires acceptance by at least two-thirds (2/3) of the number of shares in such class that cast ballots for acceptance or rejection of the plan. For a more detailed description of the requirements for confirmation of the Plan, see Articles 8(A)(i)(b) and (c) of this Disclosure Statement entitled, “Feasibility” and “Best Interests Test”.

Bankruptcy Code section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of a plan by one or more impaired classes of claims or interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not “discriminate unfairly” and is “fair and equitable” with respect to each non-accepting class. For a more detailed description of the requirements for confirmation of a non-consensual plan, see Article 8(A)(i)(f) of this Disclosure Statement entitled, “Cramdown Provisions.”

D. Solicitation Package

Accompanying this Disclosure Statement are copies of (1) the Plan; (2) the notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time and place of the hearing to consider Confirmation of the Plan and related matters and the time for filing objections to Confirmation of the Plan (the “**Confirmation Hearing Notice**”); and (3) if you are the Holder of Claim(s) or the Holder of Interest(s) entitled to vote on the Plan, one or more Ballots (and return envelopes) to be used by you in voting to accept or reject the Plan.

The Confirmation Hearing Notice sets forth in detail, among other things, procedures governing voting deadlines and objection deadlines with respect to the Plan and Confirmation of the Plan. The Confirmation Hearing Notice and the instructions attached to the Ballot should be read in connection with this section of the Disclosure Statement.

E. Voting Procedures, Ballots and Voting Deadline

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. If you hold Claims or Interests in more than one Class and you are entitled to vote Claims or Interests in more than one Class, you will receive separate Ballots that must be used for each separate Class of Claims or Class of Interests. After carefully reviewing the Plan, this Disclosure Statement and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot. Each Ballot has been coded to reflect the Class of Claims or Class of Interests it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded Ballot or Ballots sent to you with this Disclosure Statement. You must complete and sign your original Ballot (copies will not be accepted) and return it in the envelope provided.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN **APRIL 19, 2013 AT 4:00 P.M. (PACIFIC TIME) (THE “**VOTING DEADLINE**”) BY KURTZMAN CARSON CONSULTANTS (THE “**VOTING AGENT**”), THE ADDRESS OF WHICH IS:**

Neogenix Oncology, Inc.
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, California 90245

DO NOT RETURN ANY STOCK CERTIFICATES OR DEBT INSTRUMENTS WITH YOUR BALLOT.

If you have any questions about (i) the procedure for voting your Claim or Interest or with respect to the packet of materials that you have received or (ii) the amount of your Claim or Interest, or if you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)) an additional copy of the Plan, this Disclosure Statement or any appendices or exhibits to such documents, please contact:

Neogenix Oncology, Inc.
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, California 90245
(866) 381-9100 (telephone)
Or visit: <http://www.kccllc.net/neogenix>

F. Withdrawal of Ballots; Revocation; Changes to Vote

Any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claim(s) or Interest(s) to which it relates, including, at a minimum, the claim number from the Claims Agent's claim or interest register and the aggregate principal amount represented by such Claim(s) or Interest(s), (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claim(s) or Interest(s) and possesses the right to withdraw the vote sought to be withdrawn and (iv) be received by the Voting Agent in a timely manner at the address set forth above. The Debtor intends to consult with the Voting Agent to determine whether any withdrawals of Ballots were received and whether the requisite acceptances of the Plan have been received.

Any party who previously submitted a properly completed Ballot to the Voting Agent prior to the Voting Deadline may revoke such Ballot and change her, his or its vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. If more than one timely, properly completed Ballot is received, only the Ballot that bears the latest date will be counted for purposes of determining whether the requisite acceptances of the Plan have been received.

G. Waivers of Defects and Other Irregularities

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, rejection and revocation or withdrawal of Ballots will be determined by the Voting Agent and the Debtor in their sole discretion, in consultation with the Official Committee, which determination will be final and binding, subject to approval by the Bankruptcy Court (if necessary). As indicated in Article 2(F) above, "Withdrawal of Ballots; Revocation; Changes to Vote," effective withdrawals of Ballots must be

delivered to the Voting Agent prior to the Voting Deadline. The Debtor, in consultation with the Official Committee, reserves the absolute right to contest the validity of any such withdrawal. Unless otherwise directed by the Court, a purported notice of withdrawal of Ballots that is not received in a timely manner by the Voting Agent will not be effective to withdraw a previously cast Ballot. The Debtor, in consultation with the Official Committee, also reserves the right to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtor or its counsel, be unlawful. The Debtor, in consultation with the Official Committee, further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation (including the Ballot and the respective instructions thereto) by the Debtor, in consultation with the Official Committee and unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtor, in consultation with the Official Committee, (or the Bankruptcy Court) determines. Neither the Debtor nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not therefore been cured or waived) will be invalidated.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to Bankruptcy Code section 1126(e), that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Bankruptcy Court has entered an order (the “**Solicitation Procedures Order**”, Docket No. _____) which sets forth assumptions and procedures for tabulating Ballots that are not completed fully or correctly. The Solicitation Procedures Order also establishes a deadline by which the Debtor or the Official Committee must file an objection to a Claim or an Interest, the effect of which would be to require the Holder of such Claim or the Holder of such Interest to seek an order authorizing them to vote on the Plan pursuant to Bankruptcy Rule 3018.

H. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to Bankruptcy Code section 1128 and Bankruptcy Rule 3017(c), the Confirmation Hearing will be held on May 2, 2013 at 11:00 a.m. (Eastern Time) before the Honorable Thomas J. Catliota, United States Bankruptcy Judge for the District of Maryland located at 6500 Cherrywood Lane, Greenbelt, MD 20770. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

Pursuant to the Solicitation Procedures Order, the Bankruptcy Court has directed that objections, if any, to Confirmation of the Plan either be: (i) filed with the Bankruptcy Court no later than the Confirmation Objection Deadline using the Bankruptcy Court’s electronic case filing service (“ECF”) (for which an account, attorney-login, and password is required) together with proof of service, or (ii) filed with the Bankruptcy Court no later than the Confirmation Objection Deadline in hard copy form together with proof of service and served by personal

service, overnight delivery, or first-class mail, so as to be RECEIVED no later than the Confirmation Objection Deadline, by the following:

(i) counsel for the Debtor: Greenberg Traurig, LLP, 1750 Tysons Boulevard, Suite 1200, McLean, Virginia 22102 (Attn: Lawrence E. Rifken, Esq. and Thomas J. McKee, Jr., Esq.); and Greenberg Traurig, LLP, MetLife Building, 200 Park Avenue, New York, New York 10166 (Attn: Maria J. DiConza, Esq.);

in each case so as to be RECEIVED NO LATER THAN THE CONFIRMATION OBJECTION DEADLINE. OBJECTIONS NOT TIMELY FILED AND SERVED IN THE MANNER SET FORTH ABOVE SHALL NOT BE CONSIDERED AND SHALL BE DEEMED OVERRULED.

Article 3 **OVERVIEW OF THE PLAN**

The following is a brief overview of the material provisions of the Plan and is qualified in its entirety by reference to the full text of the Plan. For a more detailed description of the terms and provisions of the Plan, see Article 7 of this Disclosure Statement, entitled “Detailed Summary of the Plan of Liquidation.”

A. General Structure of the Plan

The Plan designates four (4) Classes of Claims and two (2) Classes of Interests in the Debtor. These Classes take into account the differing nature and priority of the various Claims and Interests under the Bankruptcy Code. The Plan contemplates a liquidation of the Debtor’s assets and a Distribution of Cash, provision of a D&O Release, and/or Distribution of PB Stock to Holders of Allowed Claims and Allowed Interests consistent with applicable provisions of the Plan and the Bankruptcy Code.

B. Summary of the Treatment of Allowed Claims and Allowed Interests Under the Plan

The table below summarizes the classification and treatment of the Allowed Claims and the Allowed Interests under the Plan. Estimated Claim amounts are calculated as of the Petition Date. Estimated percentage recoveries are also set forth below for certain Classes of Claims. Estimated percentage recoveries have been calculated based upon a number of assumptions, including the estimated amount of Allowed Claims in each Class.

For certain Classes of Claims and Classes of Interests, the actual amount of Allowed Claims or Allowed Interests could materially exceed or could be materially less than the estimated amounts shown in the table that follows. The Debtor has not yet fully reviewed and analyzed all Claims and Interests. Estimated Claim and Interest amounts for each Class set forth below are based upon the Debtor’s review of its books and records and Filed Proofs of Claims and Filed Proofs of Interests, and include estimates of a number of Claims and Interests that are contingent, disputed, and/or unliquidated.

Description and Amount of Claims or Interests	Summary of Treatment
<p>Unclassified: Administrative Expense Claims</p> <p>Estimated aggregate Allowed amount of Administrative Expense Claims exclusive of Professional Fee Claims: undetermined</p>	<ul style="list-style-type: none"> • Unclassified, Unimpaired, Non-Voting • Each Holder of an Allowed Administrative Expense Claim or an Allowed Professional Fee Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Administrative Expense Claim or such Allowed Professional Fee Claim, either (i) Cash equal to the unpaid portion of such Allowed Administrative Expense Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. Holders of Allowed Administrative Expense Claims and Holders of Allowed Professional Fee Claims will be paid in full on account of their Allowed Claims and are not entitled to vote on the Plan. • Estimated recovery 100%

Description and Amount of Claims or Interests	Summary of Treatment
<p>Unclassified: Priority Tax Claims</p> <p>Estimated aggregate Allowed amount of Priority Tax Claims: undetermined</p>	<ul style="list-style-type: none"> • Unclassified, Unimpaired, Non-Voting • Each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Priority Tax Claim, either (i) Cash equal to the unpaid portion of such Allowed Priority Tax Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. Holders of Priority Tax Claims will be paid in full on account of such Allowed Claims and are not entitled to vote on the Plan. The Debtor does not believe that any Priority Tax Claims exist. • Estimated recovery 100%

Description and Amount of Claims or Interests	Summary of Treatment
<p>Class 1: Secured Claims against the Debtor</p> <p>Estimated aggregate Allowed amount of Class 1 Claims: \$0</p>	<ul style="list-style-type: none"> • Unimpaired, Non-Voting • Class 1 consists of any Secured Claims against the Debtor. • Provided that an Allowed Secured Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed Secured Claims, in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed Secured Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. The Debtor does not believe that any Claims exist within Class 1. • Class 1 is Unimpaired, and the Holders of Class 1 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims will not be entitled to vote to accept or reject the Plan. • Estimated recovery: 100%

Description and Amount of Claims or Interests	Summary of Treatment
<p>Class 2: Non-Tax Priority Claims</p> <p>Estimated aggregate Allowed amount of Class 2 Claims: \$0</p>	<ul style="list-style-type: none"> • Unimpaired, Non-Voting • Class 2 consists of any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, which is entitled to priority in payment pursuant to Bankruptcy Code Section 507(a). • Provided that an Allowed Non-Tax Priority Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed Non-Tax Priority Claims, in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. The Debtor does not believe that any Claims exist within Class 2. • Class 2 is Unimpaired, and the Holders of Class 2 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Claims will not be entitled to vote to accept or reject the Plan. • Estimated recovery: 100%

Description and Amount of Claims or Interests	Summary of Treatment
<p>Class 3: Director and Officer Indemnification Claims</p> <p>Estimated aggregate Allowed amount of Class 3 Claims: undetermined</p>	<ul style="list-style-type: none"> • Impaired, Voting • Class 3 consists of any Claim by a Director or Officer for indemnification pursuant to an indemnification agreement, articles of incorporation, bylaws or applicable state law as evidenced by a timely filed Proof of Claim in this Bankruptcy Case. • On the Effective Date, the Debtor's Directors and Officers shall receive the D&O Releases in full and final satisfaction of the Allowed Director and Officer Indemnification Claims. • Class 3 is Impaired. Each Holder of an Allowed Class 3 Claim is entitled to vote to accept or reject the Plan. • Estimated recovery: undetermined.

Description and Amount of Claims or Interests	Summary of Treatment
<p>Classes 4: General Unsecured Claims</p> <p>Estimated aggregate Allowed amount of Class 4 Claims: \$175,000.00.</p>	<ul style="list-style-type: none"> • Unimpaired, Non-Voting • Class 4 consists of all General Unsecured Claims against the Debtor. • Provided that an Allowed General Unsecured Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed General Unsecured Claims, in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed General Unsecured Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. • Class 4 is Unimpaired, and the Holders of Class 4 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 4 Claims will not be entitled to vote to accept or reject the Plan. • Estimated recovery: 100%

Description and Amount of Claims or Interests	Summary of Treatment
Classes 5: Interests (Common Stock / Potential Shareholder Rescission Claims)	<ul style="list-style-type: none"> • Impaired, Voting • Class 5 consists of all Interests in the Debtor for shares of the Debtor's Common Stock owned by any Shareholder, including any Potential Shareholder Rescissions Claims. • On the Initial Stock Distribution Date, all Class 5 Allowed Interest Holders shall receive from the Liquidation Trust in consideration for their shares of the Debtor's Common Stock their pro rata share of the PB Stock. In addition, all Class 5 Allowed Interest Holders shall also receive from the Liquidation Trust at some unidentified time in the future as additional consideration for their shares of the Debtor's Common Stock their pro rata share of the Net Litigation Recoveries, if any. • The foregoing treatment shall be in full and final satisfaction of all Class 5 Interest Holders' Interests based on their ownership of the Debtor's Common Stock, including, but not limited to, any Potential Shareholder Rescission Claims arising out of the purchase of such Common Stock. Because (a) pursuant to Section 510(b) of the Bankruptcy Code, all Potential Shareholder Rescission Claims are subordinated to all other Claims or Interests other than Common Stock and entitled only to the same priority as Common Stock and (b) the Holders of Potential Shareholder Rescission Claims are also Holders of Common Stock and cannot receive a double recovery on account of that Common Stock, the Holders of Potential Shareholder Rescission Claims will only (i) receive recovery on account of their Common Stock, as set forth in Class 5 of the Plan, in full and final satisfaction of any such Potential Shareholder Rescission Claims and (ii) vote on account of their Common Stock. For clarity, Holders of Potential Shareholder Rescission Claims shall not receive an additional Class 5 Allowed Interest Holders ballot or vote as a result of their Potential Shareholder Rescission Claims. • Class 5 is Impaired, and Holders of Allowed Class 5 Claims shall be entitled to vote to accept or reject the Plan. • Estimated recovery: undetermined.

Description and Amount of Claims or Interests	Summary of Treatment
Classes 6: Interests (Unexercised Stock Options)	<ul style="list-style-type: none"> • Impaired, Non-Voting • Class 6 consists of all Interests in the Debtor based on the grant of a vested, unexpired option to purchase shares of the Debtor's Common Stock. • All Unexercised Stock Options shall be cancelled on the Effective Date and shall be of no further force or effect. • Inasmuch as the cost of exercising any Unexercised Stock Options is significantly higher than the corresponding value of those underlying shares of the Debtor's Common Stock, the Unexercised Stock Options are worthless. In addition, Holders of Unexercised Stock Options are junior in priority to Holders of the Debtor's Common Stock. Given that pursuant to the Plan, all shares of the Debtor's Common Stock are being cancelled and Holders of such Common Stock are only receiving partial recovery, no recovery is appropriate on the Unexercised Stock Options under the priority scheme set forth in the Bankruptcy Code. • Class 6 is impaired and receives nothing under the Plan. As a result, Class 6 is conclusively presumed to have rejected the Plan and, therefore, Holders of Class 6 Interests are not entitled to vote to accept or reject the Plan. • Estimated recovery: 0%

Article 4 HISTORY OF THE DEBTOR

A. The Debtor's Formation and Business

Neogenix is a Maryland corporation that was founded in 2003 and, as of the Petition Date, was a clinical stage, pre-revenue generating, biotechnology company focused on developing therapeutic and diagnostic products for the early detection and treatment of cancer. The therapeutic and diagnostic combination utilized biomarkers to pre-select therapy-specific patients, resulting in better clinical trial design and patient response. The initial focus included pancreatic and colorectal cancers but Neogenix believed its approach and portfolio of three unique monoclonal antibody therapeutics ("mAb") held the potential for novel and targeted

therapeutics and diagnostics for the treatment of a broad range of tumor malignancies. The Company's antibody drug candidates and diagnostics were designed to detect and target the tumor with minimal destruction to healthy cells.

B. The Debtor's Management

As of the Petition Date, the Neogenix core leadership team consisted of a combination of clinical development, general management and corporate/business development experience within the therapeutic, life sciences and diagnostics sectors, and included Philip M. Arlen, M.D., President, Chief Executive Officer, and member of the Board of Directors, Albine Martin, Ph.D., Chief Operating Officer and Acting Chief Accounting Officer, and Robert Washington, Vice President Business Development.

As of the Petition Date, the Neogenix Board of Directors (the "**Board**" or the "**Board of Directors**") consisted of the following seven directors, all of whom receive no compensation for serving on the Board:

- (i) Philip M. Arlen, M.D.
- (ii) James Feldman, Esq.
- (iii) Barry Gause, M.D.
- (iv) J. Douglas Holladay
- (v) Lynn Krominga
- (vi) Timothy P. Shriver, PhD
- (vii) Stow Walker

Six of Neogenix's directors, Ms. Krominga and Messrs. Feldman, Gause, Holladay, Shriver and Walker are considered independent under the definition of independence used by the Nasdaq Capital Market in accordance with Nasdaq Marketplace Rule 4350. The Board has several committees including the Audit Committee, Compensation Committee, Governance and Nominating Committee, and Strategic Alternatives Committee. The Board has determined that the members of each committee of the Board are independent under the listing standards of the Nasdaq Marketplace Rules.

C. The Debtor's Assets

As of the Petition Date, the Debtor's tangible assets consisted primarily of general office equipment and laboratory equipment. In addition, as of the Petition Date, Neogenix had a patent portfolio related to antibody-based cancer therapies and diagnostics. All of these assets have since been sold to Precision Biologics, Inc. ("**Precision Biologics**" or "**PB**"), as later described.

Prior to the Petition Date, Neogenix was executing an international patent filing strategy to secure patent positions in key markets, including markets which are expected to have high growth potential in the next 10 years (e.g, China and India). Neogenix secured patent protection on claims relating to some of its products through, at the earliest the year 2022, and the terms of such U.S. patents may be extended under the provisions of 35 U.S.C. §156.

Neogenix's first patent, U.S. Patent No. 7,314,622, encompassed the novel molecular aspects of NEO-101, as well as chimeric and labeled derivatives of NEO-101. This patent expires on April 14, 2026. U.S. Patent No. 7,763,720 issued in July 2010, expanded the coverage of NEO-101 to the genes encoding it. This patent expires on August 20, 2026. Moreover, Neogenix pursued patents for NEO-101 in several foreign jurisdictions (e.g. Europe, Japan, Canada, Australia) with claims drawn to therapeutic and diagnostic uses for NEO-101. Prior to the Petition Date, Neogenix filed provisional patent applications with claims relating to an antigen of NEO-101 and claims relating to the antigen bound by NEO-101.

As of the Petition Date, Neogenix's patent portfolio included U.S. Patent No. RE39,760, obtained from the 2009 acquisition of the assets of International Bioimmune Systems, Inc. ("IBS"), which is related to an antibody against colon cancer. The reissued patent expires on November 18, 2014. Another of these IBS patent applications, European Patent No. 1 411 962, was granted including claims drawn to a NEO-301 antibody and methods of diagnosing and treating pancreatic cancer using this antibody. This patent expires on March 15, 2022. Neogenix had one U.S. patent (U.S. Patent No. 7,829,678) and ten pending patent applications in the U.S., Canada, and Europe, which cover the NEO-201 antibody which may be useful for treatment or diagnosis of pancreatic or colorectal cancer. Each of these applications has foreign counterparts that allowed Neogenix to pursue patent protection overseas. U.S. Patent No. 7,829,678 expires on November 7, 2028.

The Debtor's other assets consisted primarily of Cash and potential Causes of Action.

D. The Debtor's Market and Successes

The markets for diagnostic and therapeutic products for pancreatic and colorectal cancers are substantial and growing. Global sales of cancer therapeutics currently are estimated to be approximately \$74 billion. Specifically, targeted cancer therapeutics, including monoclonal antibodies, which represent 50% of targeted therapies, have become a rapidly emerging segment of the market for cancer therapeutics due to their favorable efficacy and tolerability profiles relative to traditional chemotherapeutics. The current worldwide market for targeted cancer therapeutics is approximately \$33 billion and expected to grow to more than \$57 billion by 2016. Colorectal cancer treatment is an approximately \$8 billion market in the U.S. with an annual incidence rate of approximately 1 in 141,000. Pancreatic cancer treatment is an approximately \$2 billion market in the U.S. with an annual incidence rate of approximately 1 in 44,000.

Neogenix had a strong capacity for innovation and was uniquely positioned to create innovative therapeutics through the use of proprietary cancer vaccines. By marrying its proprietary library of cancer vaccines with today's breakthrough technologies, the Company was developing antibody therapeutics that could change the way Neogenix detected and treated cancer.

Utilizing its unique platform of cancer vaccines, Neogenix developed several mAbs. As of the Petition Date, the leading mAb candidate in development -- referred to as Ensituximab (or NEO-101) -- was one that recognizes a particular epitope of tumor specific antigens ("TSAs") from pancreatic/colorectal adenocarcinoma. The Neogenix antibody was being developed both

as a therapeutic drug candidate for pancreatic and colorectal cancers and as part of a serum ELISA test for the detection of colon and pancreatic cancers.

In 2008, Neogenix began its first clinical study of a diagnostic biomarker, using several of its mAbs, to detect pancreatic and colon cancers. Preliminary results have been presented at key scientific conferences. Prior to the Petition Date, the Company also initiated a Phase 2a clinical trial of its lead therapeutic antibody candidate for advanced pancreatic and colorectal cancer. This multicenter trial was approved by the institutional review boards at The Johns Hopkins University Hospital and Duke University Medical Center.

With its proprietary library of cancer vaccines, antigens and antibodies, Neogenix was previously expanding its collaborations to identify further preclinical candidates that are tumor and disease specific. In connection with the research and development of its therapeutic and diagnostic products, Neogenix entered into contracts with several third party service providers, such as clinical trial centers, clinical monitoring organizations, drug product contract manufacturers, CLIA certification diagnostic laboratories and assay development and testing laboratories. Neogenix relied on its strategic partners for product manufacturing, critical services, clinical trials and product validation for its business.

E. Financing the Debtor's Business Operations

As of the Petition Date, Neogenix was a development stage bio-tech company and had not generated any revenue from product sales or operations. Rather, Neogenix funded its operations almost exclusively from grants and the sale of its common stock.

Neogenix received U.S. government grants under the Qualifying Therapeutic Discovery Project ("QTDP") Program totaling \$488,958 and \$244,479 for the years ended December 31, 2011 and 2010, respectively. In order to qualify for the QTDP grants, the project must have the potential to develop new treatments that address "unmet medical needs" or chronic and acute diseases; reduce long-term health care costs; represent a significant advance in finding a cure for cancer; advance U.S. competitiveness in the fields of life, biological, and medical sciences; or create or sustain well-paying jobs, either directly or indirectly. The QTDP was created by Congress in March 2010 as part of the Patient Protection and Affordable Care Act and provides a tax credit or a grant equal to 50% of eligible costs and expenses for tax years 2009 and 2010.

As of the Petition Date, Neogenix's primary source of financial support, however, was through the receipt of investments from the sale of its common stock and from interest on funds invested in bank certificates of deposit. As later described herein, certain shares of the common stock were, at the direction of prior management and upon the advice of the Company's prior counsel, sold through unlicensed compensated finders -- an issue that would later hinder the Debtor's ability to raise capital. Nevertheless, as of July 9, 2012 there were 22,924,419 shares of common stock outstanding and approximately 942 shareholders of record. Interest income on such investments for the year ended December 31, 2011 was approximately \$191,000. As of December 31, 2011, Neogenix also had approximately 16,147,000 shares of common stock issuable upon the exercise of outstanding stock options and warrants.

Article 5
EVENTS LEADING UP TO THE DEBTOR'S
CHAPTER 11 BANKRUPTCY FILING

A. Events Hindering the Debtor's Ability to Raise Equity Capital

1. The SEC Inquiry and Potential Rescission Liability

Although the common stock of Neogenix is not traded on any exchange, due to the number of shareholders, Neogenix is a public reporting company under the Securities Exchange Act of 1934 and, therefore, makes periodic filings with the SEC.

In October 2011, Neogenix received a letter of inquiry from the Philadelphia Regional Office of the SEC. The letter requested that Neogenix provide certain information relating to payments made by Neogenix to third parties (referred to as "finders' fees") in connection with the sales of Neogenix's common stock (the "**SEC Inquiry**"). Neogenix promptly, cooperatively and thoroughly responded to this inquiry by providing, and continuing to provide, to the SEC all requested information.

In or around the spring of 2011, and several months before receiving the SEC Inquiry, Neogenix had ascertained that based on the strategy implemented under the direction of prior management and the advice of the Company's prior counsel and outside advisors, Neogenix for years had engaged in the practice of paying finder fees to individuals and entities for raising capital for the Company, some of whom Neogenix had not confirmed were registered as broker-dealers or otherwise properly licensed under applicable state law to participate in the sale of Neogenix's securities on a compensated basis. Based on this realization, upon the advice of new outside counsel, the new management team of Neogenix promptly caused the company to discontinue its prior practice of using unlicensed compensated finders to sell its common stock. To the best of the Debtor's knowledge, the SEC's primary focus is currently on such unlicensed compensated finders themselves and is not on the Debtor.

Due to the above-described practice, it is possible that at least some investors who purchased shares of common stock in transactions in which finders' fees were paid to unlicensed compensated finders may have the right to rescind their purchases of those shares and require Neogenix to return their investments, depending on applicable federal and state laws and subject to applicable defenses, if any. The laws regarding rescission rights are complex and vary from state to state. Additionally, significant information regarding each finder and the actions of each finder is required in determining whether there is a probability that rescission rights exist. Neogenix has assessed the potential for rescission liability in accordance with the provisions of Accounting Standards Codification ("**ASC**") 450- 20, Loss Contingencies. Based on the information available to Neogenix, management determined that it is reasonably possible that some shareholders may have rescission rights related to common stock purchased for which finders' fees were paid. Management believes the range of potential liability for rescission by investors as of July 10, 2012 is approximately \$0 to \$31 million. As of July 10, 2012, Neogenix had received communications from several shareholders making requests or claims for rescission of investments in Neogenix's common stock totaling approximately \$1.4 million. To the best of

Neogenix's knowledge, information and belief, no litigation against Neogenix has been initiated with respect to rescission of any shareholder's investment. If the Company had been forced to rescind a significant number of share purchases and/or pay substantial damages, it would have severely jeopardized the ability of Neogenix to continue on-going business operations. Furthermore, this potential liability had a chilling effect on the Company's future ability to raise capital from investors.

2. Delays in Filing Financial Statements

As a result of the SEC Inquiry, a number of the Debtor's SEC-required filings were delayed. Specifically, there was a delay in the filing of Neogenix's Form 10-Q for the third quarter ended September 30, 2011 and the full-year 2011 financial statements based upon uncertainty regarding the appropriate accounting treatment to reflect the potential rescission liability in Neogenix's financial statements.

With input from professional advisers, the Debtor's Board of Directors and management had proposed to its external auditors an accounting treatment of any potential rescission rights as a "contingent liability" whose probability and amount is not certain. The Debtor's external auditors initially did not accept that proposal and maintained the range of potential rescission liability should be reflected as a current liability. As a result, the Debtor sought guidance from the SEC's Office of Chief Accountant ("OCA") on the proper accounting treatment of these contingent rescission rights. The Debtor invested substantial, time, effort, and resources to working with the OCA to determine the appropriate accounting treatment and such efforts resulted in an agreement noting such potential rescission rights as a contingent liability, as described above.

3. Dilutive Stock Options

As of the Petition Date, Neogenix had 16,147,000 of outstanding stock options that, if exercised, would have been highly dilutive to both the current and future shareholders, as such number of options represented nearly 72% of those shares already outstanding. Like the SEC Inquiry, this potential dilution of the common stock also had a chilling effect on the Company's future ability to raise capital via what had been its primary source of financial support -- the sale of its common stock.

For the reasons set forth in subsections 1, 2, and 3 above, as well as other market factors, Neogenix was unable to raise sufficient equity capital to ensure the long term financial viability of the Company. The Company's efforts to combat such factors were equally unsuccessful, as described below.

B. Efforts to Raise Additional Equity Capital

1. Maxim Group LLC

In June 2011, Neogenix engaged Maxim Group LLC ("**Maxim**"), a leading investment banking, securities, and investment management firm, to help assess the Company's capital structure and to raise capital to fund clinical trials and other operating costs. Maxim's efforts to

raise capital proved unsuccessful, however, even though at the time of Maxim's campaign, both the Debtor and the marketplace were unaware of the SEC Inquiry and the potential rescission liability faced by the Debtor. Despite contacting dozens of potential institutional investors in the summer and fall of 2011, Maxim was unable to elicit any interest from serious investors.

2. Cost Cutting Initiatives and Evaluation of Strategic Alternatives

In light of its inability to raise additional equity capital through Maxim's efforts, the SEC Inquiry and concerns about rescission, as well as the huge number of potentially dilutive stock options outstanding, Neogenix became very concerned that it would have significant difficulty attracting new investors while the Company was depleting its remaining funds to remain operational. As a result, in December 2011 and January 2012, Neogenix's management, in conjunction with the Board of Directors and its new outside counsel, initiated an aggressive cash conservation program and began a serious cost cutting initiative and at the same time, also began evaluating various potential strategic alternatives available to the Company.

(i) Operational Restructuring

Neogenix's management, in conjunction with the Board of Directors and its outside counsel, made significant efforts to reduce cash outflows for general and administrative expenses through a combination of reductions in force and in compensation, restructuring of various contracts and leases and refocusing business strategies. This realignment of focus and resources resulted in significant expense reductions and increased efficiencies, which allowed Neogenix to stretch its remaining working capital for a much longer period of time than otherwise would have been possible, thereby giving Neogenix significant additional time to thoroughly, thoughtfully and deliberatively consider all of its strategic options.

(ii) Strategic Alternatives Committee

In January 2012, the Debtor's Board of Directors appointed a Strategic Alternatives Committee (the "SAC") consisting of James Feldman (Chairman of the Board of Directors), Philip M. Arlen, M.D (President, CEO and Director), and Lynn Krominga (Director). The SAC was charged with the mission of exploring, in a thorough, thoughtful and deliberative manner, all of the strategic options and alternatives that were available to the Debtor to address the serious liquidity problems that the Debtor was facing, and to carefully evaluate the pros and cons of each potential strategic alternative. The SAC engaged the assistance of the Debtor's outside counsel in this process. During the months of January and February 2012, the SAC and the Debtor's counsel met multiple times both in person and telephonically to carefully consider all of the Debtor's available strategic alternatives. Throughout this process, the SAC, as well as the Debtor's counsel, kept the Board informed with respect to these issues.

Subsequently, the SAC was authorized by the Board to investigate engaging an investment banker and financial advisor to help determine whether the Debtor could raise the funds necessary to continue its on-going business operations in order to (1) preserve its therapeutic and diagnostic science and technology, and (2) maximize the value of the Debtor's assets for the benefit of its shareholders, or, alternatively, accomplish these goals through a

strategic chapter 11 bankruptcy filing in order to conduct a 363 sale of the Debtor's operating assets.

(iii) Engagement of Investment Banker

The SAC, and the Debtor's counsel, conducted an interview process of several national investment banking firms that specialize in both the financing and the sale of biotech companies inside and outside of a bankruptcy related process. At the end of that interview process in late February and early March 2012, the SAC recommended that the Board of Directors engage Piper Jaffray & Co. ("**PJC**") as the Company's investment banker with the goal of taking a comprehensive look at all options available to the Debtor, including investigating the capital markets to raise sufficient capital to fund the Debtor's on-going business operations for a meaningful period of time, or alternatively, search for a buyer of the Debtor's operating assets. The Board of Directors accepted the SAC's recommendation and authorized the Company's engagement of PJC.

From March to June 2012, as directed by the Debtor's management, PJC contacted numerous parties to determine their interest in either investing in Neogenix or, acquiring Neogenix's operating assets. Specifically, PJC contacted fifty-nine (59) potentially interested parties representing both potential financial and strategic buyers and/or investors. Of these potentially interested parties, forty (40) either (i) reviewed a description of Neogenix and its business prepared by PJC and the Debtor or (ii) participated in high-level discussions about the transaction. Three (3) such interested parties ultimately negotiated confidentiality agreements. Interested parties were asked to participate in an initial call with management and PJC to hear about the opportunity and ask questions about the Debtor and/or the Debtor's assets. Between March and May 2012, the Debtor conducted management calls with the two parties who signed confidentiality agreements and who expressed an interest in conducting additional due diligence. The other party who signed a confidentiality agreement did not pursue additional due diligence after signing a confidentiality agreement.

In spite of a broad and thorough prepetition marketing process conducted by PJC, and although two parties signed confidentiality agreements, the only party to submit a bid for the Debtor's operating assets was Precision Biologics. Feedback received from PJC regarding the marketing process indicated that nearly all other entities that had initially expressed an interest in the Debtor ultimately determined not to proceed because the stage of the Debtor's development was too early to determine the efficacy and commercialization potential of its drugs, and because the Debtor had an unproven track record. Indeed, the market generally believed that a company like the Debtor was much more suitable for investment or sale after completing Phase 2 clinical trials. Precision Biologics, however, decided otherwise and submitted a bid for the Debtor.

(iv) Informational Letters to Shareholders

Throughout the Board of Directors' thorough, thoughtful and deliberative process of reviewing and analyzing the Company's potential strategic alternatives, Neogenix continued to update its shareholders through public letters to shareholders dated November 23, 2011, January 12, 2012, February 6, 2012, March 6, 2012, April 27, 2012, May 4, 2012, May 18, 2012, June

29, 2012 and July 10 2012. Beginning with the March 6, 2012, letter, the Company informed its shareholders that bankruptcy was a possibility. All such letters were, and continue to be, available at <http://www.neogenix.com/newsevents.html>.

3. Stalking Horse Bid by Precision Biologics

(i) Formation and Purpose of Precision Biologics

Precision Biologics is a corporation formed specifically for the purpose of purchasing the Debtor's assets and was initially owned and managed by its founder, Stanley B. Archibald, Jr., who is both a shareholder of Neogenix as well as a former member of the Board of Directors of Neogenix who served on the Board of Directors for approximately seven months from June 2011 until early February 2012.

Mr. Archibald resigned from the Debtor's Board of Directors in early February 2012 in order to explore the potential viability of raising money and forming a new company to buy the Debtor's operating assets through a strategic chapter 11 bankruptcy filing and a 363 sale process. After several months of hard work and effort by Mr. Archibald, Mr. Archibald obtained sufficient financial support from a targeted group of other Neogenix shareholders to give Mr. Archibald both the comfort and the confidence to form Precision Biologics and to begin substantive discussions with Neogenix regarding the potential acquisition of Neogenix's operating assets.

(ii) Asset Purchase Agreement

A sale of the Debtor's operating assets to Precision Biologics would allow the post-sale company to continue the development of its therapeutic and diagnostic products without being burdened by the SEC Inquiry, the contingent rescission liability or the highly dilutive stock option overhang and, therefore, with the ability to continue to raise funds to support future business operations. For that reason, Precision Biologics could provide an attractive revitalized capital structure that would appeal to new shareholders and investors.

Throughout the first half of 2012, as Mr. Archibald worked to raise capital to try to purchase the Debtor's operating assets, the Debtor also received communications from other shareholders regarding potential financing and Neogenix's management and professionals had a number of substantive conversations with such shareholders and/or their representatives. However, none of the parties made a proposal that was sufficiently committed or comprehensive compared to the bid prepared by Precision Biologics or demonstrated a realistic ability to fund a purchase like Precision Biologics. Thus, without the willingness of Precision Biologics to serve as the stalking horse purchaser and make a stalking horse bid (the "**Stalking Horse Bid**"), as described below, the Debtor would not have been able to continue its on-going business operations.

As a result, in May 2012, the Debtor and Precision Biologics began negotiations regarding a potential sale of the Debtor's operating assets. In June 2012, Neogenix entered into a nonbinding letter of intent with Precision Biologics setting forth the terms of a sale of substantially all of Neogenix's operating assets, and which would also provide the critical

financing necessary to fund the Company's on-going business operations through the Bankruptcy Court approval and closing of the Sale and to fund the Debtor's bankruptcy case. Throughout June and July 2012, Neogenix and Precision Biologics engaged in a bona fide, good faith, arms' length and often spirited negotiation with respect to the terms of an Asset Purchase Agreement (the "**APA**"), a bridge loan, and a debtor-in-possession financing facility (the "**DIP Financing Facility**").

Through the APA, as subsequently amended, Precision Biologics offered to purchase the Debtor's operating assets for a combination of (i) cash, (ii) stock to ultimately be distributed to current Neogenix shareholders on a pro rata basis, and (iii) a rights offering for additional shares of Precision Biologics stock to current Neogenix shareholders on a pro rata basis. The Stalking Horse Bid was thus comprised of (a) \$3,235,000 of cash (including purchase price adjustments) and \$730,000 of contingent cash to fund (1) the Debtor's on-going business operations through the closing of the sale and (2) the bankruptcy process until the bankruptcy process is completed, (b) 5.5 million shares of Precision Biologics stock (which represents approximately 25%, but not less than 20%, of Precision Biologics total equity), and (3) rights to purchase an additional 5 million shares of Precision Biologics stock at \$1.50 per share.

On July 18, 2012, in light of the continued deterioration of Neogenix's cash position and the lack of realistic options for further investment, the Debtor's Board of Directors, in the exercise of its reasonable business judgment after considerable deliberation, ultimately determined that the most effective way to preserve Neogenix's therapeutic and diagnostic sciences and to maximize the value of the Debtor's assets for the benefit of the Debtor's shareholders was to seek bankruptcy protection in order to sell the Debtor's operating assets through a sale pursuant to section 363 of the Bankruptcy Code to Precision Biologics, pursuant to the terms of the APA, subject to higher and better offers through a bankruptcy court authorized public sale process.

(iii) Bridge Loan to the Debtor

In order to be able to maintain and continue its on-going business operations, the Debtor entered into a certain bridge loan note, security agreement, and IP security agreement, each dated July 19, 2012, by and between the Debtor, as borrower, and Precision Biologics, as lender, for a prepetition bridge loan in the stated principal amount of \$640,697.00 plus interest and fees accruing thereon (the "**Bridge Loan**"). A portion of the funds from the Bridge Loan were used to pay all known outstanding obligations of the Debtor prior to the filing of this chapter 11 case.

(iv) DIP Financing Loan to the Debtor

The Debtor borrowed the maximum amount possible under the Bridge Loan but had insufficient cash collateral available to continue to operate its business through the bankruptcy process without additional financing. Accordingly, as of the Petition Date, an immediate and critical need existed for the Debtor to obtain additional funds in order to continue the on-going operation of its business and to fund this bankruptcy case.

As part of the Stalking Horse Bid, Precision Biologics agreed to provide the Debtor with the DIP Financing Facility pursuant to a certain loan agreement (the “**DIP Loan Agreement**”) in a maximum principal amount of up to \$3,235,000.00 (the “**DIP Loan**”), which purpose was to provide the Debtor with the funds necessary to (1) continue its on-going business operations and to honor its obligations related to its clinical trials during the sale process and (2) fund the Debtor’s bankruptcy case until the bankruptcy process is completed. As of the Petition Date, the Debtor had less than \$10,000 in cash remaining in its bank accounts and therefore, the use of cash collateral alone would have been insufficient to meet the Debtor’s postpetition liquidity needs.

With the assistance of its professionals, the Debtor researched other possible sources of postpetition financing and determined in its reasonable business judgment that the terms offered by Precision Biologics provided the maximum value for its shareholders. The Debtor was otherwise unable to obtain the required funds (i) in the forms of (a) unsecured credit or debt allowable under section 503(b)(1) of the Bankruptcy Code, (b) an administrative expense pursuant to section 364(a) or (b) of the Bankruptcy Code, (c) unsecured debt having the priority afforded by section 364(c)(1) of the Bankruptcy Code or (d) debt secured only as described in section 364(c)(2) or (3) of the Bankruptcy Code or (ii) on terms more favorable than those offered by Precision Biologics under the DIP Loan Agreement and the budget negotiated between the Debtor and Precision Biologics.

The Debtor, with the assistance of its professionals, analyzed its cash needs to determine what was necessary to maintain its on-going business operations while in chapter 11, consummate the sale of its operating assets and confirm a plan of liquidation post-sale. The resulting budget took into account anticipated cash disbursements during the case, including professional fees, the costs of the chapter 11 filing, the cost of necessary goods and services and any payments for relief requested in various “first-day” pleadings. The immediate availability of the DIP Loan was necessary to ensure payment of those needs.

The Debtor requested that, pursuant to the terms of the DIP Loan Agreement, Precision Biologics make loans and advances and provide other financial accommodations to the Debtor. The ability of the Debtor to continue to operate its businesses and fund this Chapter 11 Case depended upon the Debtor obtaining such financing. Precision Biologics was willing to make such loans and advances and provide such other financial accommodations on a secured basis pursuant to the terms and conditions of the DIP Loan Agreement.

The terms of the DIP Loan Agreement were negotiated at arms’ length and in “good faith,” as that term is used in section 364(e) of the Bankruptcy Code, and were in the best interests of the Debtor and its shareholders. Precision Biologics extended financing to the Debtor in good faith, and the terms of the DIP Loan Agreement were fair and reasonable, reflected the Debtor’s exercise of prudent business judgment consistent with its fiduciary duties and constituted reasonably equivalent value and fair consideration.

(v) Ad Hoc Committee

Prior to the Board of Directors approving the APA or the DIP Loan Agreement, a group of seven (7) of the Debtor's largest shareholders that are not involved in either the Debtor's management or the ownership or the management of Precision Biologics organized pre-petition into an ad hoc committee of equity interest holders (the "**Ad Hoc Committee**"). The members of the Ad Hoc Committee included:

- (i) Lewis Dickson
- (ii) Christopher Hyun
- (iii) Lawrence Klausner
- (iv) Kevin Knopf, M.D.
- (v) Stuart Plotnick
- (vi) Dan Pollock
- (vii) Tony Tarn

The Ad Hoc Committee retained Roy M. Terry, Jr. of the law firm Sands Anderson PC as its counsel. The Debtor's management and professionals sought review and comment from the Ad Hoc Committee with respect to various important substantive issues both prepetition and postpetition. Accordingly, with the assistance of counsel, the Ad Hoc Committee, collaborated and consulted with the Debtor and its professionals on a confidential basis prior to the filing of this Chapter 11 Case to review and comment on various matters, including the proposed sale transaction with Precision Biologics, the APA, the DIP Financing Facility, the DIP Loan Agreement, and various other important substantive issues.

Article 6
MAJOR EVENTS DURING THE DEBTOR'S CHAPTER 11
BANKRUPTCY CASE

A. Petition and First Day Motions

On July 22, 2012, the Debtor's Board of Directors approved the APA and the DIP Loan Agreement and authorized the filing of this Chapter 11 Case. Accordingly, on July 23, 2012, the Debtor filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code [Docket No. 1]. The Debtor has continued and is continuing in possession of its property and the management of its business as a debtor in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

Concurrently with or shortly after the filing of the voluntary petition commencing this case, the Debtor filed a number of first day motions (the "**First Day Motions**") to facilitate the Debtor's seamless transition into chapter 11 and to minimize any operational disruptions to the Debtor. Among the First Day Motions filed by the Debtor and heard by the Court on July 26, 2012 (the "**First Day Hearing**") were:

1. Motion of the Debtor for Entry of an Order (A) Authorizing the Maintenance of Its Bank Account, (B) Authorizing the Continued Use of

Existing Banking Practices, and (C) Waiving Certain Investment and Deposit Guidelines

By this motion [Docket No. 8], the Debtor sought the entry of an order (a) authorizing the Debtor to maintain its pre-petition bank accounts or open new debtor-in-possession bank accounts; (b) authorizing, but not directing, the Debtor to continue the use of its existing banking practices; and (c) waiving certain of the investment and deposit guidelines established by the U.S. Trustee for the District of Maryland, Greenbelt Division. Following the initial entry of an interim order [Docket No. 47] by the Court on July 30, 2012 granting this motion on an interim basis, a final order granting the requested relief was entered on August 24, 2012 [Docket No. 129].

2. Motion of the Debtor for Entry of an Order (A) Authorizing Debtor to Pay (I) All Prepetition Employee Obligations, and (II) Prepetition Withholding Obligations, and (B) Directing Banks to Honor Related Transfers

By this motion [Docket No. 9], the Debtor sought the entry of an order (a) authorizing, but not directing, the Debtor to pay (i) all prepetition employee obligations up to the relevant statutory maximums, (ii) prepetition withholding obligations, and (iii) directing banks to honor related transactions. This motion addressed, among other items, the Debtor's ability to honor salary obligations, employee benefits, the 401(k) plan, vacation/sick days, and stock plan participation. Following the initial entry of an interim order [Docket No. 48] by the Court on July 30, 2012 granting the majority of the relief sought in this motion on an interim basis, a final order granting the requested relief as amended by agreement with the Official Committee was entered on August 24, 2012 [Docket No. 128].

3. Motion Of The Debtor For Entry Of An Order Pursuant To Bankruptcy Code Sections 105(A), 363(B), 1107(a) and 1108 and Bankruptcy Rules 6003 and 6004 Authorizing the Debtor To Honor Its Obligations Related To Its Clinical Trials, Whether Arising Prepetition Or Postpetition, In The Ordinary Course Of Business

By this motion [Docket No. 10] the Debtor sought the authority to continue to honor and pay its undisputed obligations arising under its contracts with certain hospitals and other third party service providers related to its clinical trial programs, in the ordinary course of business, whether such obligations arise before or after the filing of this case. Following the initial entry of an interim order [Docket No. 49] by the Court on July 30, 2012 granting this motion on an interim basis, a final order granting the requested relief was entered on August 24, 2012 [Docket No. 127].

4. Motion of the Debtor for Entry of Interim and Final Orders Pursuant to Sections 105(A) and 366 of the Bankruptcy Code (A) Prohibiting Utilities From Altering, Refusing, or Discontinuing Service, (B) Deeming Utilities Adequately Assured of Future Performance, and (C) Establishing Procedures for Determining Adequate Assurance of Payment

By this motion [Docket No. 11], the Debtor sought the entry of an order, (a) prohibiting its utility providers from altering, refusing, or discontinuing service; (b) deeming utility providers adequately assured of future performance; and (c) establishing procedures for determining adequate assurance of payment. Following the initial entry of an interim order [Docket No. 50] by the Court on July 30, 2012 granting this motion on an interim basis, a final order granting the requested relief was entered on August 24, 2012 [Docket No. 125].

5. Motion of the Debtor for Interim and Final Orders (A) Authorizing the Debtor to Incur Postpetition Debt on an Emergency Basis; (B) Granting Certain Liens, Security Interests, Superpriority Claims and Other Relief to Precision Biologics, Inc. as DIP Lender; and (C) Granting Related Relief

By this motion [Docket No. 13], the Debtor sought the entry of an interim order and a final order, (a) authorizing the Debtor to (i) obtain postpetition financing in the amount of \$3,235,000 and enter into the DIP Loan Agreement, by and among the Debtor, as borrower, and Precision Biologics, as the DIP lender, all in respect of the obligations set forth in the DIP loan documents, (ii) grant liens, security interests, superpriority claims and other relief for the benefit of the DIP lender in respect of the obligations as provided in the DIP loan documents, including the payment in full of the Debtor's existing prepetition loan obligations upon entry of the Interim Order; (b) scheduling a final hearing on the DIP motion; and (c) granting related relief. Following the initial entry of an interim order on [Docket No. 54] by the Court on July 30, 2012 granting the majority of the relief sought in this motion on an interim basis, a final order granting the requested relief as amended by agreement with the Official Committee was entered on August 24, 2012 [Docket No. 137].

6. Motion of the Debtor for Entry of Orders (A)(I) Approving Bid Procedures Relating to Sale of the Debtor's Assets; (II) Approving Bid Protections; (III) Scheduling a Hearing to Consider the Sale; (IV) Approving the Form and Manner of Notice of Sale by Auction; (V) Establishing Procedures for Noticing and Determining Cure Costs; and (VI) Granting Related Relief; and (B)(I) Approving Asset Purchase Agreement and Authorizing the Sale of Certain Assets of Debtor Outside the Ordinary Course of Business; (II) Authorizing the Sale of Assets Free and Clear of all Liens, Claims, Encumbrances and Interests; (III) Authorizing the Assumption, Sale and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief

By this motion (the "**Sale and Bid Procedures Motion**") [Docket No. 14], the Debtor initially sought the entry of an order approving bid procedures relating to the sale of the Debtor's assets, approving bid protections, scheduling a hearing to consider such sale, approving the form and manner of notice of a sale by auction, establishing procedures for noticing and determining cure costs, and granting related relief. This motion was not heard at the First Day Hearing but was subsequently argued and granted as amended by agreement with the Official Committee at the Second Day Hearing (defined below), as discussed below.

B. Schedules

On August 13, 2012, the Debtor filed its Schedules of Assets and Liabilities [Docket No. 106] and Statement of Financial Affairs [Docket No. 107]. On October 29, 2012, the Debtor filed an Amended “Schedule F” [Docket No. 203].

C. Retention Applications

(i) **Greenberg Traurig, LLP (“GT”)**: GT serves as the Debtor’s general bankruptcy counsel and served as the Debtor’s new pre-petition outside counsel. On July 30, 2012, the Debtor filed its Application for the Entry of an Order Authorizing the Retention and Employment of Greenberg Traurig, LLP as Counsel to the Debtor Nunc Pro Tunc to the Petition Date (the “**GT Retention Application**”) [Docket No. 82]. GT agreed to provide its services at a 10% discount off its standard hourly fees. On August 21, 2012, the Court entered an order approving the GT Retention Application [Docket No. 124].

(ii) **Piper Jaffray & Co. (“PJC”)**: PJC serves as the Debtor’s investment banker and financial advisor. On July 30, 2012, the Debtor filed its Application for the Entry of an Order Authorizing the Retention and Employment of Piper Jaffray & Co. as Investment Banker and Financial Advisor for the Debtor Nunc Pro Tunc to the Petition Date and Approving Proposed Fee Structure (the “**PJC Retention Application**”) [Docket No. 83]. The PJC Retention Application sought the approval of the Court of an agreement which provided for the following compensation: (1) a monthly advisory fee of \$50,000 (the “**Monthly Advisory Fee**”) and (2) in the event that the Debtor consummated a sale of its operating assets during PJC’s engagement, a cash fee equal to 2.5% of the aggregate transaction value less the credit of certain Monthly Advisory Fees, provided that PJC’s total transaction fee would not be less than \$750,000 less the credit of certain Monthly Advisory Fees. On August 23, 2012, the Court entered an order approving the PJC Retention Application [Docket No. 126].

(iii) **Kurtzman Carson Consultants LLC (“KCC” or the “Claims Agent” or the “Noticing Agent” or the “Voting Agent”)**: KCC serves as the Debtor’s claims, noticing, and solicitation agent. KCC also operates and maintains the free online docket for this chapter 11 case at <http://www.kccllc.net/neogenix>. On July 24, 2012, the Debtor filed its Application of the Debtor for Entry of an Order Pursuant to 28 U.S.C. § 156(c) and 105(a) of the Bankruptcy Code Authorizing the Retention and Employment of Kurtzman Carson Consultants LLC as Claims, Noticing and Solicitation Agent Nunc Pro Tunc to the Petition Date (the “**KCC Application**”) [Docket No. 12]. On July 30, 2012, the Court entered an order approving the KCC Application [Docket No. 51].

D. Appointment of the Official Committee of Equity Security Holders

Shortly after the hearing on the First Day Motions, on August 7, 2012, the U.S. Trustee appointed seven of the Debtor’s shareholders to serve as the Official Committee of Equity Security Holders (the “**Official Committee**”) [Docket No. 80]. The Ad Hoc Committee was therefore disbanded. The Official Committee consists of the following persons:

- (i) Anthony C. Conte
- (ii) Dennis L. Endress
- (iii) Christopher Hyun for Hyun Family Trust
- (iv) Andrew Milstein for Genix, LLC
- (v) Stuart Plotnik
- (vi) Dan Pollock
- (vii) Michael E. Walsh

On August 30, 2012, the Official Committee filed its Application to employ Roy M. Terry, Jr. and the law firm of Sands Anderson PC as counsel for the Official Committee (the “**Sands Anderson Application**”) [Docket No. 147]. On October 5, 2012, the Court entered an order approving the Sands Anderson Application [Docket No. 183]. Counsel for the Debtor and counsel for the Official Committee have been in frequent contact throughout the pendency of this bankruptcy case and have worked closely together to resolve numerous issues for the benefit of all parties.

On August 31, 2012, the Official Committee filed its Application for Authorization to Employ and retain Deloitte Financial Advisory Service LLP, Nunc Pro Tunc, to August 10, 2012 to Serve as Financial Advisors for the Official Committee of Equity Security Holders (the “**Deloitte Application**”) [Docket No. 151]. On October 5, 2012, the Court entered an order approving the Deloitte Application [Docket No. 182].

E. Second Day Motions and Hearing

1. Retention Applications

On August 15, 2012 (the “**Second Day Hearing**”), the Court heard and granted the GT Retention Application [Docket No. 82] and the PJC Retention Application [Docket No. 83].

2. Granting of Final Orders on First Day Motions

At the Second Day Hearing, the Court granted the entry of final orders with respect to the Debtor’s First Day Motions. The final orders for such motions, as discussed in greater detail above, were entered by the Court on August 21, 2012.

3. Retention of Ordinary Course Professionals

At the Second Day Hearing, the Court heard the Debtor’s Application for the Entry of an Order Authorizing Retention and Employment of Certain Professionals Utilized by the Debtor in the Ordinary Course of Business [Docket No. 85]. By that motion, the Debtor sought the authority to employ certain ordinary course professionals on an “as needed” basis without the submission of separate, formal retention applications for each such professional, subject to monthly caps. Such authority was needed in order to continue to operate the Debtor’s business. The Court granted the Debtor’s application and entered a final order relating thereto on August 21, 2012 [Docket No. 124].

4. Sale and Bid Procedures Motion

At the Second Day Hearing, the Court heard argument on the Sale and Bid Procedures Motion. Prior to such argument, however, the Official Committee and the U.S. Trustee had both filed objections to the Sale and Bid Procedures Motion, as well as to the APA. [Docket Nos. 100, 101, and 105]. In light of such objections, the Debtor engaged in negotiations with the Official Committee, the U.S. Trustee and Precision Biologics, and the parties successfully developed and compromised on modifications to the sale and bid procedures and the APA. Accordingly, on August 21, 2012, the Court entered the order approving the Sale and Bid Procedures Motion (the “**Bid Procedures Order**”) [Docket No. 122].

The Bid Procedures Order set an original bid deadline of September 6, 2012 for the submission of qualified bids (the “**Bid Deadline**”) and an auction date of September 11, 2012. The Bid Procedures Order further provided, however, that if at the end of the Bid Deadline there was a bona fide prospective purchaser who was interested in potentially submitting a qualified bid who was actively engaged in obtaining information from the Debtor in order to make a qualified bid, then the Debtor was permitted to extend the Bid Deadline and the auction by one week (or 8 days in the case of the auction date).

F. The Sale and Bidding Process

After the Petition Date, and in accordance with the Bid Procedures Order, PJC re-contacted the fifty-nine (59) potential bidders from the pre-petition process, as well as eleven (11) additional potential bidders identified by PJC and nine (9) additional potential bidders identified by the Official Committee’s financial advisor. All together, seventy-nine (79) potential bidders were contacted by PJC after the Court’s entry of the Bid Procedures Order.

On September 5, 2012, the Debtor and its advisors were approached by a party involving an existing Neogenix shareholder interested in qualifying as a potential bidder and potentially submitting a qualified bid and potentially participating in an auction (the “**Interested Bidder**”). On September 6, 2012, the Debtor, and its advisors, in consultation with the Official Committee, determined that the Interested Bidder satisfied the participation requirements set forth in the Bid Procedures Order by providing the Debtor with an executed confidentiality agreement, identifying the principals and representatives who are authorized to appear and act on its behalf for all purposes regarding the contemplated sale, and providing written evidence of its ability to close the contemplated sale and adequate assurance of future performance under all contracts to be assumed in such contemplated sale. Accordingly, as the Interested Bidder had represented that it was interested in potentially submitting a qualified bid and was actively engaged in obtaining due diligence information from the Debtor in order to make a qualified bid, the Debtor, in consultation with the Official Committee, extended the Bid Deadline for the Interested Bidder from September 6, 2012 at 5:00 p.m. to September 13, 2012 at 5:00 p.m. (the “**Extended Bid Deadline**”), and rescheduled both the auction to the secondary auction date of September 19, 2012 at 10:00 a.m. and the sale hearing to the secondary sale hearing date on September 20, 2012 at 11:30 a.m. On September 10, 2012, the Debtor filed and served an Amended Notice of Bid Deadline, Auction, and Sale Hearing in Connection with the Sale of Substantially All of the Debtor’s Assets setting forth the foregoing information [Docket No. 162].

PJC provided the Interested Bidder with access to the Debtor's online data room and other confidential materials. After conducting due diligence on the Debtor's assets for several days, on September 12, 2012, a day and a half prior to the Extended Bid Deadline, the Interested Bidder informed the Debtor that the Interested Bidder would not be submitting a bid for the purchase of the Debtor's assets. Besides Precision Biologics, the Interested Bidder had been the only other party who conducted any significant substantive due diligence with respect to a potential purchase of the Debtor's assets. Thus, while certain shareholders, from time to time, expressed a possible interest in attempting to formulate a bid proposal, no additional credible offers came to light. Indeed, no credible offers were rejected by the Debtor. Accordingly, by the time of the Extended Bid Deadline, no other bids had been received by the Debtor.

The marketing efforts conducted by PJC, the Debtor and the Official Committee's professionals, both before and after the Petition Date, were sufficient for purposes of notifying all likely prospective buyers of the proposed sale of the Debtor's assets and afforded such parties with ample opportunity to bid on the assets and participate in an auction process. Despite significant time and effort, however, PJC was not able to locate any additional bidders for the Debtor's assets. Many potential purchasers stated that the Debtor was too early-stage, and therefore was not an attractive candidate for acquisition. Thus, notwithstanding the above-described extensive efforts, the Debtor did not receive any competing qualified bids (in addition to the bid from Precision Biologics) for its assets.

Inasmuch as no qualified bids other than the APA between Precision Biologics, as purchaser, and the Debtor, as seller, were received by the Debtor by either the Bid Deadline or the Extended Bid Deadline, the auction was cancelled by the Debtor and Precision Biologics was deemed to be the successful bidder. Notice of such cancellation was filed and served by the Debtor on September 14, 2012 [Docket No. 167].

G. The Sale Hearing

On September 20, 2012, the Court held a hearing (the "**Sale Hearing**") on the Sale and Bid Procedures Motion, and specifically, the sale of substantially all of the Debtor's operating assets to Precision Biologics pursuant to the APA, as amended.

At the Sale Hearing, the Court considered, among other things, the Declaration of James Feldman, Chairman of the Board of Directors of the Debtor, in Support of the Sale of Substantially All of the Debtor's Assets to Precision Biologics, Inc. [Docket No. 173], the Declaration of Teri Stratton of Piper Jaffray & Co., the Debtor's Investment Banker and Financial Advisor, in Support of the Sale of Substantially All of the Debtor's Assets to Precision Biologics, Inc. [Docket No. 174], and the Declaration of Stanley B. Archibald, Jr., President of Precision Biologics, Inc., in Support of the Debtor's Sale of Substantially All of the Debtor's Assets to Precision Biologics, Inc. [Docket No. 175].

On September 20, 2012, the Court entered a final order (the "**Sale Order**") [Docket No. 176] approving the sale of the Debtor's operating assets to Precision Biologics pursuant to section 363 of the Bankruptcy Code, and pursuant to the APA, as amended on August 31, 2012 [Docket No. 150] and September 20, 2012 [Docket No. 177].

H. Consummation of the Sale to Precision Biologics, Inc.

On September 24, 2012, the Debtor and Precision Biologics closed on the sale as authorized by the Sale Order. Through the Sale, all of the Debtor's rights, title, and interests in its operating assets, including without limitation, its patents, office equipment, and laboratory equipment, were transferred to Precision Biologics. In return, and consistent with the terms of the APA, as subsequently amended, Precision Biologics paid the Debtor \$3,965,000.00, minus a credit of \$1,172,525.37 representing payoff and full satisfaction of the DIP Financing Facility. The remaining proceeds of \$2,792,474.63 went to the Debtor. In addition, Precision Biologics also issued the Debtor 5.5 million shares of Precision Biologics's common stock (the "**PB Stock**") to be distributed to the Debtor's shareholders on a pro rata basis pursuant to the terms of the Plan. Pursuant to the terms of the APA, as subsequently amended, \$730,000.00 of the \$3,965,000.00 cash component of the purchase price constituted Contingent Cash as defined in the APA. Pursuant to the terms of the APA, as subsequently amended, as well as the terms of the Bid Procedures Order, the Debtor has agreed to repay Precision Biologics the \$730,000.00 in Contingent Cash plus interest compounded annually at 12% per annum out of any proceeds received by the Debtor from the Existing Claims, as defined in the APA, after payment of the Liquidating Trustee's fees and expenses and the Liquidating Trustee's professional fees and expenses incurred in connection with such litigation.

I. Establishing Bar Dates for Proofs of Claim and Proofs of Interest

On July 24, 2012, the Clerk of the Court issued a Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors & Deadlines (Official Form 9F) (the "**Initial Notice**") that fixed November 19, 2012 as the deadline for creditors to file proofs of claim and January 22, 2013 for governmental units to do the same. The Initial Notice did not, however, contain a deadline for equity interest holders to file proofs of interest.

As this case is an equity case, involving a *de minimis* number of creditors, but approximately 950 equity interest holders, on October 10, 2012, the Debtor filed a Motion for an Order (I) Establishing a Deadline for Filing Proofs of Interest, (II) Approving Form and Manner of Notice of the Deadlines to File Proofs of Claim and Proofs of Interest, and (III) Granting Related Relief (the "**Bar Date Motion**") [Docket No. 186]. By the Bar Date Motion, the Debtor sought to establish November 19, 2012 at 5:00 p.m. as the date by which all persons and entities holding Claims or Interests that arose prior to the Petition Date had to file proofs of claim and proofs of interest with the Debtor's Noticing Agent, (the "**General Bar Date**"). The Bar Date Motion also sought that subject to certain limited exceptions, any person or entity whose Claim or Interest was not listed in the Schedules or the Equity List, or was listed as disputed, contingent, or unliquidated, and that desired to participate in this Chapter 11 Case or share in any distribution in this Chapter 11 Case, and any person or entity that believed its Claim or Interest was improperly classified in the Schedules or Equity List or was listed in an incorrect amount and that desired to have its Claim or Interest allowed in a classification or amount other than that set forth in the Schedules or Equity List, had to file a Proof of Claim or Proof of Interest on or before the General Bar Date.

On October 12, 2012, the Court entered an order [Docket No. 192] granting the Bar Date Motion and establishing November 19, 2012 at 5:00 p.m. as the date by which all persons and entities holding Claims or Interests that arose prior to the Petition Date had to file proofs of claim and proofs of interest with the Debtor's Noticing Agent. Accordingly, on October 12, 2012, the Debtor caused the Notice of Deadline for Filing Proofs of Claim and Proofs of Interest [Docket No. 194] to be served on all of the Debtor's creditors and equity interest holders. In addition to informing the Debtor's creditors and equity interest holders of the General Bar Date and how to timely file a Proof of Claim or a Proof of Interest, the notice also provided equity interest holders with detailed instructions on how to determine how their interest was scheduled by the Debtor.

J. Exclusivity

On November 6, 2012, the Debtor filed its Motion for an Order Pursuant to 11 U.S.C. §1121(d) Extending the Exclusive Periods During Which the Debtor May File a Chapter 11 Plan and Solicit Acceptances Thereof [Docket No. 210] (the "**First Exclusivity Extension Motion**"). By the First Exclusivity Extension Motion, the Debtor sought the entry of an order extending the deadline for the Debtor to file a chapter 11 plan from November 20, 2012 by approximately 60 days, through and including January 22, 2013. In addition, the Debtor sought to extend the deadline for the Debtor to solicit acceptances of such a chapter 11 plan from January 22, 2013 by approximately 60 days, through and including March 25, 2013. Contemporaneously with the First Exclusivity Extension Motion, the Debtor filed a Motion to Shorten Time for Notice and Response to the Debtor's Motion for an Order Pursuant to 11 U.S.C. §1121(d) Extending the Exclusive Periods During Which the Debtor May File a Chapter 11 Plan and Solicit Acceptance Thereof [Docket No. 211].

On November 7, 2012, the Court entered a Bridge Order Extending Exclusivity Period Without Prejudice and Denying Motion to Shorten Time (the "**Bridge Exclusivity Order**") [Docket No. 215]. By the Bridge Exclusivity Order, the Court extended the exclusivity period on an interim basis until the First Exclusivity Extension Motion was adjudicated and resolved.

On December 4, 2012, the Court entered an order [Docket No. 241] granting the First Exclusivity Extension Motion, thereby (i) extending the exclusivity period for the Debtor to file a chapter 11 plan from November 20, 2012 by approximately 60 days, through and including January 22, 2013, and (ii) extending the exclusivity period for the Debtor to solicit acceptances of such a chapter 11 plan from January 22, 2013 by approximately 60 days, through and including March 25, 2013.

On January 18, 2013, the Debtor filed its Second Motion for an Interim and Final Order Pursuant to 11 U.S.C. § 1121(d) Extending the Exclusivity Periods During Which the Debtor May File a Chapter 11 Plan and Solicit Acceptances Thereof [Docket No. 253] (the "**Second Exclusivity Extension Motion**"). By the Second Exclusivity Extension Motion, the Debtor sought the entry of an order extending the deadline for the Debtor to file a chapter 11 plan from January 22, 2013 by 38 days, through and including March 1, 2013. In addition, the Debtor sought to extend the deadline for the Debtor to solicit acceptances of such a chapter 11 plan from March 25, 2013 by 39 days, through and including May 3, 2013.

On January 22, 2013, the Court entered an Interim Order granting the Second Exclusivity Extension Motion (the “**Interim Exclusivity Order**”) [Docket No. 255]. By the Interim Exclusivity Order, the Bankruptcy Court extended the exclusivity period on an interim basis until the Second Exclusivity Extension Motion was adjudicated and resolved.

On February 14, 2013, the Court entered an order [Docket No. 264] granting the Second Exclusivity Extension Motion, thereby (i) extending the exclusivity period for the Debtor to file a chapter 11 plan from January 22, 2013 by 38 days, through and including March 1, 2013, and (ii) extending the exclusivity period for the Debtor to solicit acceptances of such a chapter 11 plan from March 25, 2013 by 39 days, through and including May 3, 2013.

K. Disclosure Statement and Disclosure Statement Hearing

On February 4, 2013, the Debtor filed with the Bankruptcy Court the Disclosure Statement and Plan. On February 25, 2013 the U.S. Trustee filed its Limited Objection to Debtor’s Disclosure Statement and Plan of Liquidation [Docket No. 273]. On March 6, 2013, the Debtor filed its Response to the U.S. Trustee’s Limited Objection to Debtor’s Disclosure Statement and Plan of Liquidation [Docket No. 274] and the Official Committee filed its Response to the Limited Objection of the U.S. Trustee to Debtor’s Proposed Disclosure Statement with Reservation of Rights [Docket No. 276].

On March 7, 2013, the Bankruptcy Court held a hearing on the adequacy of the information contained in the Disclosure Statement and approved the Disclosure Statement with certain amendments and authorized the solicitation of the amended Disclosure Statement and the amended Plan.

Article 7

DETAILED SUMMARY OF THE PLAN OF LIQUIDATION

THIS ARTICLE PROVIDES A SUMMARY OF THE STRUCTURE, CLASSIFICATION, TREATMENT AND IMPLEMENTATION OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, AND TO THE EXHIBITS ATTACHED THERETO.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR HOLDERS OF INTERESTS IN, THE DEBTOR.

A. Purpose and Effect of the Plan

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business or liquidate its assets for the benefit of its creditors and shareholders. Chapter 11 also allows a debtor to formulate and consummate a plan of reorganization or a plan of liquidation.

A plan of liquidation sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of liquidation by a bankruptcy court makes the plan binding upon the debtor and any creditor of or interest holder in the debtor, whether or not such creditor or interest holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan.

Consistent with the Court's approval of the Debtor's liquidation, the Plan provides for the Distribution of the proceeds of the liquidation of all assets of the Debtor to various Claim Holders and Interest Holders as contemplated under the Plan and for the wind-up of the Debtor's corporate affairs. Under the Plan, Claims against, and Interests in, the Debtor are divided into Classes according to their relative seniority and other criteria.

If the Plan is confirmed by the Bankruptcy Court and consummated, the Claims and Interests of the various Classes will be treated in accordance with the provisions in the Plan for each such Class. On the Distribution Dates, the Debtor will make Distributions to certain Classes of Claims and Classes of Interests as provided in the Plan. A general description of the Classes of Claims against and Classes of Interests in the Debtor created under the Plan, the treatment of those Classes under the Plan, and the Distribution of property under the Plan are described below.

The Plan contemplates the full payment of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Secured Claims, Allowed Non-Tax Priority Claims, and Allowed General Unsecured Claims. In addition, the Plan also contemplates a significant distribution to Allowed Interests (Common Stock).

The Debtor and the Official Committee believe that the Plan provides for the greatest and earliest feasible return to the Holders of Allowed Claims and the Holders of Allowed Interests in a fair and equitable manner.

B. Classification and Treatment of Claims and Interests

1. Introduction

The Plan places all Claims and Interests, except Administrative Expense Claims and Priority Tax Claims, in the Classes set forth below. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or an Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or such Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

2. Treatment of Unclassified Claims and Expenses

(i) Administrative Expense Claims

Administrative Expense Claims are Claims for costs and expenses of administration of the Debtor's Chapter 11 Case Allowed under sections 503(b), 507(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including but not limited to: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtor's Estate and operating the business of the Debtor (including, but not limited to, wages, salaries, commissions for services and payments for inventories, leased equipment and premises) and Claims by Governmental Units for taxes (including Claims related to taxes which accrued after the Petition Date, but excluding Claims related to taxes which accrued on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting and other services and reimbursement of expenses Allowed by the Bankruptcy Court under sections 328, 330, 331, 363 or 503(b) of the Bankruptcy Code to the extent incurred on or prior to the Effective Date; (c) all fees and charges assessed against the Debtor's Estate under section 1930, chapter 123 of title 28 of the United States Code; and (d) any Claims that have been designated "Administrative Expense Claims" by order of the Bankruptcy Court.

Bar Date for Administrative Expense Claims: Holders of Administrative Expense Claims, other than Professional Fee Claims, shall file with the Claims Agent and serve on the Liquidating Trustee requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, so as to actually be received on or before the Administrative Expense Claim Bar Date, which is 30 days after the Effective Date. Any such Claim not filed by the Administrative Expense Claim Bar Date shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The Notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Administrative Expense Claim Bar Date and shall constitute notice of such bar date. The Liquidating Trustee shall have thirty (30) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Expense Claim Bar Date to review and object to such Administrative Expense Claims.

Bar Date for Applications for Professional Fees: Professional Fee Claims are Administrative Expense Claims and all applications for allowance and payment of Professional Fee Claims shall be filed with the Bankruptcy Court and served on counsel for the Debtor, counsel for the Official Committee and the U.S. Trustee on or before the Professional Fee Claim Bar Date, which is forty-five (45) days after the Effective Date. If an application for a Professional Fee Claim is not filed by the Professional Fee Claim Bar Date, such Professional Fee Claim shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The Notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Professional Fee Claim Bar Date and shall constitute notice of such bar date.

The Bankruptcy Code does not require that Administrative Expense Claims be classified under a plan. It does require, however, that Allowed Administrative Expense Claims be paid in full in Cash in order for a plan to be confirmed, unless the holder of such Claim consents to different treatment.

Treatment: Within the time period provided for in Article 3 of the Plan, each Holder of an Allowed Administrative Expense Claim or an Allowed Professional Fee Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Administrative Expense Claim or such Allowed Professional Fee Claim, either (i) Cash equal to the unpaid portion of such Allowed Administrative Expense Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. Holders of Allowed Administrative Expense Claims and Holders of Allowed Professional Fee Claims will be paid in full on account of their Allowed Claims and are not entitled to vote on the Plan.

(ii) Priority Tax Claims

A Priority Tax Claim is a Claim or a portion of a Claim for which priority is asserted under section 507(a)(8) of the Bankruptcy Code.

The taxes entitled to priority are: (a) taxes on income or gross receipts that meet the requirements of section 507(a)(8)(A); (b) property taxes meeting the requirements of section 507(a)(8)(B); (c) taxes that were required to be collected or withheld by the Debtor and for which the Debtor is liable in any capacity as described in section 507(a)(8)(C); (d) employment taxes on wages, salaries, or commissions that are entitled to priority pursuant to section 507(a)(4), to the extent such taxes also meet the requirements of section 507(a)(8)(D); (e) excise taxes of the kind specified in section 507(a)(8)(E); (f) customs duties arising out of the importation of merchandise that meet the requirements of section 507(a)(8)(F); and (g) prepetition penalties relating to any of the foregoing taxes to the extent such penalties are in compensation for actual pecuniary loss as provided in section 507(a)(8)(G).

The Bankruptcy Code does not require that Priority Tax Claims be classified under a plan. It does require, however, that such Claims receive the treatment described below in order for a plan to be confirmed unless the Holder of such Claims consents to different treatment.

Treatment: Within the time period provided for in Article 3 of the Plan, each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Priority Tax Claim, either (i) Cash equal to the unpaid portion of such Allowed Priority Tax Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. Holders of Priority Tax Claims will be paid in full on account of such Allowed Claims and are not entitled to vote on the Plan. The Debtor does not believe that any Priority Tax Claims exist.

3. Classification and Impairment

The following Classes are established under the Plan and are Impaired or Unimpaired, as indicated below:

Class Number	Description	Impairment
Class 1	Secured Claims	Class 1 is Unimpaired under the Plan
Class 2	Non-Tax Priority Claims	Class 2 is Unimpaired under the Plan
Class 3	Director and Officer Indemnification Claims	Class 3 is Impaired under the Plan
Class 4	General Unsecured Claims	Class 4 is Unimpaired under the Plan
Class 5	Interests (Common Stock / Potential Shareholder Rescission Claims)	Class 5 is Impaired under the Plan
Class 6	Interests (Unexercised Stock Options)	Class 6 is Impaired under the Plan

4. Treatment of Classified Claims

(i) Class 1 – Secured Claims

Classification: A Secured Claim means a Claim that is secured by property of the Debtor.

Treatment: Provided that an Allowed Secured Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed Secured Claims in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed Secured Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. The Debtor does not believe that any Claims exist within Class 1.

Voting: Class 1 is Unimpaired, and the Holders of Class 1 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, Holders of Class 1 Claims are not entitled to vote to accept or reject the Plan.

(ii) Class 2 – Non-Tax Priority Claims

Classification: A Non-Tax Priority Claim means a Claim, other than an Administrative Expense Claim or a Priority Tax Claim, which is entitled to priority in payment pursuant to Bankruptcy Code Section 507(a).

Treatment: Provided that an Allowed Non-Tax Priority Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed Non-Tax Priority Claims in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. The Debtor does not believe that any Claims exist within Class 2.

Voting: Class 2 is Unimpaired, and the Holders of Class 2 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, Holders of Class 2 Claims are not entitled to vote to accept or reject the Plan.

(iii) Class 3 – Director and Officer Indemnification Claims

Classification: A Director and Officer Indemnification Claim means a Claim by a Director or Officer for indemnification pursuant to an indemnification agreement, articles of incorporation, bylaws or applicable state law as evidenced by a timely filed Proof of Claim in the Debtor's Chapter 11 Case.

Treatment: On the Effective Date, the Debtor's Directors and Officers shall receive the D&O Releases in full and final satisfaction of the Allowed Director and Officer Indemnification Claims.

Voting: Class 3 is Impaired and is entitled to vote on the Plan.

(iv) Class 4 - General Unsecured Claims

Classification: A General Unsecured Claim means a Claim that is not an Administrative Expense Claim, Priority Tax Claim, Secured Claim, Non-Tax Priority Claim, or Director and Officer Indemnification Claim.

Treatment: Provided that an Allowed General Unsecured Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed General Unsecured Claims in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed General Unsecured Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date.

Voting: Class 4 is Unimpaired, and the Holders of Class 4 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, Holders of Class 4 Claims are not entitled to vote to accept or reject the Plan.

(v) Class 5 - Interests (Common Stock / Potential Shareholder Rescission Claims)

Classification: Interests (Common Stock / Potential Shareholder Rescission Claims) means an Interest in the Debtor for shares of the Debtor's Common Stock owned by any Shareholder, including any Potential Shareholder Rescission Claims.

Treatment: On the Initial Stock Distribution Date, all Class 5 Allowed Interest Holders shall receive from the Liquidation Trust in consideration for their shares of the Debtor's Common Stock their pro rata share of the PB Stock. In addition, all Class 5 Allowed Interest Holders shall also receive from the Liquidation Trust at some unidentified time in the future as additional consideration for their shares of the Debtor's Common Stock their pro rata share of the Net Litigation Recoveries, if any. The foregoing treatment shall be in full and final satisfaction of all Class 5 Interest Holders' Interests based on their ownership of the Debtor's Common Stock, including, but not limited to, any Potential Shareholder Rescission Claims arising out of the purchase of such Common Stock. Because (a) pursuant to Section 510(b) of the Bankruptcy Code, all Potential Shareholder Rescission Claims are subordinated to all other Claims or Interests other than Common Stock and entitled only to the same priority as Common Stock and (b) the Holders of Potential Shareholder Rescission Claims are also Holders of Common Stock and cannot receive a double recovery on account of that Common Stock, the Holders of Potential Shareholder Rescission Claims will only (i) receive recovery on account of their Common Stock, as set forth in Class 5 of the Plan, in full and final satisfaction of any such Potential Shareholder Rescission Claims and (ii) vote on account of their Common Stock. For clarity, Holders of Potential Shareholder Rescission Claims shall not receive an additional Class 5 Allowed Interest Holders ballot or vote as a result of their Potential Shareholder Rescission Claims.

Voting: Class 5 is Impaired and is entitled to vote to accept or reject the Plan.

(vi) Class 6 – Interests (Unexercised Stock Options)

Classification: Interests (Unexercised Stock Options) means an Interest based on the grant of a vested, unexpired option to purchase shares of the Debtor's Common Stock.

Treatment: All Unexercised Stock Options shall be cancelled on the Effective Date and shall be of no further force or effect.

Inasmuch as the cost of exercising any Unexercised Stock Options is significantly higher than the corresponding value of those underlying shares of the Debtor's Common Stock, the Unexercised Stock Options are worthless. In addition, Holders of Unexercised Stock Options are junior in priority to Holders of the Debtor's Common Stock. Given that pursuant to the Plan, all shares of the Debtor's Common Stock are being cancelled and Holders of such Common

Stock are only receiving partial recovery, no recovery is appropriate on the Unexercised Stock Options under the priority scheme set forth in the Bankruptcy Code.

Voting: Class 6 is Impaired, and the Holders of Class 6 Interests will be conclusively deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code and, therefore, Holders of Class 6 Interests are not entitled to vote to accept or reject the Plan.

5. Acceptance or Rejection of the Plan

(i) Impaired Classes of Claims and Interests Entitled to Vote

Subject to Article 3 of the Plan, the votes of Holders of Claims and Holders of Interests in Impaired Classes who receive or retain property on account of their Claims or Interests and who are entitled to vote under the Solicitation Procedures Order will be solicited for acceptance or rejection of the Plan.

(ii) Acceptance by an Impaired Class

In accordance with Bankruptcy Code section 1126(c) and except as provided in Bankruptcy Code section 1126(e), an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Claims of such Class that are entitled to vote and have timely and properly voted to accept or reject the Plan. In accordance with Bankruptcy Code section 1126(d) and except as provided in Bankruptcy Code section 1126(e), an Impaired Class of Interests shall have accepted the Plan if the Plan is accepted by Holders of at least two-thirds (2/3) in amount of the Interests of such Class that are entitled to vote and have timely voted to accept or reject the Plan.

(iii) Classes Deemed to have Accepted the Plan

Holders of Claims in Classes 1, 2 and 4 are Unimpaired by the Plan. Under Bankruptcy Code section 1126(f), such Claim Holders are conclusively deemed to have accepted the Plan, and the votes of such Claim Holders will not be solicited.

(iv) Classes Deemed to have Rejected the Plan

Holders of Interests in Class 6 are not entitled to receive or retain any property under the Plan. Under Bankruptcy Code section 1126(g), Holders of Interests in Class 6 are deemed to have rejected the Plan, and the votes of such Interest Holders will not be solicited.

(v) Summary of Classes Voting on the Plan

As a result of the provisions of Article 4 of the Plan, the votes of Holders of Claims in Class 3 and Holders of Interests in Class 5 that are not subject to an objection or who have filed a motion under Bankruptcy Rule 3018(a) for temporary allowance of their Claims or Interests for voting purposes, all as further set out in the Solicitation Procedures Order, will be solicited with respect to the Plan.

(vi) Confirmation Pursuant to Bankruptcy Code Section 1129(b)

Because Class 6 is deemed to reject the Plan, the Debtor will seek Confirmation of the Plan from the Bankruptcy Court by employing the “cramdown” procedures set forth in section 1129(b) of the Bankruptcy Code. The Debtor reserves the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Exhibit or schedule, including to amend or modify the Plan or such Exhibits or schedules to satisfy the requirements of Bankruptcy Code section 1129(b), if necessary.

6. Miscellaneous Provisions

(i) Reservation of Rights Regarding Claims and Interests

Except as otherwise explicitly provided for in the Plan, nothing shall affect the Debtor’s or the Liquidating Trustee’s rights and defenses, both legal and equitable, with respect to any Claims or Interests, including, but not limited to, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

(ii) Controversy Concerning Impairment

If a controversy arises as to whether any Claim or Interest is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

(iii) Elimination of Vacant Classes

Any Class of Claims or Class of Interests that does not contain, as of the date of the commencement of the Confirmation Hearing, a Holder of an Allowed Claim or a Holder of an Allowed Interest, or a Holder of a Claim or a Holder of an Interest temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for all purposes, including, but not limited to, for purposes of determining acceptance of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code and for purposes of Distribution.

C. Means for Implementation of the Plan

1. Corporate Action

(i) Transfer of Estate Assets

Upon the Effective Date, (a) the Debtor shall cause all of its Assets and the Assets of its Estate to be transferred to the Liquidating Trust in accordance with the Plan; and (b) the members of the Debtor’s Board of Directors shall be deemed to have resigned.

Upon transfer of the Assets to the Liquidating Trust, the Debtor shall have no further duties or responsibilities in connection with the implementation of the Plan.

(ii) Dissolution of the Debtor

On the Effective Date, the Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtor or payments to be made in connection therewith.

As soon as practicable after the transfer of the Assets to the Liquidating Trust, the Liquidating Trustee shall provide for the retention and storage of the books, records and files that shall have been delivered to the Liquidating Trust until such time as all such books, records and files are no longer required to be retained under applicable law, and file a certificate informing the Bankruptcy Court of the location at which such books, records, and files are being stored.

The Professionals employed by the Debtor and the Official Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing, and prosecution of Final Fee Applications, upon the submission of invoices to the Liquidating Trust without further order of the Bankruptcy Court.

(iii) Cancellation of Existing Securities and Agreements

Except as otherwise provided for in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, the Interests and any other promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Claims or Interests, and all options, warrants, calls, rights, puts, awards and commitments shall be deemed cancelled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of the Debtor under the promissory notes, share certificates, and other agreements and instruments governing such Claims and Interests shall be released and of no further force or effect. Notwithstanding the foregoing, the Holders of Allowed Class 5 Interests shall be entitled to the treatment set forth in Class 5 of the Plan.

(iv) No Further Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtor or corporate action to be taken by or required of the Debtor shall, as of the Effective Date, be deemed to have occurred and be effective as provided for in the Plan, and shall be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, the Debtor's Directors or Officers, the Liquidating Trustee, the Liquidating Trust, Holders of Claims or Holders of Interests.

D. Sources for Plan Distribution

All Cash necessary for the Liquidating Trustee to make payments of Cash pursuant to the Plan shall be obtained from the following sources: (a) the Debtor's Cash on hand, which shall be transferred to the Liquidating Trust on the Effective Date, (b) Cash received in liquidation of the remaining assets of the Liquidating Trust, and (c) net proceeds of the Causes of Action. On the Effective Date, the Debtor shall transfer with the help of Precision Biologics the PB Stock to the Liquidating Trust.

E. Liquidating Trust**(i) Establishment of the Liquidating Trust**

The Liquidating Trust shall be established and shall become effective on the Effective Date. All Distributions to the Holders of Allowed Claims and the Holders of Allowed Interests shall be from the Liquidating Trust. The Liquidating Trust shall hold and administer the following assets and the net proceeds thereof (collectively, the “**Liquidating Trust Assets**”):

- (a) the Cash on hand held by the Debtor as of the Effective Date;
- (b) the PB Stock held by the Debtor as of the Effective Date;
- (c) the Causes of Action owned by the Debtor as of the Effective Date; and
- (d) all other remaining property of the Debtor and the Debtor’s Estate which shall be transferred by the Debtor to the Liquidating Trust on the Effective Date for liquidation and Distribution in accordance with the Plan.

(ii) Release of Liens

Except as otherwise provided for in the Plan, the Confirmation Order, or in any document, instrument, or other agreement created in connection with the Plan, on the Effective Date, all liens or other security interests against the property of the Debtor’s Estate shall be released and deemed to be of no further force or effect.

(iii) Vesting of Assets

On and following the Effective Date, all property treated by the Plan, any minutes, and general corporate records of the Debtor, and any books and records relating to the foregoing not otherwise treated by the Plan, shall not be vested in the Debtor, but shall be vested in the Liquidating Trust free and clear of all liens, claims, encumbrances, and other interests and shall thereafter be administered, liquidated by sale, collection, recovery, or other disposition and distributed by the Liquidating Trustee in accordance with the terms of the Plan and the Liquidating Trust Agreement, and shall continue to be subject to the jurisdiction of the Bankruptcy Court following confirmation of the Plan until such property is distributed to Holders of Allowed Claims and Holders of Allowed Interests in accordance with the provisions of the Plan, the Liquidating Trust Agreement, and the Confirmation Order. Notwithstanding anything to the contrary contained herein, the Liquidating Trustee shall provide for the retention and storage of the books, records and files that shall have been delivered to the Liquidating Trust until such time as all such books, records and files are no longer required to be retained under applicable law.

(iv) Duration of Trust

The Liquidating Trust shall have an initial term of three (3) years from the Effective Date; provided, however, that, if warranted by the facts and circumstances, and subject to the approval of the Bankruptcy Court with jurisdiction over the case, upon a finding that an extension of the term of the Liquidating Trust is necessary to accomplish the liquidating purpose of the Liquidating Trust, the Liquidating Trust's term may be extended for a finite term based on facts and circumstances. Each extension of the term of the Liquidating Trust must be approved by the Court within three (3) months before the beginning of the extended term. The Liquidating Trust may be terminated earlier than its scheduled termination if (a) the Bankruptcy Court has entered a Final Order closing the Chapter 11 Case pursuant to Bankruptcy Code section 350(a) and (b) the Liquidating Trustee has administered all assets of the Liquidating Trust and performed all other duties required by the Plan and the Liquidating Trust Agreement. As soon as practicable, the Liquidating Trustee shall seek the entry of a Final Order closing the Chapter 11 Case pursuant to Bankruptcy Code section 350.

(v) Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code section 1146(c), any transfers from the Debtor to the Liquidating Trust or to any other Person pursuant to the Plan in the United States shall not be subject to any stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

(vi) Liquidating Trustee

(a) Appointment

Peter Kravitz of Solution Trust shall be appointed as the Liquidating Trustee which appointment shall be effective as of the Effective Date. Successor Liquidating Trustee(s), if any, shall be appointed as set forth in the Plan and the Liquidating Trust Agreement.

(b) Liquidating Trustee as Successor

Pursuant to Bankruptcy Code section 1123(b), the Liquidating Trustee shall be the successor to the Debtor for all purposes.

(c) Responsibilities of the Liquidating Trustee

Pursuant to the terms of the Plan and the Liquidating Trust Agreement, and subject to approval by the Liquidating Trust Oversight Committee as applicable, the responsibilities of the Liquidating Trustee shall include, but shall not be limited to: (i) calculating and implementing all Distributions required under the Plan, including any Distributions of Cash or PB Stock; (ii) prosecuting, settling and/or abandoning the Causes of Action; (iii) prosecuting and/or settling objections to, and estimations of, Claims and Interests; (iv) liquidating the remaining property of the Debtor's Estate, and providing for the Distribution of the Net Proceeds thereof, in accordance with the provisions of the Plan; (v) filing all required tax returns, and paying taxes and all other

obligations on behalf of the Debtor from Estate funds; (vi) managing the Post-Effective Date wind down of the Debtor, and otherwise administering the Liquidating Trust; (vii) providing to the Liquidating Trust Oversight Committee and the Liquidating Trust Oversight Committee's Counsel regular, but no less than monthly unless agreed otherwise by the Liquidating Trustee and the Liquidating Trust Oversight Committee, comprehensive status updates regarding the status of any various issues and strategies concerning (a) the proposed Distributions on Allowed Claims and Allowed Interests, (b) the litigation and/or settlement of the Causes of Action, (c) the Claims and Interests resolution process including the allowance of, objection to and litigation and/or settlement of any and all Claims and Interests, (d) the creation of any proposed Plan Reserve Accounts, (e) professional fee and expense reimbursement requests by the Liquidation Trustee and his professionals and the Liquidating Trust Oversight Committee and its professionals, (f) current receipts, expenditures and distributions by the Liquidation Trust and aggregate receipts, expenditures and distributions by the Liquidation Trust from and after the Effective Date, (g) various other Case related issues and strategies; and (viii) such other responsibilities as may be vested in the Liquidating Trustee pursuant to the Confirmation Order or as may be necessary and proper to carry out the provisions of the Plan. The Liquidating Trustee shall post a bond in an amount equal to 150% of the maximum amount of liquid assets he holds or shall hold at any time on behalf of the Liquidating Trust excluding the PB Stock. The Liquidating Trustee shall use the Liquidating Trust's cash on hand or cash in a designated Plan Reserve Account to pay the premiums on such bond. To the extent that there are available funds, the Liquidating Trustee shall establish all reserves required to be established pursuant to the Plan, including, but not limited to, the Liquidating Trust Expense Reserve.

(d) Powers and Duties of the Liquidating Trustee

Subject to approval by the Liquidating Trust Oversight Committee, as applicable, the Liquidating Trustee shall have the rights and powers set forth in the Plan and the Liquidating Trust Agreement including, but not limited to, the powers of a debtor-in-possession under Bankruptcy Code sections 1107 and 1108. The Liquidating Trustee shall be governed in all things by the terms of the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall administer the Liquidating Trust, and its assets, and make Distributions from the proceeds of the Liquidating Trust in accordance with the Plan. In addition, the Liquidating Trustee shall, in accordance with the terms of the Plan, take all actions necessary to wind down the affairs of the Debtor consistent with the Plan and applicable non-bankruptcy law. Without limitation, the Liquidating Trustee shall file final federal, state, foreign and, to the extent applicable, local, tax returns. Subject to the terms of the Plan and the Liquidating Trust Agreement, which includes, among other things, limitations on the Liquidating Trustee's discretion to take certain action without approval of the Liquidating Trust Oversight Committee or, in some circumstances, the Bankruptcy Court, the Liquidating Trustee shall be authorized, empowered and directed to take all actions necessary to comply with the Plan and to exercise and fulfill the duties and obligations arising thereunder, including, without limitation, to:

- (i) employ, retain, and replace one or more attorneys, accountants, auctioneers, brokers, managers, consultants, other professionals, agents, investigators, expert witnesses, consultants, and

advisors as necessary to discharge the duties of the Liquidating Trustee under the Plan and the Liquidating Trust Agreement;

- (ii) object to the allowance of Claims and Interests pursuant to the terms of the Plan;
- (iii) open, maintain and administer bank accounts as necessary to discharge the duties of the Liquidating Trustee under the Plan and the Liquidating Trust Agreement;
- (iv) pay reasonable and necessary professional fees, costs, and expenses as set forth in the Plan;
- (v) investigate, analyze, commence, prosecute, litigate, compromise, abandon, and otherwise administer the Causes of Action and all related liens for the benefit of the Liquidating Trust and its beneficiaries, as set forth in the Plan, and take all other necessary and appropriate steps to collect, recover, settle, liquidate, or otherwise reduce to Cash the Causes of Action, including all receivables, and to negotiate and effect settlements and lien releases with respect to all related Claims and all related liens;
- (vi) administer, sell, liquidate, or otherwise dispose of all other Assets of the Debtor's Estate in accordance with the terms of the Plan;
- (vii) represent the Debtor's Estate before the Bankruptcy Court and other courts of competent jurisdiction with respect to matters concerning the Liquidating Trust;
- (viii) seek the examination of any entity under and subject to the provisions of Bankruptcy Rule 2004;
- (ix) comply with applicable orders of the Bankruptcy Court and any other court of competent jurisdiction over the matters set forth in the Plan;
- (x) comply with all applicable laws and regulations concerning the matters set forth in the Plan;
- (xi) exercise such other powers as may be vested in the Liquidating Trust pursuant to the Plan, the

Liquidating Trust Agreement or other Final Orders of the Bankruptcy Court;

(xii) execute any documents, instruments, contracts, and agreements necessary and appropriate to carry out the powers and duties of the Liquidating Trustee or the Liquidating Trust; and

(xiii) stand in the shoes of the Debtor for all purposes.

(e) Records

The Liquidating Trustee shall maintain good and sufficient books and records of account relating to the assets of the Liquidation Trust, the cash, the management thereof, all post-Effective Date transactions undertaken by the Liquidating Trustee, all expenses incurred by or on behalf of the Liquidating Trustee after the Effective Date, and all distributions contemplated or effectuated under the Plan.

(f) Accounts

The Liquidating Trustee shall (a) establish one or more general bank accounts into which shall be deposited all funds not required to be deposited into any other account or reserve and (b) create, fund, and withdraw funds from, as appropriate, any reserves or other accounts maintained or established by the Liquidating Trustee.

(g) Investment Powers

The powers of the Liquidating Trustee to invest any Cash that is held by the Liquidating Trust, other than those powers reasonably necessary to maintain the value of the assets and to further the Liquidating Trust's liquidating purposes, shall be limited to powers to invest in demand and time deposits, such as short-term certificates of deposit, in banks or other savings institutions, or other temporary liquid investments, such as treasury bills. The Liquidating Trustee is prohibited from continuing or engaging in the conduct of a trade or business, except to the extent reasonably necessary to and consistent with the liquidating purpose of the Liquidating Trust.

(h) Distributions

The Liquidating Trustee shall liquidate all of the remaining Assets of the Debtor and the Debtor's Estate (including, without limitation, all Causes of Action) and make Distributions from the Liquidating Trust to Allowed Claim Holders, Allowed Interest Holders and other third parties pursuant to and consistent with the terms of the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall make continuing efforts to dispose of the Liquidating Trust Assets, make timely Distributions, and not unduly prolong the duration of the Liquidating Trust.

(i) Certain SEC Related Issues

After the Effective Date, the Liquidating Trustee will not take any action to (i) merge the Debtor into any other entity for the purposes of allowing the acquiring entity to be a public company, or (ii) sell any equity interests in the Debtor or the Debtor's corporate shell. Additionally, after the Effective Date, if eligible, the Liquidating Trustee or the Debtor, as applicable, will file the appropriate documentation with the Securities Exchange Commission to terminate the registration of the Debtor's common stock under the Exchange Act and the reporting requirement associated therewith under the Exchange Act. If eligibility does not exist, the Liquidating Trustee or the Debtor, as applicable, will consent to any non-pecuniary action commenced by the Securities Exchange Commission to terminate such requirements.

(vii) The Liquidating Trust Oversight Committee

Pursuant to the terms of the Plan, a Liquidating Trust Oversight Committee shall be established consisting of the following five members: (1) Christopher Hyun (the current Chairman of the Official Committee and one of the Debtor's shareholders), (2) Stuart Plotnick (a current member of the Official Committee and one of the Debtor's shareholders), (3) James A. Feldman (the current Chairman of the Debtor's Board of Directors and one of the Debtor's largest shareholders), (4) Philip M. Arlen, M.D., (the current President and CEO of the Debtor, a current member of the Debtor's Board of Directors, and one of the Debtor's largest shareholders), and (5) Stanley B. Archibald, Jr. (the current Chairman of the Board of Precision Biologics and one of the Debtor's shareholders). The Liquidating Trust Oversight Committee will advise the Liquidating Trustee and make certain determinations as set forth in the Plan and the Liquidating Trust Agreement. Approval of a majority of the members of the Liquidating Trust Oversight Committee shall be required for the Liquidating Trust Oversight Committee to act; provided however, that if a member of the Liquidating Trust Oversight Committee fails to respond to a request by the Liquidating Trustee for determination or approval of a proposed action within five (5) business days after receiving an email request from the Liquidating Trustee for such determination or approval, or in such other timeframe that the Liquidating Trustee and the Liquidating Trust Oversight Committee mutually agrees to, the failure to respond will be deemed an acceptance of or consent to the proposed action. In the event that a member of the Liquidating Trust Oversight Committee resigns, dies, or is removed by the Bankruptcy Court for cause (gross negligence, willful misconduct or fraud), the remaining members of the Liquidating Trust Oversight Committee shall select a successor to serve in the place of that member. The Liquidating Trustee will not institute any suit or proceeding, prosecute or settle any Cause of Action, or file or resolve any objection to any Claim or any Interest without the prior approval of the Liquidating Trust Oversight Committee. In the event that the Liquidating Trustee resigns, dies, is removed by the Bankruptcy Court for cause (gross negligence, willful misconduct, or fraud) or is removed by the Liquidating Trust Oversight Committee pursuant to Article 5(C)(12) below, the Liquidating Trust Oversight Committee shall have the right to appoint a successor Liquidating Trustee in accordance with the express terms of the Plan and the Liquidating Trust Agreement. Except for (a) reimbursement of reasonable expenses, and (b) indemnification, the members of the Liquidating Trust Oversight Committee shall receive no other compensation or other payment for the performance of their duties hereunder. The Liquidating Trust Oversight Committee may adopt by-laws with respect to its operation so long as such by-laws are consistent with the terms of the Plan. In addition, the Liquidating Trust Oversight Committee

shall be entitled to hire legal and/or financial professionals to help it carry out its duties under the Plan which professionals shall be compensated from the Liquidating Trust.

(viii) Preservation of Causes of Action; Settlement of Causes of Action

Notwithstanding any other term or provision of the Plan, the Debtor, in consultation with the Official Committee, shall have, prior to the Effective Date, sole authority and responsibility for investigating, analyzing, commencing, prosecuting, litigating, compromising, settling, collecting, and otherwise administering the Causes of Action.

After the Effective Date, and subject to approval by the Liquidating Trust Oversight Committee as applicable, the Liquidating Trustee shall have authority and responsibility for investigating, analyzing, commencing, prosecuting, litigating, compromising, settling, collecting, and otherwise administering the Causes of Action. In accordance with section 1123(b)(3) of the Bankruptcy Code or any corresponding provision of similar federal or state laws, and except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, (a) the Liquidating Trustee shall be deemed to be a representative of the Debtor as the party in interest in the Chapter 11 Case and any adversary proceeding in the Chapter 11 Case, under the Plan or in any judicial proceeding or appeal as to which the Debtor is a party and (b) the Liquidating Trustee shall retain all of the Causes of Action of the Debtor and the Debtor's Estate, a nonexclusive list of which is set forth on Exhibit C to the Plan, and other similar claims arising under applicable state laws, including, without limitation, fraudulent transfer claims, if any, and all other causes of action of a trustee and debtor in possession under the Bankruptcy Code. Certain of the Causes of Action that the Liquidating Trustee shall retain may trigger potential recoveries under various insurance policies.

The Debtor has not concluded its investigation into the Causes of Action. Accordingly, in considering the Plan, each party in interest should understand that any and all Causes of Action that may exist against any Person or entity may be pursued by the Liquidating Trust and/or the Liquidating Trustee, regardless of whether, or the manner in which, such Causes of Action are listed on Exhibit C to the Plan or described in the Plan. The failure of the Debtor to list a claim, right, cause of action, suit or proceeding on Exhibit C to the Plan shall not constitute a waiver or release by the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust of such claim, right of action, suit or proceeding.

(ix) Effectuating Documents; Further Transactions

Notwithstanding any other term or provision of the Plan, prior to the Effective Date, any appropriate officer of the Debtor shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. Subject to the terms and conditions of the Plan and the Liquidating Trust Agreement, after the Effective Date, the Liquidating Trustee shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or

documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

(x) Retention of Professionals by the Liquidating Trustee and/or the Liquidating Trust Oversight Committee

Subject to the approval of the Liquidating Trust Oversight Committee, the Liquidating Trustee may, without further order of the Bankruptcy Court, employ various professionals, including, but not limited to, counsel, financial advisors, consultants and expert witnesses as needed to assist him in fulfilling his obligations under the Plan, and on whatever fee arrangement he deems appropriate, including, without limitation, hourly fee arrangements and contingency fee arrangements. The Liquidating Trustee may employ professionals that were previously employed by the Debtor or by the Official Committee.

The Liquidating Trust Oversight Committee may, without further order of the Bankruptcy Court, employ various professionals, including, but not limited to, counsel, financial advisors, consultants, and expert witnesses, as needed to assist it in fulfilling its obligations under the Plan, and on whatever fee arrangement it deems appropriate, including, without limitation, hourly fee arrangements and contingency fee arrangements. The Liquidating Trust Oversight Committee may employ professionals that were previously employed by the Debtor or by the Official Committee.

Professionals engaged by the Liquidating Trustee or the Liquidating Trust Oversight Committee shall not be required to file interim applications for compensation in order to receive the compensation provided for herein, provided, however, such professionals shall provide copies of monthly invoices to the Liquidating Trustee and the Liquidating Trust Oversight Committee. Upon submission of a monthly invoice by a professional engaged by the Liquidating Trustee or the Liquidating Trust Oversight Committee, the recipients of such invoices shall have ten (10) days to object in writing (sent to the professional with a copy to the Liquidating Trustee and the Liquidating Trust Oversight Committee as applicable) to the payment of such invoice. Such objection shall state the amount of fees and/or disbursements which are disputed and the grounds therefor. If no written objection is made to such invoice, the Liquidating Trustee shall proceed to pay such invoice from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If a written objection is timely made, the Liquidating Trustee shall proceed to pay any portion of such invoice as to which no objection has been made from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available, and the affected professional and the objector shall discuss such invoice together with the Liquidating Trustee and the Liquidating Trust Oversight Committee at the next joint meeting of the Liquidating Trustee and the Liquidating Trust Oversight Committee. If as a result of such meeting, the objection is withdrawn or resolved, the Liquidating Trustee shall proceed to pay the remainder of such invoice (subject to adjustment if the withdrawal or resolution of the objection was based upon a consensual reduction of the amount in dispute) from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently

available or, if such funds are not currently available, as soon as such funds do become available. If the objection is not withdrawn or resolved, the affected professional may file an application with the Bankruptcy Court to resolve such objection and authorize payment of the disputed portion of the invoice in an appropriate amount.

To the extent that there are sufficient available funds, the Liquidating Trustee shall include in the Liquidating Trust Expense Reserve Account sufficient monies to cover the reasonably foreseeable fees and expenses of such professionals incurred, or to be incurred, after the Effective Date.

(xi) Compensation for the Liquidating Trustee

In addition to the reimbursement for actual out-of-pocket expenses incurred by the Liquidating Trustee, the Liquidating Trustee shall be entitled to receive reasonable compensation for services rendered on behalf of the Liquidating Trust which compensation shall be calculated as follows:

(a) Upon the Effective Date, the Liquidating Trustee shall be entitled to be paid a one-time fee of \$5,000, excluding expenses, which fee is intended to compensate the Liquidating Trustee for the time and effort spent by the Liquidating Trustee in connection with (i) the Disbursement of Cash to Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Class 1, Class 2 and Class 4 Claims and (ii) the Disbursement of the PB Stock to the Allowed Class 5 Interest Holders on a Pro Rata basis pursuant to the terms of the Plan.

(b) Upon the Effective Date and on the first Business Day of each month thereafter until the Liquidating Trustee is no longer serving as the Liquidating Trustee in connection with the Plan, the Liquidating Trustee shall be entitled to be paid a monthly fee of \$1,000 per month, excluding expenses, which fee, along with the contingency fee provided for in Paragraph c below, is intended to compensate the Liquidating Trustee for serving as the Liquidating Trustee and fulfilling all of the duties of the Liquidating Trustee in connection with the Plan and the Liquidating Trust Agreement.

(c) In addition to the monthly fee described in Paragraph b above, the Liquidating Trustee shall also be entitled to receive a contingency fee equal to five percent (5%) of the gross amount of any proceeds received by the Liquidating Trust from the prosecution, settlement and/or other monetization of the Causes of Action which contingency fee shall be paid prior to any Disbursement of the Net Litigation Recoveries to either Precision Biologics or the Allowed Class 5 Interest Holders. Notwithstanding the foregoing, in no event shall the combined contingency fee paid to the Liquidating Trustee and the Liquidating Trustee's counsel in connection with the prosecution, settlement and/or other monetization of the Causes of Action exceed a total of forty percent (40%) of the gross amount of any proceeds received by the Liquidating Trust from the prosecution, settlement and/or monetization of the Causes of Action. In addition, the Liquidating Trustee shall be entitled to the contingency fee described in this Paragraph c unless the Liquidating Trustee is removed as Liquidating Trustee by the Bankruptcy Court for Cause as defined below.

The Liquidating Trustee shall not be required to file an application for compensation in order to receive the compensation provided for herein, provided, however, the Liquidating Trustee shall provide copies of monthly expense invoices to the Liquidating Trust Oversight Committee. Upon submission of a monthly expense invoice by the Liquidating Trustee to the Liquidating Trust Oversight Committee, the Liquidating Trust Oversight Committee shall have ten (10) days to object in writing (sent to the Liquidating Trustee) to the payment of such invoice. Such objection shall state the amount of expenses which are disputed and the grounds therefor. If no written objection is made to such invoice, the Liquidating Trustee may proceed to pay such invoice from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If a written objection is timely made, the Liquidating Trustee may proceed to pay any portion of such invoice as to which no objection has been made from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available, and the Liquidating Trustee and the Liquidating Trust Oversight Committee shall discuss such invoice and objection at the next joint meeting of the Liquidating Trustee and the Liquidating Trust Oversight Committee. If as a result of such meeting, the objection is withdrawn or resolved, the Liquidating Trustee may proceed to pay the remainder of such invoice (subject to adjustment if the withdrawal or resolution of the objection was based upon a consensual reduction of the amount in dispute) from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If the objection is not withdrawn or resolved, the Liquidating Trustee or the Liquidating Trust Oversight Committee may file an application with the Bankruptcy Court to resolve such objection and authorize payment of the invoice in an appropriate amount.

To the extent that there are sufficient available funds, the Liquidating Trustee shall include in the Liquidating Trust Expense Reserve Account sufficient monies to cover the reasonably foreseeable fees and expenses of the Liquidating Trustee incurred, or to be incurred, after the Effective Date.

(xii) Removal of the Liquidating Trustee

The Liquidating Trustee, or any successor Liquidating Trustee appointed pursuant to the terms of the Plan and the Liquidating Trust Agreement, may be removed as Liquidating Trustee and as trustee of the Liquidating Trust (i) by the Bankruptcy Court for cause which shall be defined as gross negligence, willful misconduct or fraud (“Cause”) or (ii) upon a four-fifths vote of the Liquidating Trust Oversight Committee for any reason.

(xiii) Successor Liquidating Trustee

In the event that the Liquidating Trustee or any successor Liquidating Trustee resigns, dies, is removed by the Bankruptcy Court for Cause or otherwise ceases to serve as Liquidating Trustee, the Liquidating Trust Oversight Committee shall select a successor Liquidating Trustee within thirty (30) Days of such resignation, removal, or cessation of service by the incumbent

Liquidating Trustee. The Liquidating Trust Oversight Committee shall file with the Bankruptcy Court a notice of such successor, which shall be served on the U.S. Trustee and all parties that have requested notice in the Chapter 11 Case. Any successor Liquidating Trustee shall be subject to the same qualifications and shall have the same rights, powers, duties and discretion, and otherwise be in the same position, as the originally named Liquidating Trustee. References herein to the Liquidating Trustee shall be deemed to refer to the successor Liquidating Trustee acting hereunder.

(xiv) Termination

The duties, responsibilities and powers of the Liquidating Trustee and the Liquidating Trust Oversight Committee shall terminate in accordance with the terms of the Plan and the Liquidating Trust Agreement after all of the Liquidating Trust's assets have been liquidated and after all Distributions have been made to Holders of Allowed Claims and Holders of Allowed Interests and the Liquidating Trustee obtains an order for final decree.

(xv) Federal Income Taxation of Liquidating Trust

(a) Treatment of Liquidating Trust and Asset Transfers

For federal income tax purposes, the Debtor, the Liquidating Trust, the Liquidating Trustee and the beneficiary Claim Holders and Interest Holders shall treat the Liquidating Trust as a liquidating trust within the meaning of Treasury Income Tax Regulation Section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 124. For federal income tax purposes, the transfer of assets to the Liquidating Trust under the Plan is treated as a deemed transfer to the beneficiary Claim Holders and Interest Holders in satisfaction of their Claims and Interests followed by a deemed transfer of the assets by the beneficiary Claim Holders and Interest Holders to the Liquidating Trust. For federal income tax purposes, the beneficiary Claim Holders and Interest Holders will be deemed to be the grantors and owners of the Liquidating Trust and its assets. For federal income tax purposes, the Liquidating Trust will be taxed as a grantor trust within the meaning of IRC Sections 671-677 (a non-taxable pass-through tax entity) owned by the beneficiary Claim Holders and Interest Holders. The Liquidating Trust will file federal income tax returns as a grantor trust under IRC Section 671 and Treasury Income Tax Regulation Section 1.671-4 and report, but not pay tax on, the Liquidating Trust's tax items of income, gain, loss deductions and credits ("**Tax Items**"). The beneficiary Claim Holders and Interest Holders will report such Tax Items on their federal income tax returns and pay any resulting federal income tax liability. The Debtor, the Liquidating Trust, the Liquidating Trustee, and the beneficiary Claim Holders and Interest Holders will use consistent valuations of the assets transferred to the Liquidating Trust for all federal income tax purposes, such valuations to be determined jointly by the Debtor and the Liquidating Trustee.

(b) Reserves that may be Established by the Liquidating Trustee

The Plan permits the Liquidating Trustee to create separate reserves for Disputed Claims and Disputed Interests. Subject to the approval of the Liquidating Trust Oversight Committee,

the Liquidating Trustee may, at the Liquidating Trustee's discretion, file a tax election to treat any such reserve as a Disputed Ownership Fund ("DOF") within the meaning of Treasury Income Tax Regulation Section 1.468B-9 for federal income tax purposes rather than to tax such reserve as a part of the Liquidating Trust. If such an election were made, the Liquidating Trust would comply with all federal and state tax reporting and tax compliance requirements of the DOF, including but not limited to the filing of a separate federal income tax return for the DOF and the payment of federal and/or state income tax due.

F. Provisions Governing Distributions

(i) Distributions for Claims or Interests Allowed as of the Effective Date

Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, all Distributions to be made on account of Claims or Interests that are Allowed Claims or Allowed Interests as of the Effective Date shall be made on the applicable Distribution Date by the Liquidating Trustee. Distributions on account of Claims or Interests that first become Allowed Claims or Allowed Interests after the Effective Date shall be made pursuant to the terms and conditions of the Plan. Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Claim or Interest or portion thereof that (i) has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court; (ii) is listed in the Schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim or a Proof of Interest has not been timely filed; or (iii) is evidenced by a Proof of Claim or a Proof of Interest that has been amended by a subsequently filed Proof of Claim or Proof of Interest that purports to amend the prior Proof of Claim or Proof of Interest.

(ii) Liquidating Trustee as Disbursing Agent

The Liquidating Trustee shall make all Distributions required under the Plan, subject to the terms and provisions of the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall be authorized and directed to rely upon the Debtor's books and records and its representatives and professionals in determining Allowed Claims and Allowed Interests entitled to Distribution under the Plan in accordance with the terms of the Plan.

(iii) Delivery of Distributions and Undeliverable or Unclaimed Distributions

(a) Delivery of Distributions in General

Distributions to Holders of Allowed Claims or Holders of Allowed Interests shall be made by the Liquidating Trustee (a) at the addresses set forth on the Proofs of Claim or the Proofs of Interest filed by such Holders, (b) at the addresses set forth in any written notices of address changes delivered to the Liquidating Trustee after the date of any related Proof of Claim or any related Proof of Interest, (c) at the addresses reflected in the Schedules if no Proof of Claim or Proof of Interest has been filed and the Liquidating Trustee has not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtor or the Liquidating Trustee at the time of the Distribution, or (e) in the case of the Holder of a Claim

or a Holder of an Interest that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer.

Distributions shall be made from the Liquidating Trust in accordance with the terms of the Plan and the Liquidating Trust Agreement.

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

(b) Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim or any Holder of an Allowed Interest is returned to the Liquidating Trustee as undeliverable or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until the Liquidating Trustee is notified in writing of such Holder's then- current address, at which time all missed Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Distributions made by the Liquidating Trustee shall be returned to the Liquidating Trustee until such Distributions are claimed. The Liquidating Trustee shall, with respect to Cash, maintain in the Liquidating Trust Cash on account of undeliverable and unclaimed Distributions until such time as a Distribution becomes deliverable, is claimed or is forfeited.

Any Holder of an Allowed Claim or any Holder of an Allowed Interest that does not assert a Claim or an Interest pursuant to the Plan for an undeliverable or unclaimed Distribution within six (6) months after such Distribution was initially attempted to be made shall be deemed to have forfeited its Claim or Interest for such undeliverable or unclaimed Distribution and shall be forever barred and enjoined from asserting any such Claim or Interest for an undeliverable or unclaimed Distribution against the Debtor, the Debtor's Estate, the Liquidating Trustee, the Liquidating Trust, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such cases, any Cash or PB Stock otherwise reserved for undeliverable or unclaimed Distributions shall become the property of the Liquidating Trust free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and shall be distributed in accordance with the terms of the Plan and the Liquidating Trust Agreement. Nothing contained in the Plan or the Liquidating Trust Agreement shall require the Debtor or the Liquidating Trustee to attempt to locate any Holder of an Allowed Claim or any Holder of an Allowed Interest; provided, however, that in his sole discretion, the Liquidating Trustee may periodically publish notice of unclaimed Distributions.

(iv) Prepayment

Except as otherwise provided in the Plan or the Confirmation Order, the Debtor or the Liquidating Trustee, as the case may be, shall have the right to prepay, without penalty, all or any portion of an Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Secured Claim or Allowed Non-Tax Priority Claim, at any time.

(v) Means of Cash Payment

Cash payments made pursuant to the Plan shall be in U.S. dollars and shall be made, on and after the Effective Date, at the option and in the sole discretion of the Liquidating Trustee by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Liquidating Trustee. In the case of foreign Creditors, Cash payments may be made, at the option of the Liquidating Trustee, in such funds and by such means as are necessary or customary in a particular jurisdiction.

(vi) Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Claim Holder shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

(vii) Withholding and Reporting Requirements

In connection with the Plan and all Distributions under the Plan, the Liquidating Trustee shall, to the extent applicable, comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all Distributions under the Plan shall be subject to any such withholding, payment, and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment, and reporting requirements. All amounts properly withheld from Distributions to a Holder as required by applicable law and paid over to the applicable taxing authority for the account of such Holder shall be treated as part of the Distributions to such Holder. All persons holding Claims or Interests shall be required to provide any information necessary to effect information reporting and withholding of such taxes. The Liquidating Trustee shall be entitled in its sole discretion to withhold any Distributions to a Holder of an Allowed Claim or to a Holder of an Allowed Interest that fails to provide tax identification or social security information to the Liquidating Trustee upon written request. With respect to any employee-related withholding, if the Debtor is obligated by law to withhold amounts from Distributions to a present or former employee to satisfy such present or former employee's tax and other payroll obligations, the Liquidating Trustee may withhold a portion of the Distributions allocated to the Holder of an Allowed Claim that is a present or former employee, whether or not such Distributions are in the form of Cash, in such amount as is determined necessary to satisfy such Holder's tax and other payroll obligations with respect to the Distributions.

Notwithstanding any other provision of the Plan, (a) each Holder of an Allowed Claim or Holder of an Allowed Interest that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution, and (b) no Distribution shall be made to or on behalf of such Holder

pursuant to the Plan unless and until such Holder has made arrangements satisfactory to the Liquidating Trustee for the payment and satisfaction of such withholding tax obligations or such tax obligation that would be imposed upon the Liquidating Trustee in connection with such Distribution. Any property to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution pursuant to Article 6 of the Plan.

(viii) Setoffs

(a) By the Debtor

Except as otherwise provided in the Plan, the Debtor, prior to the Effective Date, and the Liquidating Trustee, on and after the Effective Date, may, pursuant to Bankruptcy Code section 553 or applicable nonbankruptcy laws, but shall not be required to, set off against any Claim or any Interest, and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever that the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust may have against the Holder of such Claim or the Holder of such Interest; provided, however, that neither the failure to do so nor the allowance of any Claim or any Interest hereunder shall constitute a waiver or release by the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust of any such claim that the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust may have against the Holder of such Claim or the Holder of such Interest.

(b) By Non-Debtors

Unless otherwise stipulated in writing by the Debtor (before the Effective Date) or by the Liquidating Trustee (after the Effective Date), any party against whom a claim or counterclaim is asserted by the Debtor's Estate or the Liquidating Trust (an "**Estate Claim**") must assert any setoff rights, right of subrogation, or recoupment of any kind against such Estate Claim at the time it answers such Estate Claim, or such right of setoff, subrogation or recoupment will be deemed waived and forever barred; provided, however that nothing in the Plan shall limit the assertion of such right of setoff, subrogation or recoupment via an amended or supplemental pleading to the extent permitted by Rule 15 of the Federal Rules of Civil Procedure and/or Rule 7015 of the Federal Rules of Bankruptcy Procedure.

(ix) Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims or Interests

(a) Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Administrative Expense Claims and Professional Fee Claims, all objections to Claims or Interests must be filed and served on the Holders of such Claims or the Holders of such Interests by the Claims and Interests Objection Deadline, as the same may be extended by the Bankruptcy Court. If an objection has not been filed to a Proof of Claim or a Proof of Interest, or the Schedules have not been amended with respect to a Claim or Interest that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated, and/or disputed, by the Claims and Interests Objection Deadline, as the

same may be extended by order of the Bankruptcy Court, the Claim or Interest to which the Proof of Claim or Proof of Interest or Scheduled Claim or Interest relates will be treated as an Allowed Claim or an Allowed Interest if such Claim or Interest has not been Allowed earlier. Notice of any motion for an order extending the Claims and Interests Objection Deadline shall be required to be given only to those persons or entities that have requested notice in the Chapter 11 Case, or to such persons as the Bankruptcy Court shall order.

Prior to the Effective Date, the Debtor may settle or compromise any Disputed Claim or Disputed Interest with the approval of the Bankruptcy Court. After the Effective Date, subject to the terms of the Plan and the Liquidation Trust Agreement, the Liquidating Trustee may settle or compromise any Disputed Claim or Disputed Interest with the approval of the Liquidating Trust Oversight Committee without the need for Bankruptcy Court approval.

(b) No Distributions on Disputed Claims or Disputed Interests

Notwithstanding any other provision of the Plan or the Liquidating Trust Agreement, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim or a Disputed Interest unless and until all objections to such Disputed Claim or Disputed Interest have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim or Disputed Interest, or some portion thereof, has become an Allowed Claim or an Allowed Interest; provided, however, that if the only dispute regarding a Disputed Claim or a Disputed Interest is to the amount of the Disputed Claim or the Disputed Interest, the Holder of a Disputed Claim or the Holder of a Disputed Interest shall be entitled to a Distribution on account of that portion of the Disputed Claim or the Disputed Interest which the Debtor, prior to the Effective Date, or the Liquidating Trustee with the approval of the Liquidating Trust Oversight Committee, after the Effective Date, do not dispute at the time and in the manner that the Debtor or the Liquidating Trustee, as applicable, makes Distributions to Holders of Allowed Claims or Holders of Allowed Interests pursuant to the provisions of the Plan.

(c) Distributions on Allowed Claims and Allowed Interests

Payments and Distributions from the Liquidating Trust to each respective Claim Holder or Interest Holder on account of a Disputed Claim or a Disputed Interest, to the extent that it ultimately becomes an Allowed Claim or an Allowed Interest, shall be made in accordance with the provisions of the Plan that govern Distributions to such Claim Holders and Interest Holders. Except as otherwise provided in the Plan, on the earlier of (a) the applicable Distribution Date following the date when a Disputed Claim or a Disputed Interest becomes an Allowed Claim or an Allowed Interest or (b) ninety (90) days after such Disputed Claim or Disputed Interest becomes an Allowed Claim or an Allowed Interest, the Liquidating Trustee will distribute to the Claim Holder or Interest Holder any Cash or other Distribution from the Liquidating Trust that would have been distributed on the dates Distributions were previously made to Claim Holders or Interest Holders had such Allowed Claim or Allowed Interest been an Allowed Claim or an Allowed Interest on such dates.

(d) De Minimis Distributions

Except as otherwise provided in the Plan, the Liquidating Trustee shall not have any obligation to make a Distribution on account of an Allowed Claim or an Allowed Interest if the amount to be distributed to the specific Holder of the Allowed Claim or the Holder of the Allowed Interest on the particular Periodic Distribution Date does not constitute a final Distribution to such Holder and such Distribution has a value less than \$25.00. The Liquidating Trustee shall have no obligation to make any Distribution on Allowed Claims or Allowed Interests in an amount or of a value less than \$10.00.

(x) Fractional Dollars

Any other provision of the Plan notwithstanding, the Liquidating Trustee shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

(xi) Fractional Shares

Any other provision of the Plan notwithstanding, the Liquidating Trustee shall not be required to make Distributions of fractions of shares of PB Stock. Whenever any Distribution of a fraction of a share of PB Stock under the Plan would otherwise be called for, the actual Distributions shall reflect a rounding down of such fraction to the nearest whole share. In the event that there are any remaining undisbursed shares of PB Stock after the Liquidating Trustee has distributed the PB Stock on a Pro Rata basis to all Allowed Interest Holders, Precision Biologics shall, upon the Liquidating Trustee's request promptly purchase from the Liquidating Trust all such remaining shares of PB Stock in Cash at \$1.50 per share.

(xii) Allocation of Plan Distributions Between Principal and Interest

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

(xiii) Distribution Record Date

The Liquidating Trustee will have no obligation to recognize the transfer of or sale of any interest in any Allowed Claim or any Allowed Interest that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes related to the Plan to recognize, deal with and distribute only to those Holders of Allowed Claims or Holders of Allowed Interests who are record Holders of such Claims or Interests, or participants therein, as of the close of business on the Distribution Record Date, as stated on the official claims register.

G. Treatment of Executory Contracts And Unexpired Leases

(i) Executory Contracts and Unexpired Leases Deemed Rejected

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan Document, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 rejecting all prepetition executory contracts and unexpired leases to which the Debtor is a party, to the extent that such contracts or leases are executory contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by the Debtor, (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date, (c) is the subject of a pending motion to assume or reject on the Confirmation Date, (d) is identified in Exhibit A to the Plan as an Assumed Contract or (e) is identified in Exhibit D to the Plan as an insurance agreement of the Debtor; provided, however, that the Debtor may amend such Exhibit D at any time prior to the Confirmation Date; provided further however, that listing an insurance agreement on such Exhibit shall not constitute an admission by the Debtor that such agreement is an executory contract or that the Debtor has any liability thereunder.

(ii) Bar Date for Rejection Damages

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

(iii) Assumed and Assigned Contracts

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan Document entered into after the Petition Date or in connection with the Plan, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, (a) those executory contracts identified in Exhibit A to the Plan as Assumed Contracts and (b) those insurance agreements listed on Exhibit D to the Plan; provided, however, that the Debtor may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit shall not constitute an admission by the Debtor that such agreement is an executory contract or that the Debtor has any liability thereunder.

H. Confirmation and Consummation of the Plan

(i) Conditions Precedent to Plan Confirmation

The following are conditions precedent to the occurrence of the Confirmation Date:

- (a) A Final Order, in form and substance reasonably acceptable to the Debtor, finding that the Disclosure Statement contains adequate information pursuant to Bankruptcy Code section 1125 shall have been entered by the Bankruptcy Court;

(b) The Confirmation Order, in form and substance reasonably acceptable to the Debtor, in consultation with the Official Committee, shall have been entered by the Bankruptcy Court; and

(c) The Bankruptcy Court shall have approved all of the provisions, terms and conditions of the Plan in the Confirmation Order.

(ii) Conditions Precedent to the Effective Date

The following are conditions precedent to the occurrence of the Effective Date.

(a) The Confirmation Order, in form and substance reasonably acceptable to the Debtor, shall have been entered and become a Final Order;

(b) The Debtor and the Liquidating Trustee shall be authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures, and the agreements or documents created in connection with and expressly provided for under the Plan and to implement and carry out the terms of the Plan and the Liquidating Trust Agreement;

(c) All Plan Exhibits shall be, in form and substance reasonably acceptable to the Debtor, and shall have been executed and delivered by all parties' signatory thereto; and

(d) All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed.

The Confirmation Hearing is currently scheduled for May 2, 2013 at 11:00 a.m. The Effective Date cannot occur before such date. In order for the Effective Date to occur, the conditions set forth in Articles 8(A) and 8(B) of the Plan must occur. The Debtor does not have sufficient information at this time to estimate when such conditions will be satisfied. Within three (3) business days of the occurrence of the Effective Date, the Debtor or the Liquidation Trustee shall file a notice of occurrence of same with the Bankruptcy Court.

(iii) Waiver of Conditions Precedent

Each of the conditions set forth in Article 8(B) of the Plan may be waived in whole or in part by the Debtor. The failure to satisfy or waive any condition to the Effective Date may be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

(iv) Consequences of Non-Occurrence of the Effective Date

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

(v) Substantial Consummation

Substantial consummation of the Plan, as defined in Bankruptcy Code section 1101(2), shall not be deemed to have occurred unless and until (a) all Allowed Claims have been paid in full or, to the extent not paid in full, funds sufficient to satisfy all Allowed Claims have been placed in a segregated reserve and (b) the PB Stock has been Distributed pro rata to Holders of Allowed Class 5 Claims pursuant to the terms of the Plan.

I. Allowance And Payment Of Certain Administrative Expense Claims

(i) Professional Fee Claims

(a) Final Fee Applications

The Professionals' Final Fee Applications must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the requesting Professional, the Debtor and its counsel, the Official Committee and its counsel, the Liquidating Trustee and his counsel, and the Office of the U.S. Trustee no later than fourteen (14) days from the date on which each such Final Fee Application is filed and served. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court. All Professional Fee Claims shall be paid in full immediately upon approval by the Bankruptcy Court.

(b) Employment of Professionals After the Effective Date

Except as otherwise provided in the Plan and the Liquidating Trust Agreement, from and after the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 or any order previously entered by the Bankruptcy Court in seeking retention or compensation for services rendered or expenses incurred after such date shall terminate.

(ii) Other Administrative Expense Claims

All other requests for payment of an Administrative Expense Claim arising after July 23, 2012 up to and through the Effective Date, other than Professional Fee Claims, must be filed with the Court and served on the Liquidating Trustee and his counsel no later than the Administrative Expense Claims Bar Date. Unless the Liquidating Trustee or any other party in

interest objects to an Administrative Expense Claim by the Administrative Expense Claims Objection Deadline, such Administrative Expense Claim shall be deemed allowed in the amount requested. In the event that the Liquidating Trustee or any other party in interest objects to an Administrative Expense Claim, the Bankruptcy Court shall determine the allowed amount of such Administrative Expense Claim.

J. Effect Of Plan Confirmation

(i) Binding Effect

The Plan shall be binding upon and shall inure to the benefit of the Debtor, all present and former Holders of Claims, all present and former Holders of Interests, the Official Committee, the Liquidating Trust Oversight Committee, the Liquidating Trustee, the Liquidating Trust, Precision Biologics, all other parties in interest, and all of their respective successors and assigns.

(ii) Discharge of the Debtor

Pursuant to Bankruptcy Code section 1141(d)(3), Confirmation will not discharge Claims against or Interests in the Debtor; provided, however, that no Claim Holder or Interest Holder may, on account of such Claim or Interest, seek or receive any payment or other Distribution from, or seek recourse against, the Debtor, the Debtor's Estate, the Liquidating Trustee, the Liquidating Trust, and/or their respective successors, assigns and/or property, except as expressly provided for in the Plan.

(iii) Exculpation and Releases

(a) Exculpation and Limitations of Liability

Except as otherwise expressly provided in the Plan or in the Confirmation Order, the Released Parties shall not have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or any Holder of an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or Affiliates, or any of their successors or assigns, for any act or omission relating to, in any way, or arising from (i) the preparation and/or prosecution of this Chapter 11 Case, (ii) formulating, negotiating or implementing the Plan (including the Disclosure Statement), any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan; (iii) any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtor; (iv) the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the Consummation of the Plan, or (v) the administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct as determined by a Final Order, and in all respects each of the Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to the foregoing matters. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Released Parties from liability.

(b) *Releases by the Debtor*

Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the Debtor, on its own behalf and as a representative of the Debtor's Estate, shall, and shall be deemed to, completely and forever release, waive, void, extinguish, and discharge unconditionally, each and all of the Released Parties of and from any and all claims, causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any kind, type or nature whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that are or may be based in whole or part on any act, omission, transaction, event, or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to the Debtor, its assets, property, or Estate or the Chapter 11 Case or the Plan or the Disclosure Statement, that may be asserted by or on behalf of the Debtor or its Estate, against any of the Released Parties; provided, however, that nothing in Article 10 of the Plan shall be construed to release any Released Party from their gross negligence or willful misconduct as determined by a Final Order.

(c) *Releases by Holders of Claims and Holders of Interests*

Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, for good and valuable consideration, including the satisfaction of the Director and Officer Indemnification Claims and consistent with the treatment provided the Holders of Class 3 Claims under the Plan with respect to the Director and Officer Indemnification Claims, to the fullest extent permissible under applicable law, each Person that has held, currently holds, or may hold a Claim or any other obligation, suit, judgment, damages, debt, right, remedy, cause of action, or liability of any kind, type or nature whatsoever, or that has held, currently holds or may hold any Interest, shall be deemed to completely and forever release, waive, void, extinguish, and discharge unconditionally each and all of the Released Directors and Officers of and from any and all claims, causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any kind, type or nature whatsoever (including, without limitation, those arising under the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise that are or may be based in whole or part on any act, omission, transaction, event, or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to the Debtor or its assets, property or Estate, the Chapter 11 Case or the Plan or the Disclosure Statement; provided, however, that nothing in Article 10 of the Plan shall be construed to release any of the Released Directors and Officers from their gross negligence or willful misconduct as determined by a Final Order.

(d) *Exceptions to Releases*

Notwithstanding the releases set forth in Article 10 of the Plan, the following Claims and Causes of Action are expressly excepted from such releases and such individuals and entities

shall not be deemed to be either Released Parties or Released Directors and Officers, as applicable:

- (i) *any and all Claims or Causes of Action against Peter Gordon, the Debtor's former CFO;*
- (ii) *any and all Claims or Causes of Action against Daniel J. Scher, Esquire, the Debtor's former in-house counsel;*
- (iii) *any and all Claims or Causes of Action against Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and/or Nixon Peabody LLP, the Debtor's former outside counsel;*
- (iv) *any and all Claims or Causes of Action against EisnerAmper LLP, the Debtor's outside auditor; and*
- (v) *any and all Claims or Causes of Action against any unlicensed compensated finder involved in the sale of the Debtor's common stock.*

(e) *Injunction Related to Exculpation and Releases*

Except as provided in the Plan or in the Confirmation Order, as of the Effective Date, (i) all Claim Holders and Interest Holders and (ii) all other parties in interest in this Chapter 11 Case are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Parties or any Released Directors and Officers or their property on account of those matters identified and set forth in the foregoing exculpation and release sections, whether directly or indirectly, derivatively or otherwise:

- (i) *commencing, conducting or continuing in any manner, directly, indirectly or derivatively, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum;*
- (ii) *enforcing, attaching (including, without limitation, any prejudgment attachment), executing, collecting, or recovering in any manner, directly, indirectly or derivatively, any judgment, award, decree, or other order;*

- (iii) *creating, perfecting or enforcing, directly, indirectly or derivatively, in any manner, any lien or encumbrance of any kind;*
- (iv) *setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly, indirectly or derivatively, any amount against any liability or obligation that is discharged under Article 10 of the Plan; and*
- (v) *commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.*

Notwithstanding anything to the contrary contained in Article 10(C)(5) of the Plan, the injunction provided for therein shall not enjoin any Claim Holders, Interest Holders or other parties in interest from pursuing any claims against any Released Parties or any Released Directors and Officers based on any such Released Parties' or any such Released Directors and Officers' gross negligence or willful misconduct. In the event that any such Claim against any such Released Parties or any such Released Directors and Officers is brought based on their alleged gross negligence or their alleged willful misconduct and a Final Order is not entered finding any such Released Parties or any such Released Directors and Officers liable for either gross negligence or willful misconduct, then in that event, the party bringing such a Claim shall be deemed to have willfully violated the injunction provided for in Article 10(C)(5) of the Plan and shall be liable to any such Released Parties or any such Released Directors and Officers as more specifically set forth below.

Any Released Party or Released Director and Officer injured by any willful violation of such injunction shall recover actual damages, including, but not limited to, costs and attorneys' fees and expenses, and, in appropriate circumstances, may recover punitive damages from the willful violator. If the Released Party or Released Director and Officer seeks and receives indemnification for such damages from the Liquidating Trust, the Liquidating Trust shall become subrogated to the Released Party's or Released Director and Officer's rights and claims against such willful violator. Nothing contained in the Plan, however, shall require the Released Party or Released Director and Officer to first seek recovery of such damages from the willful violator as a precondition to seeking and receiving indemnification from the Liquidating Trust. Moreover, nothing contained in Article 10 of the Plan shall prohibit the Holder of a Disputed Claim or the Holder of a Disputed Interest from litigating its right to seek to have such a Disputed Claim or Disputed Interest declared an Allowed Claim or an Allowed Interest and paid in accordance with the distribution provisions of the Plan or the Liquidating Trust Agreement, or enjoin or prohibit the enforcement by the Holder of an Allowed Claim or the Holder of an Allowed Interest from enforcing its rights under the Plan.

(iv) *Term of Bankruptcy Injunction or Stays*

Pursuant to Article 10 of the Plan, all injunctions or stays provided for in this Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

(v) Indemnification Obligations

(a) Prospective Indemnification Obligations

To the fullest extent permitted under law, the Liquidating Trust shall defend, indemnify and hold harmless the Released Parties and the Released Directors and Officers from and against all claims, causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any kind, type or nature whatsoever, as well as from and against all losses and damages, including without limitation attorneys' fees and expenses, incurred by any Released Party or by any Released Directors and Officers arising from, on account of, or in connection with those matters identified and set forth in the foregoing exculpation and release sections, except for their gross negligence or willful misconduct as determined by a Final Order (the "**Indemnification Payments**"). The Liquidating Trustee shall only pay the Indemnification Payments if each of the following conditions are met: (i) all Unclassified Claims are satisfied in full; (ii) all Holders of Allowed Class 1 Claims are satisfied in full; (iii) all Holders of Allowed Class 2 Claims are satisfied in full; (iv) all Holders of Allowed Class 4 Claims are satisfied in full; (v) all fees and expenses of the Liquidating Trustee and his professionals are satisfied in full and an appropriate reserve is established for any reasonably foreseeable remaining fees and expenses; (vi) all fees and expenses of the Liquidating Trust Oversight Committee and its professionals are satisfied in full and an appropriate reserve is established for any reasonably foreseeable remaining fees and expenses; and (vii) any amounts due to Precision Biologics under section 3.1(f) of the APA, as subsequently amended and as revised by the Bid Procedures Order, are satisfied in full. In addition to the foregoing, the PB Stock shall not be used for any Indemnification Payments.

(b) Existing Indemnification Obligations

Except as otherwise provided in the Plan, as of the Effective Date, all indemnification obligations of the Debtor pursuant to its articles of incorporation, its bylaws, any indemnification agreements or applicable state law shall be deemed to be void and of no further force or effect. Nothing in the Plan, however, shall be deemed to release the Debtor's insurers from any claims that might be asserted by those parties entitled to indemnification by the Debtor pursuant to its articles of incorporation, its bylaws, any indemnification agreements or applicable state law, to the extent of available coverage.

(vi) Dissolution of the Official Committee

Effective on the Effective Date, the Official Committee shall have no further powers or duties and shall be dissolved for all purposes; provided, however, that the Official Committee and the Professionals employed by the Official Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date

activities, including the preparation, filing, and prosecution of Final Fee Applications, upon the submission of invoices to the Liquidating Trustee.

K. Retention of Jurisdiction

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

(a) Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Expense Claim, the resolution of any objections to the allowance or priority of Claims or Interests and the determination of requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a);

(b) Hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4); provided, however, that from and after the Effective Date, the payment of the fees and expenses of the retained Professionals of the Debtor, the Official Committee, the Liquidating Trustee, the Liquidating Trust and/or the Liquidating Trust Oversight Committee shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) Hear and determine all matters with respect to the assumption 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 hear, determine and, if necessary, liquidate any Claims arising therefrom;

(d) Effectuate performance of and payments under the provisions of the Plan;

(e) Hear and determine any and all adversary proceedings, motions, applications and contested or litigated matters arising out of, under or related to the Debtor, the Chapter 11 Case, the Plan, the Confirmation Order, or the Liquidating Trust Agreement;

(f) Enter such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents

created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) Hear and determine disputes arising in connection with the interpretation, implementation, consummation or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan or the Confirmation Order;

(h) Consider any modifications of the Plan, cure any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated;

(k) Hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(l) Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Case;

(m) Except as otherwise limited in the Plan, recover all Assets of the Debtor and property of the Debtor's Estate, wherever located;

(n) Hear and determine matters concerning state, local and federal taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;

(o) Hear and determine all matters related to the property of the Debtor's Estate from and after the Confirmation Date;

(p) Hear and determine the Causes of Action;

(q) Hear and determine all disputes involving the existence, nature or scope of the injunctions, indemnification, exculpation and releases granted pursuant to the Plan;

(r) Hear and determine all matters related to (i) the property of the Debtor's Estate from and after the Confirmation Date, (ii) the winding up of the Debtor's affairs, and (iii) the activities of the Liquidating Trustee and/or the Liquidating Trust, including (A) challenges to or approvals of the Liquidating Trustee's activities, (B) resignation, incapacity or removal of the Liquidating Trustee and successor Liquidating Trustees, (C) reporting by, termination of and accounting by the Liquidating Trustee, and (D) release of the Liquidating Trustee from its duties;

(s) Hear and determine disputes with respect to compensation of the Liquidating Trustee, the Liquidating Trustee's Professionals and the Liquidating Trust Oversight Committee's Professionals;

(t) Hear and determine all disputes involving and/or relating to any liability arising out of any termination of employment or the termination of any employee or employee benefit provision, regardless of whether such termination occurred prior to or after the Effective Date;

(u) Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(v) Enforce all orders previously entered by the Bankruptcy Court;

(w) Dismiss the Chapter 11 Case; and

(x) Enter a final decree closing the Chapter 11 Case.

Article 8

CONFIRMATION ISSUES

A. Plan Confirmation Process

(i) Requirements

The requirements for confirmation of the Plan are set forth in detail in section 1129 of the Bankruptcy Code. The following summarizes some of the pertinent requirements:

(a) Acceptance by All Impaired Classes

Except as noted below, each Impaired Class of Claims and each Impaired Class of Interests must vote to either accept the Plan or be deemed to accept the Plan. "Impaired" is defined in section 1124 of the Bankruptcy Code. A Claim or Interest is Impaired unless the Plan leaves unaltered the legal, equitable, or contractual rights of the Holder of such Claim or Interest. Under the Plan, Claims and Interests in Class 3, Class 5, and Class 6 are Impaired. Holders of Claims in Class 3 and Holders of Interests in Class 5 are entitled to vote, separately, to accept or

reject the Plan. Holders of Claims in Class 1, Class 2 and Class 4 will be paid Cash in the full amount of their Allowed Claims and are Unimpaired and, therefore, are deemed under section 1126(f) of the Bankruptcy Code to have accepted the Plan. Holders of Interests in Class 6 receive no Distributions under the Plan and, therefore, are deemed under section 1126(g) of the Bankruptcy Code to have rejected the Plan.

As a voting Claim Holder or Interest Holder, your acceptance of the Plan is important. In order for the Plan to be accepted by an Impaired Class of Claims, Claim Holders holding a majority in number and two-thirds in dollar amount of the Claims voting in such Class must vote to accept the Plan. In order for the Plan to be accepted by an Impaired Class of Interests, Interest Holders holding two-thirds in amount of the Interests voting in such Class must vote to accept the Plan.

(b) Feasibility

Pursuant to section 1129(a)(11) of the Bankruptcy Code, the Bankruptcy Court must determine, among other things, that confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtor or any successors to the Debtor under the Plan unless such liquidation or reorganization is proposed in the Plan. In addition, section 1129(a)(13) requires that all fees payable under section 1930 of title 28, as determined by the Court at the hearing on Confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan. These conditions are often referred to as the “feasibility” of the Plan. The Plan is a liquidating plan and, accordingly, all of the Debtor’s remaining assets will be distributed to Holders of Allowed Claims or Holders of Allowed Interests pursuant to the terms of the Plan and, provided the Plan is confirmed and consummated, the Debtor’s Estate will no longer exist to be subject to future reorganization or liquidation. As a result, the Plan satisfies the feasibility test. Moreover, the Plan provides for the payment of all statutory fees due and owing to the U.S. Trustee. Accordingly, the Debtor believes that the Plan satisfies the requirements of feasibility under section 1129(a) of the Bankruptcy Code.

(c) “Best Interests” Test

Pursuant to section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court must find that the Plan is in the best interests of Claim Holders and Interest Holders (commonly referred to as the “Best Interests” test). To satisfy the “Best Interests” test, the Bankruptcy Court must determine that each Holder of an Impaired Claim or Holder of an Impaired Interest either: (i) has accepted the Plan; or (ii) will receive or retain under the Plan money or other property which, as of the Effective Date, has a value not less than the amount such Holder would receive if the Debtor’s property were liquidated under chapter 7 of the Bankruptcy Code on that date.

The first step in meeting the “Best Interests” test is to determine the proceeds that would be generated from the hypothetical liquidation of the Debtor’s assets and properties in the context of a chapter 7 liquidation. The gross amount of cash and cash equivalents available would be the sum of the proceeds from the disposition of the Debtor’s assets and the Cash held by the Debtor at the time of the commencement of its chapter 7 case. Such amount is reduced by

the amount of any Claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority claims that may result from the termination of the Debtor's businesses and the use of chapter 7 for the purposes of a liquidation.

(d) Costs and Expenses of Liquidation

In a chapter 7 liquidation, a trustee in bankruptcy would be appointed. The net amount generated from the liquidation of the Debtor's remaining assets would be reduced by the administrative expenses of both the chapter 7 case and the Chapter 11 Case, including the fees and commissions of the chapter 7 trustee, as well as those of counsel and other professionals that might be retained by the chapter 7 trustee, in addition to unpaid expenses incurred by the Debtor and the Official Committee during the Chapter 11 Case. These expenses and costs would reduce the net proceeds available to Holders of Allowed Claims or Holders of Allowed Interests.

Any remaining net Cash would be allocated to creditors and shareholders in strict accordance with the priorities set forth in section 726 of the Bankruptcy Code. The present value of such allocation of the hypothetical liquidation proceeds (after deducting the amounts described above) is then compared with the present value of the proposed Distributions under the Plan to each of the Classes of Claims and Classes of Interests to determine if the Plan is in the best interests of each Claim Holder or Interest Holder.

If the present value of the Distributions available to unsecured creditors under the hypothetical liquidation is less than or equal to the present value of the Distributions available to unsecured creditors under the Plan, then the Plan is in the best interests of Claim Holders and Interest Holders and can be considered in the "best interests" of the Claim Holders and the Interest Holders by the Bankruptcy Court.

(e) The Plan Meets the Best Interests Test

The Debtor believes that the Plan will produce a recovery for Holders of Claims and Holders of Interests that would be at least equal to, and likely significantly greater than, what would be achieved in a chapter 7 liquidation. The Debtor is not seeking to require Holders of Claims or Holders of Interests to accept non-cash consideration so that the Estate could pursue going concern value. During the course of this Chapter 11 Case, the Debtor sold its operating assets as a going concern and is in the process of liquidating its remaining assets and winding down the Estate. The Debtor believes that its main remaining assets are (1) Cash on hand, (2) the PB Stock that will be distributed pro rata to Holders of Allowed Class 5 Interests pursuant to the terms of the Plan, and (3) the Causes of Action, which may trigger potential recoveries under various insurance policies. Ultimately, under the Plan, the Liquidating Trustee will make Distributions of Cash to Holders of Allowed Claims and Distributions of PB Stock and, potentially Cash, to Holders of Allowed Interests in accordance with the Plan. The Debtor believes that the Holders of Allowed Claims and the Holders of Allowed Interests will receive at least the same, if not a better, recovery under the Plan, as compared to a chapter 7 case, given that the additional administrative costs of a chapter 7 case will be avoided under the Plan and the significant additional time it would take for a chapter 7 trustee and his or her professionals to get

up to speed on the Debtor, the Chapter 11 Case, and the Claims and Interests prior to making any Distributions.

Importantly, a chapter 7 liquidation would likely result in an increase in Administrative Expense Claims, because there would be an additional tier of Administrative Expense Claims by the chapter 7 trustee and his or her professionals. The chapter 7 trustee's professionals, including legal counsel and accountants, would add administrative expenses that would be entitled to be paid ahead of Allowed Claims against and Allowed Interests in the Debtor. The Debtor's Estate would also be obligated to pay all unpaid expenses incurred by the Debtor and the Official Committee during this Chapter 11 Case (such as compensation for professionals), which would continue to be allowed in the chapter 7 case as well. In addition, the Cash to be distributed to Claim Holders and Interest Holders would be reduced by the chapter 7 trustee's statutory fee, which is calculated on a sliding scale from which the maximum compensation is determined based on the total amount of moneys disbursed or turned over by the chapter 7 trustee. While the Liquidating Trustee will be paid a fee for administering the Liquidating Trust, the Liquidating Trustee will not be paid a percentage of Distributions as a chapter 7 trustee may be paid.

In addition to the foregoing, it is likely that Distributions from a chapter 7 estate would be significantly delayed while (i) the chapter 7 trustee is appointed, (ii) the chapter 7 trustee and his or her professionals review and investigate the assets available for Distribution to Claim Holders and Interest Holders, the Claims, the Interests, and the Causes of Action, and (iii) the chapter 7 trustee makes Distributions. In contrast, the Plan provides for much earlier Distributions to Holders of Allowed Claims and Holders of Allowed Interests than would otherwise be made in a chapter 7 liquidation scenario. Finally, in a chapter 11 liquidation scenario the Liquidating Trustee will have the significant benefit and insights of the Liquidating Trust Oversight Committee and its members, each of whom were carefully selected for their institutional knowledge and their ability to utilize that knowledge in overseeing the Liquidating Trustee, which Liquidating Trust Oversight Committee would not be available to a chapter 7 trustee in a chapter 7 liquidation scenario. As a result of the foregoing, the present value of Distributions in a chapter 7 liquidation scenario is likely to be significantly lower than the Distributions that will be made under the Plan.

For the reasons set forth above, the Debtor believes that the Plan provides a recovery at least equal to, and likely significantly greater than, the recovery in a chapter 7 case for Holders of Claims and Holders of Interests, and the Plan meets the requirements of the Best Interests Test.

(f) “Cramdown” Provisions

Pursuant to section 1129(b) of the Bankruptcy Code, the Bankruptcy Court may confirm a plan even though a class of claims or equity interests has not voted to accept the plan, as long as one impaired class of claims has accepted the plan (excluding the votes of Insiders, if any) and the plan is “fair and equitable” and “does not discriminate unfairly” against the non-accepting classes.

The Plan only impairs certain Classes of Claims and Classes of Interests. Therefore, the Debtor may, if applicable, pursue confirmation through a “cramdown” provision only under section 1129(b)(2)(B), which states, in pertinent part, that a plan is “fair and equitable” to a class if, among other things, the plan provides, with respect to unsecured claims and equity interests, that the holder of any such claim or equity interest that is junior to the claims or equity interests of such class, will not receive or retain, on account of such junior claim or equity interest, any property unless the senior class is paid in full.

A plan does not discriminate unfairly if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are similar to those of the dissenting class and if no class receives more than it is entitled to receive on account of its claim or interest. The Debtor will invoke the “cramdown” provisions of section 1129(b)(2)(B) of the Bankruptcy Code should any voting Class fail to accept the Plan.

(ii) Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. To confirm the Plan, the Bankruptcy Court must determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code (the “**Confirmation Hearing**”). The Bankruptcy Court has set **May 2, 2013 at 11:00 a.m.** (Prevailing Eastern Time) for the Confirmation Hearing. The Confirmation Hearing will be conducted in the courtroom of the Honorable Thomas J. Catliota, Courtroom 3-E, United States Bankruptcy Court for the District of Maryland, 6500 Cherrywood Lane, Greenbelt, MD 20770.

B. Objections to Confirmation

Any party in interest may object to confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The Bankruptcy Court has set April 19, 2013 at 4:00 p.m. (Prevailing Eastern time) as the deadline for filing with the Bankruptcy Court and serving objections upon the counsel for the Debtor, counsel for the Official Committee, and the U.S. Trustee. Objections must either be: (i) filed with the Bankruptcy Court no later than the Confirmation Objection Deadline using the Bankruptcy Court’s electronic case filing service (“ECF”) (for which an account, attorney-login, and password is required) together with proof of service, or (ii) filed with the Bankruptcy Court no later than the Confirmation Objection Deadline in hard copy form together with proof of service at the following address:

UNITED STATES BANKRUPTCY COURT

District of Maryland (Greenbelt Division)
6500 Cherrywood Lane
Greenbelt, Maryland 20770

and served by personal service, overnight delivery, or first-class mail, so as to be RECEIVED no later than the Confirmation Objection Deadline, by the following:

counsel for the Debtor at the addresses below:

GREENBERG TRAURIG, LLP

1750 Tysons Boulevard
Suite 1200
McLean, Virginia 22102
Attn: Lawrence E. Rifken, Esq. and Thomas J. McKee, Jr., Esq.

-and-

GREENBERG TRAURIG, LLP

MetLife Building
200 Park Avenue
New York, New York 10166
Attn: Maria J. DiConza, Esq.

C. Risk Factors

ALL IMPAIRED HOLDERS OF CLAIMS OR IMPAIRED HOLDERS OF INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

D. Bankruptcy Factors

(i) Classifications of Claims and Interests

Parties in interest may object to the Debtor's classification of Claims and Interests. Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtor believes that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(ii) Non-Occurrence of the Effective Date

If the conditions precedent to the Effective Date, which are discussed in detail in Article 8 of the Plan, have not been satisfied or waived, the Bankruptcy Court may vacate the Confirmation Order. THERE CAN BE NO ASSURANCE THAT ALL OF THE VARIOUS CONDITIONS PRECEDENT TO THE EFFECTIVE DATE OF THE PLAN WILL BE TIMELY SATISFIED OR WAIVED. In the event that the conditions precedent to the Effective Date have not been timely satisfied or waived, the Plan would be deemed null and void and the Debtor may propose or solicit votes on an alternative plan that may not be as favorable to parties-in-interest as the current Plan, convert this Chapter 11 Case to a chapter 7 case or dismiss this Chapter 11 Case.

(iii) Failure to Receive Requisite Accepting Votes

There can be no assurance that the requisite acceptances to confirm the Plan will be received. In order for the Plan to be accepted, of those Holders of Claims who cast Ballots, the affirmative vote of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Allowed Claims in each voting Class is required; and of those Holders of Interests who may cast Ballots, the affirmative vote of at least two-thirds (2/3) in amount of Allowed Interests in each voting Class is required.

If the requisite votes are not received, this Chapter 11 Case could be converted to a case under chapter 7 of the Bankruptcy Code or dismissed. There can be no assurance that the distributions under a chapter 7 liquidation or dismissal would be similar to or as favorable to Holders of Claims or Holders of Interests as those proposed in the Plan. The Debtor believes that Distributions to Claim Holders and Interest Holders would be reduced and delayed under a chapter 7 liquidation, as discussed in Article 8 of this Disclosure Statement.

(iv) Failure to Confirm the Plan

Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Claim Holder or Interest Holder of the Debtor might challenge the confirmation of the Plan or the balloting procedures and/or voting results as not being in compliance with the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that the Disclosure Statement and the balloting procedures and results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met, including that the terms of the Plan are fair and equitable to non-accepting Classes.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that the Plan “does not unfairly discriminate” and is “fair and equitable” with respect to any non-accepting Classes and that the value of Distributions to non-accepting Holders of Claims or Holders of Interests within a particular Class under the Plan will not be less than the value of Distributions such Holders would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. While there can be no assurance that these requirements will be met, the Debtor believes that non-accepting Holders within each Class under the Plan will receive Distributions at least as great as would be received following a liquidation under chapter 7 of the Bankruptcy Code when taking into

consideration all administrative expense claims and costs associated with any such chapter 7 case.

If the Plan is not confirmed, it is unclear what Distributions Holders of Claims or Holders of Interests ultimately would receive with respect to their Claims and Interests. If an alternative Plan could not be agreed to, it is possible that the Debtor would convert this Chapter 11 Case to a chapter 7 case or dismiss this Chapter 11 Case, in which case it is likely that Holders of Claims or Holders of Interests would receive substantially less favorable treatment than they would receive under the Plan.

In addition, in the event that the Plan is not confirmed, the Debtor could incur substantial expenses related to the development and confirmation of a new plan and possibly the approval of a new disclosure statement. This would only unnecessarily prolong the administration of the Debtor's assets and negatively affect Claim Holders' and Interest Holders' recoveries on their Claims and Interests.

Similarly, as described above, in the event that this Chapter 11 Case is converted to a case under chapter 7 of the Bankruptcy Code, the Debtor will incur substantial expenses related to hiring additional professionals and paying the fees of the chapter 7 trustee. As the Debtor's assets have already been liquidated, the additional cost will only serve to reduce Distributions to Claim Holders and Interest Holders.

(v) Risk of Additional or Larger Claims

Claims in Class 4 and Interests in Class 5 are subject to the risk of dilution if the total amount of the Claims against the Debtor is higher than the Debtor's estimate. The Disclosure Statement and the attached exhibits necessarily include estimates, including estimates of future events and unliquidated Claims. These estimates include, but are not limited to, estimates as to the total amount of Claims that will be asserted against the Debtor and the outcome of Disputed Claims. The Debtor believes that the estimates presented are reasonable and appropriate under the circumstances. Nevertheless, there is a risk that unforeseen future events may cause one or more of these estimates to be materially inaccurate. Among the potential risks are that: (i) additional prepetition or Administrative Expense Claims may be asserted; (ii) Disputed Claims may be resolved at higher amounts than expected; or (iii) the resolution of Claims may require the expenditure of unanticipated professional fees.

(vi) Alternative Chapter 11 Plan

If the Plan is not confirmed, any other party-in-interest may attempt to formulate an alternative chapter 11 plan, which might provide for the liquidation of the Debtor's remaining assets other than as provided by the Plan. However, the Debtor believes that such an alternative chapter 11 plan will necessarily be substantially similar to the Plan proposed herewith. The prosecution of an alternative chapter 11 plan would unnecessarily delay Claim Holders' and Interest Holders' receipt of Distributions and, due to the incurrence of additional administrative expenses during such period of delay, may provide for smaller Distributions to Holders of Allowed Claims in Class 4 and Holders of Allowed Interests in Class 5 than are currently

provided for in the Plan. Accordingly, the Debtor believes that the Plan will enable all Claim Holders and Interest Holders to realize the greatest possible recovery on their respective Claims and Interests with the least delay.

E. Other Risk Factors

(i) Variances from Projections

As noted in this Disclosure Statement, the Debtor has estimated Distributions to Holders of Allowed Claims and Holders of Allowed Interests based upon certain financial projections. The projections reflect assumptions concerning, among other things, the Debtor's and the Liquidating Trustee's ability to control expenses. The Debtor believes that the assumptions underlying the projections are reasonable; however, unanticipated events occurring subsequent to the preparation of the projections may affect the actual financial results of the Debtor or the Liquidating Trust.

(ii) Litigation Risks

The Plan provides, among other things, for the Causes of Action to be conveyed into the Liquidating Trust. Although the Debtor anticipates that the Liquidating Trustee will, in time, resolve the Causes of Action on a basis that provides a substantial net benefit to the Debtor's Estate, there can be no guarantee that the result will be favorable. Fees and expenses incurred by the Liquidating Trustee shall be paid from the Liquidating Trust Expense Reserve in accordance with Article 5 of the Plan. There also can be no assurance that the funds available in the Liquidating Trust Expense Reserve will be sufficient to fund completely the prosecution of the Causes of Action. If the Liquidating Trust Expense Reserve is insufficient to completely fund the prosecution of the Causes of Action, the Liquidating Trustee may engage professionals entitled to payment out of any recovery from the Causes of Action.

Article 9

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain material United States federal income tax aspects of the Plan, is for general information purposes only, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular Holder of a Claim or Interest. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

This discussion is based on provisions of the Internal Revenue Code of 1986, as amended (the "**IRC**"), proposed Treasury Regulations promulgated thereunder, and administrative rulings and court decisions, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly affect the United States federal income tax consequences of the Plan. To the extent that the following discussion relates to the consequences to Holders of Allowed Claims or Holders of Allowed

Interests, it is limited to Holders that are United States persons within in the meaning of the IRC. For purposes of the following discussion, a “**United States person**” is any of the following:

- An individual who is a citizen or resident of the United States;
- A corporation created or organized under the laws of the United States or any state or political subdivision thereof;
- An estate, the income of which is subject to federal income taxation regardless of its source; or
- A trust that (a) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. No ruling has been requested or obtained from the Internal Revenue Service (the “**IRS**”) with respect to any tax aspects of the Plan and no opinion of counsel has been sought or obtained with respect thereto. Thus, no assurance can be given as to whether the IRS will agree with the assertions and conditions discussed herein. No representations or assurances are being made to the Holders of Claims or Holders of Interests with respect to the United States federal income tax consequences described herein.

This summary is limited to those Holders of Claims or Holders of Interests who have held such Claims and Interest as capital assets. Certain Holders (including, among others, insurance companies, banks, tax exempt organizations, financial institutions, broker-dealers, small business investment companies, regulated business companies, investors in pass-through entities, foreign companies, persons who are not citizens or residents of the United States, dealers in securities or foreign currency, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale or conversion transaction) may be subject to special rules and are not discussed below. In addition, this summary does not address other federal taxes or the foreign, state, or local tax consequences of the Plan.

Any discussion of United States federal tax issues set forth in this Disclosure Statement is written solely in connection with the confirmation of the Plan. To ensure compliance with Treasury Department Circular 230, Holders of Claims and Holders of Interests are hereby notified that: (a) any discussion of federal tax issues in this Disclosure Statement is not intended or written to be relied upon, and cannot be relied upon, by Holders of Claims or Holders of Interests for the purpose of avoiding penalties that may be imposed on Holders of Claims or Holders of Interests under the Internal Revenue Code; (b) such discussion is being used in connection with the promotion or marketing (within the meaning of Circular 230) by the Debtor of the transactions or matters addressed herein; and (c) a Holder of a Claim or a Holder of an

Interest should seek advice based on their particular circumstances from an independent tax advisor.

A. Certain U.S. Federal Income Tax Consequences to Holders of Allowed Claims or Holders of Allowed Interests

A Holder of an Allowed Claim or a Holder of an Allowed Interest will generally recognize ordinary income to the extent that the amount of Cash or property received (or to be received) under the Plan is attributable to interest that accrued on a Claim or Interest but was not previously paid by the Debtor or included in income by the Holder of the Allowed Claim or the Holder of an Allowed Interest. A Holder of an Allowed Claim or a Holder of an Allowed Interest will generally recognize gain or loss equal to the difference between the Holder's adjusted basis in its Claim or Interest and the amount realized by the Holder upon consummation of the Plan that is not attributable to accrued but unpaid interest. The amount realized will equal the sum of Cash and the fair market value of other consideration received (or to be received).

The character of any gain or loss that is recognized as such will depend upon a number of factors, including the status of the Claim Holder or Interest Holder, the nature of the Claim or Interest in the Claim Holder's or Interest Holder's hands, whether the Claim or Interest was purchased at a discount, whether and to what extent the Claim Holder or Interest Holder has previously claimed a bad debt deduction with respect to the Claim or Interest, and the Claim Holder's or Interest Holder's holding period of the Claim or Interest. If the Claim or Interest in the Claim Holder's or Interest Holder's hands is a capital asset, the gain or loss realized will generally be characterized as a capital gain or loss. Such gain or loss will constitute long-term capital gain or loss if the Claim Holder or Interest Holder held such Claim or Interest for longer than one year, or short-term capital gain or loss if the Claim Holder or Interest Holder held such Claim or Interest for less than one year.

A Holder of an Allowed Claim or a Holder of an Allowed Interest who receives, in respect of its Claim or Interest, an amount that is less than its tax basis in such Claim or Interest may be entitled to a bad debt deduction if either: (i) the Holder is a corporation; or (ii) the Claim or Interest constituted (a) a debt created or acquired (as the case may be) in connection with a trade or business of the Holder or (b) a debt the loss from the worthlessness of which is incurred in the Holder's trade or business. A Holder that has previously recognized a loss or deduction in respect of its Claim or Interest may be required to include in its gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the Holder's adjusted basis in such Claim or Interest.

Holders of Claims or Holders of Interests who were not previously required to include any accrued but unpaid interest with respect to a Claim or Interest may be treated as receiving taxable interest income to the extent any consideration they receive under the Plan is allocable to such interest. Holders previously required to include in their gross income any accrued but unpaid interest with respect to a Claim or Interest may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan.

Holders of a Claim or Holders of Interest constituting any installment obligation for tax purposes may be required to currently recognize any gain remaining with respect to such obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of section 453B of the IRC.

The Holders of Interests in Class 6 will receive no Distributions under the Plan. The Holders of Interests in Class 5 are expected to receive only a partial Distribution of their Allowed Interests. Whether the Holder of such Interests will recognize a loss, a deduction for worthless securities or any other tax treatment will depend upon facts and circumstances that are specific to the nature of each Holder and its Interests. Accordingly, the Holders of Interests in Class 5 and Class 6 should consult their own tax advisors.

B. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOREGOING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE UNCERTAIN IN MANY CASES AND MAY VARY DEPENDING ON A CLAIM HOLDER'S OR INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS AND INTEREST HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

Article 10 **CERTAIN SECURITIES LAW CONSIDERATIONS**

A. Precision Biologics, Inc. Common Stock

The Plan provides for the Liquidating Trustee to distribute, on behalf of the Debtor, the 5,500,000 shares of PB Stock that were issued to the Debtor on September 24, 2012 as partial consideration for the sale of the Debtor's operating assets to Precision Biologics (the "**Sale Assets**").

The Debtor believes that the PB Stock constitutes "securities," as defined in section 2(1) of the Securities Act of 1933, as amended (the "**Securities Act**"), § 101 of the Bankruptcy Code, and applicable state securities laws. The Debtor further believes that, except as described below under "Issuance and Resale of PB Stock under the Plan," the offer and sale of the PB Stock pursuant to the Plan are, and, generally, subsequent transfers of the PB Stock by the holders thereof will be, exempt from federal and state securities registration requirements under various provisions of the Securities Act, the Bankruptcy Code and state securities laws.

B. Issuance and Resale of PB Stock Under the Plan

(i) Exemption from Registration

Section 1145 of the Bankruptcy Code provides that Section 5 of the Securities Act and any state law requirements for the offer and sale of a security do not apply to the offer or sale of stock, options, warrants or other securities by a debtor or of a “successor to the debtor under the plan” if (a) the offer or sale occurs under a plan of reorganization, (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor, and (c) the securities are issued in exchange for a claim against or interest in a debtor or are issued principally in such exchange and partly for cash and property. The Debtor believes that Precision Biologics is a “successor to the debtor under the plan” for purposes of relying on Section 1145 of the Bankruptcy Code for the issuance of the PB Stock pursuant to the Plan even though Precision Biologics is not a successor to any of the Debtor’s liabilities except those expressly assumed under the APA. It is common practice in sales pursuant to Section 363 of the Bankruptcy Code for the bankruptcy court order to find that a purchaser of assets of a debtor is not a successor to the debtor except and only to the extent required in order to rely on Section 1145 of the Bankruptcy Code. The Sale Order includes findings (see paragraphs 31 and 33 of the Sale Order) that Precision Biologics is not a successor to the liabilities of the Debtor with respect to the operation of the Debtor’s business prior to the closing of the acquisition of the Sale Assets, and is not a continuation of the Debtor’s business and operations as a result of the acquisition of the Sale Assets. Furthermore, in various No Action Letters, the Securities and Exchange Commission has recognized the availability of Section 1145 in Section 363 asset sales where purchasers assume only post-closing liabilities of the debtor. Precision Biologics has not sought, and does not intend to seek, a no-action letter from the SEC with respect to its reliance on Section 1145 for the issuance of the PB Stock.

In reliance upon this exemption, the offer and sale of the PB Stock will not be registered under the Securities Act or any state securities laws. To the extent that the shares of PB Stock are issued under the Plan and are covered by § 1145 of the Bankruptcy Code, the shares of PB Stock may be resold without registration under the Securities Act or other federal securities laws, unless the holder is an “underwriter” (as discussed below) with respect to such securities, as that term is defined in the Bankruptcy Code. In addition, the PB Stock generally may be able to be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of those states; however, the availability of such exemptions cannot be known unless individual state securities laws are examined. **Therefore, recipients of the PB Stock are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.**

(ii) Resales of PB Stock; Definition of Underwriter

Section 1145(b)(1) of the Bankruptcy Code defines an “underwriter” as one who, except with respect to “ordinary trading transactions” of an entity that is not an “issuer,” (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received

in exchange for such claim or interest, or (b) offers to sell securities offered or sold under a plan for the holders of such securities, or (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan, or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act.

The definition of an “issuer” for purposes of whether a Person (as defined in section 2(a)(2) of the Securities Act) is an underwriter under § 1145(b)(1) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as “statutory underwriters” all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to “issuer,” as used in the definition of “underwriter” in section 2(a)(11), is intended to cover “controlling persons” of the issuer of the securities. “Control,” as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a “controlling Person” of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor’s or its successor’s voting securities. Moreover, the legislative history of § 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of the securities of a reorganized debtor may be presumed to be a “controlling Person.”

Resales of the PB Stock by Persons deemed to be “underwriters” (which definition includes “controlling Persons”) are not exempted by § 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances holders of PB Stock who are deemed to be “underwriters” may be entitled to resell their PB Stock pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule 144 would permit the public sale of securities received by such person if current information regarding the issuer is publicly available and if volume limitations, manner of sale requirements and certain other conditions are met. Precision Biologics will make publicly available the requisite current information regarding Precision Biologics at such time as its first report is required to be filed with the SEC, as discussed below under “*Precision Biologics, Inc. Reporting Requirements.*” At such time when Precision Biologics’ information becomes publicly available through its filings with the SEC, Rule 144 will be available for resales of PB Stock by persons deemed to be underwriters in accordance with the conditions of such rule.

Whether any particular Person would be deemed to be an “underwriter” (including whether such Person is a “controlling Person”) with respect to the PB Stock would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtor expresses no view as to whether any such Person would be deemed an “underwriter” with respect to the PB Stock. In view of the complex nature of the question of whether a particular Person may be an underwriter, the Debtor makes no representations concerning the right of any Person to freely resell PB Stock. **Accordingly, the Debtor recommends that potential recipients of PB Stock**

consult their own counsel concerning whether they may freely trade such securities without compliance with the federal and state securities laws.

(iii) Precision Biologics, Inc. Reporting Requirements

Rule 12g-3 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), states that when, in connection with a succession by acquisition of assets, securities of an issuer that are not already registered (such as the PB Stock) are issued to holders of any class of securities of another issuer that are registered under Section 12(b) or Section 12(g) of the Exchange Act (such as the Debtor’s shareholders), the class of issued securities shall automatically be deemed registered. After the Liquidating Trustee has distributed the 5,500,000 shares of PB Stock to the Debtor’s shareholders in accordance with the Plan, the common stock of Precision Biologics will automatically be registered with the SEC. As a result, Precision Biologics will be required to file reports with the SEC under Section 12 of the Exchange Act.

(iv) Risks Associated with the PB Stock

The Debtor makes no representations, warranties or other disclosures regarding any risks relating to ownership of the PB Stock. The Debtor has been advised by Precision Biologics that the PB Stock is subject to various risk factors including, but not limited to the following:

- a. Absence of Operating History. Precision Biologics does not have an operating history as Precision Biologics’ assets were only acquired from the Debtor on September 24, 2012.
- b. Limited Financial Information. Precision Biologics is not currently a public reporting company with the SEC and, as a result, does not prepare audited financial statements or any financial information in accordance with generally accepted accounting principles (“GAAP”). In addition, Precision Biologics has not prepared any financial projections or forecasts. At such time that Precision Biologics is required to file reports with the SEC, financial statements will be prepared in accordance with GAAP, audited annually in accordance with SEC requirements and available to the public.
- c. Lack of Liquidity; No Dividends. A public market will not exist for Precision Biologics’ common stock and, therefore, Precision Biologics stockholders may not have the ability to sell or otherwise transfer their shares of Precision Biologics’ common stock. Furthermore, Precision Biologics does not intend to pay any dividends on the shares of its common stock.
- d. Intellectual Property Risks; Government Regulations. Although Precision Biologics conducted limited due diligence of Neogenix and its assets, Precision Biologics generally relied on the information and representations provided by Neogenix in its public reports and other filings with the Securities Exchange Commission. Specifically, with respect to the risks relating to the intellectual property of Neogenix and any applicable risks relating to government regulations, including regulations of the U.S. Food and Drug Administration, Precision Biologics relied upon the information and risk factors set forth in Neogenix’s Annual Report on Form 10-K for the year ended December 31, 2011.

For more detailed background information on Precision Biologics, the Debtor recommends that parties in interest visit Precision Biologics' website located at www.precision-biologics.com.

(v) General Information Regarding Precision Biologics

The information below is based solely upon information provided to the Debtor by Precision Biologics.

Precision Biologics' authorized capital stock consists of 25,000,000 shares of common stock, par value \$0.01, and no preferred stock. As of March 5, 2013, 12,427,202 shares of common stock were issued and outstanding, including the 5,500,000 shares of PB Stock already issued to the Debtor for distribution to its shareholders under the Plan. Precision Biologics has also issued stock options to purchase 600,000 shares of PB Stock. As of March 5, 2013, the 5,500,000 shares of PB Stock to be distributed to the Debtor's shareholders under the Plan would constitute approximately 42.2% of Precision Biologics' issued and outstanding shares of common stock on a fully diluted basis (including the outstanding stock options to purchase 600,000 shares). The 5,500,000 shares of PB Stock do not have any anti-dilution rights, and therefore, if Precision Biologics issues any additional shares or stock options in the future the interests of the holders of the 5,500,000 shares would be diluted. Precision Biologics has reserved an additional 500,000 shares for issuance under a stock option plan to eligible participants. The stock option plan contemplates an annual review of the plan, and the number of shares reserved for issuance under the plan will be automatically increased so that the number of reserved shares under the plan is equal to approximately 3% of the total number of issued shares by Precision Biologics.

Precision Biologics' Bylaws provide that the Board of Directors will have at least one director and no more than ten directors. The Board of Directors oversees the officers who manage the day to day business of Precision Biologics. The current directors of Precision Biologics are Stanley B. Archibald, Jr., Mark Kristen, Severin Russo, Sheldon Rabin, M.D. and C. Brent Haggard. The current officers of Precision Biologics are Philip M. Arlen, M.D., President and Chief Executive Officer, Albine Martin, Ph.D., Chief Operating Officer, Robert Washington, Vice President Business Development and R.J. Childress, Secretary and Treasurer.

Article 11
ALTERNATIVES TO THE PLAN

The Debtor has determined that the Plan is the most practical means of providing for maximum recoveries to the Holders of Allowed Claims and Holders of Allowed Interests. Alternatives to the Plan that have been considered and evaluated by the Debtor during the course of the Chapter 11 Case include (i) liquidation of the Debtor's remaining assets under chapter 7 of the Bankruptcy Code and (ii) dismissal of this Chapter 11 Case. Through consideration of these alternatives to the Plan, the Debtor has concluded that the Plan, in comparison, will likely provide a greater recovery to Holders of Allowed Claims and Holders of Allowed Interests on a more expeditious timetable, and in a manner that minimizes certain risks inherent in any other course of action available to the Debtor.

A. Liquidation Under Chapter 7

If the Plan or any other chapter 11 plan for the Debtor cannot be confirmed under sections 1129(a) and (b) of the Bankruptcy Code, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code, and a trustee would be elected or appointed to liquidate any remaining assets of the Debtor for Distribution to Holders of Allowed Claims and Holders of Allowed Interests pursuant to chapter 7 of the Bankruptcy Code. If a trustee is appointed and the remaining assets of the Debtor are liquidated under chapter 7 of the Bankruptcy Code, all Claim Holders and Interest Holders under the Plan may receive Distributions of a lesser value on account of their Allowed Claims and Allowed Interests and may have to wait a longer period of time to receive such Distributions than they would under the Plan.

B. Dismissal

If this Chapter 11 Case is dismissed, the protections of the Bankruptcy Code would disappear, thereby resulting in potentially costly, uncontrolled and protracted litigation in various jurisdictions among and between the Debtor and the Holders of Claims and Holders of Interests. Therefore, the Debtor believes that dismissal of the Chapter 11 Case is not a viable alternative to Confirmation of the Plan.

Article 12
FURTHER INFORMATION

A. Further Information; Additional Copies

If you have any questions about (i) the procedure for voting your Claim or Interest or with respect to the packet of materials that you have received or (ii) the amount of your Claim or Interest, or if you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)) an additional copy of the Plan, this Disclosure Statement or any appendices or exhibits to such documents, please contact:

Neogenix Oncology, Inc.
 c/o Kurtzman Carson Consultants LLC
 2335 Alaska Avenue
 El Segundo, California 90245
 (866) 381-9100 (telephone)
 Or visit: <http://www.kccllc.net/neogenix>

Article 13
RECOMMENDATIONS

The Debtor and the Official Committee believe that the Plan is substantially preferable to any other plan, preferable to liquidation under chapter 7 of the Bankruptcy Code, and preferable to a dismissal of this Chapter 11 Case. Conversion of this Chapter 11 Case to a case under chapter 7 would result in substantial delays in the distribution of proceeds available and would significantly increase administrative costs, and, therefore, would materially reduce Claim Holder

APPENDIX A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division

In re:

NEOGENIX ONCOLOGY, INC.,

Debtor.

)
) Chapter 11
)
) Case No. 12-23557 (TJC)
)
)
)

NEOGENIX ONCOLOGY, INC.'S FIRST AMENDED PLAN OF LIQUIDATION

March 11, 2013

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EXHIBIT D	NON-EXCLUSIVE LIST OF INSURANCE AGREEMENTS

Note: To the extent that the foregoing Exhibits are not attached to this Plan at the time that the Plan is filed with the Bankruptcy Court, such Exhibits will be filed with the Bankruptcy Court in one or more Plan Supplement(s) filed on or before the deadline set in the Plan for the filing of such documents.

INTRODUCTION

Neogenix Oncology, Inc. (“**Neogenix**” or the “**Debtor**” or the “**Company**”) proposes the following chapter 11 plan of liquidation. The Debtor is the proponent of the Plan within the meaning of Bankruptcy Code section 1129. This Plan contemplates the distribution of the proceeds of the liquidation of the Debtor’s Assets and the resolution of the outstanding Claims against and Interests in the Debtor. Reference is made to the Disclosure Statement, distributed contemporaneously herewith, for a discussion of (i) the Debtor’s history, business and operations, (ii) a summary and analysis of this Plan, and (iii) certain related matters, including risk factors relating to the consummation of this Plan. All Holders of Claims and all Holders of Interests who are eligible to vote on the Plan are encouraged to read the Plan and the accompanying Disclosure Statement (including all exhibits thereto) in their entirety before voting to accept or reject the Plan. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Plan prior to its substantial consummation.

The Plan is a liquidating plan. Pursuant to prior orders of the Bankruptcy Court, the Debtor has sold substantially all of its operating Assets to Precision Biologics. The Plan provides for the Distribution of certain proceeds from such sale and the creation of a Liquidating Trust that will administer and liquidate all remaining property of the Debtor, including Causes of Action, not sold, transferred or otherwise waived or released before the Effective Date of the Plan. The Plan also provides for Distributions to certain Holders of Administrative Expense Claims and Priority Claims and to other Claim Holders and Interest Holders and the funding of the Liquidating Trust. The Plan further provides for the termination of all Interests in the Debtor, the dissolution and wind-up of the affairs of the Debtor, and the transfer of any remaining Estate Assets to the Liquidating Trust.

No solicitation materials, other than the Disclosure Statement and related materials transmitted therewith have been approved for use in soliciting acceptances and rejections of the Plan. Nothing in the Plan should be construed as constituting a solicitation of acceptances of the Plan unless and until the Disclosure Statement has been approved and distributed to all Holders of Claims and Interests to the extent required by Bankruptcy Code section 1125.

ALL HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ CAREFULLY THE DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS THERETO) AND THE PLAN, EACH IN ITS ENTIRETY, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE 1 DEFINED TERMS AND RULES OF INTERPRETATION

A. Rules of Construction

For purposes of this Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined, including those capitalized terms used in the preceding Introduction, shall have the meanings ascribed to them in Article I of this

Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. To the extent that there is an inconsistency between a definition in this Plan and a definition set forth in the Bankruptcy Code, the definition set forth herein shall control. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine. In addition to the foregoing, any defined terms used in the Exhibits shall have the meaning ascribed to them in either the applicable Exhibit or in Article 1 of this Plan.

B. Definitions

1.1 Administrative Expense Claim means a Claim for costs and expenses of administration of the Chapter 11 Cases under Bankruptcy Code sections 503(b), 507(b), or 1114(e)(2), and entitled to priority under Bankruptcy Code section 507(a)(2), including: (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Estate and operating the business of the Debtor (such as wages, salaries and commissions for services and payments for inventory, leased equipment and premises) and Claims of governmental units for taxes (including tax audit Claims related to tax years commencing after the Petition Date, but excluding Claims relating to tax periods, or portions thereof, ending on or before the Petition Date); and (b) all other Claims entitled to Administrative Expense Claim status pursuant to a Final Order of the Bankruptcy Court, including Professional Fee Claims.

1.2 Administrative Expense Claim Bar Date means the bar date for Holders of Administrative Expense Claims, other than Professional Fee Claims, to file with the Claims Agent and serve on the Liquidating Trustee requests for payment as required by the Plan, which date is 30 days after the Effective Date.

1.3 Administrative Expense Claims Objection Deadline means the last day for filing an objection to any request for the payment of an Administrative Expense Claim, which shall be the later of (a) ninety (90) days after the Effective Date or (b) such other date specified in this Plan or ordered by the Bankruptcy Court. Notwithstanding the filing of a motion to extend the Administrative Expense Claims Objection Deadline shall automatically extend the Administrative Expense Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Administrative Expense Claims Objection Deadline is denied by the Bankruptcy Court, the Administrative Expense Claims Objection Deadline shall be the later of the current Administrative Expense Claims Objection Deadline (as previously extended, if applicable) or thirty (30) days after the Bankruptcy Court's entry of an order denying the motion to extend the Administrative Expense Claims Objection Deadline.

1.4 Affiliates means any entity in which any of the Released Parties has an ownership interest.

1.5 Allowed means (a) that the referenced Claim or Interest, or any portion thereof, has been allowed by a Final Order of the Bankruptcy Court (or such court as the Liquidating Trustee and the Holders of any such Claim or Interest agree may adjudicate such Claim or Interest and any objections thereto), (b) that the referenced Claim or Interest either (x)

has been Scheduled as a liquidated, non- contingent, and undisputed Claim or a liquidated, non- contingent, and undisputed Interest in an amount greater than zero on the Schedules, or (y) is the subject of a timely filed Proof of Claim or a timely filed Proof of Interest as to which either (i) no objection to its allowance has been filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court or (ii) any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (c) that is expressly allowed in a liquidated amount in the Plan; provided, however, that for purposes of determining the status (i.e., Allowed or Disputed) of a particular Claim or Interest prior to the expiration of the period fixed for filing objections to the allowance or disallowance of Claims or Interests, any such Claim or any such Interest which has not been previously allowed or disallowed by a Final Order of the Bankruptcy Court or the Plan shall be deemed to be a Disputed Claim or a Disputed Interest for distribution purposes but not for voting purposes unless such Claim or Interest is specifically identified by the Debtor and/or the Liquidating Trustee as being an Allowed Claim or an Allowed Interest.

1.6 Allowed Claim means a Claim or any portion thereof (a) that has been allowed by a Final Order of the Bankruptcy Court (or such court as the Liquidating Trustee and the Holders of any such Claim agree may adjudicate such Claim and any objections thereto), (b) that either (x) has been Scheduled as a liquidated, non- contingent, and undisputed Claim in an amount greater than zero on the Schedules, or (y) is the subject of a timely filed Proof of Claim as to which either (i) no objection to its allowance has been filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court or (ii) any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (c) that is expressly allowed in a liquidated amount in the Plan; provided, however, that with respect to an Administrative Expense Claim, “Allowed Claim” means an Administrative Expense Claim as to which a timely written request for payment has been made in accordance with applicable bar dates for such requests set by the Bankruptcy Court (if such written request is required) in each case as to which the Debtor, or any other party in interest (x) has not interposed a timely objection or (y) has interposed a timely objection and such objection has been settled, waived through payment, or withdrawn, or has been denied by a Final Order; provided, further, however, that for purposes of determining the status (i.e., Allowed or Disputed) of a particular Claim prior to the expiration of the period fixed for filing objections to the allowance or disallowance of Claims, any such Claim which has not been previously allowed or disallowed by a Final Order of the Bankruptcy Court or the Plan shall be deemed to be a Disputed Claim for distribution purposes but not for voting purposes unless such Claim is specifically identified by the Debtor and/or the Liquidating Trustee as being an Allowed Claim.

1.7 “Allowed ... Claim” means an Allowed Claim of the particular type or Class described.

1.8 Allowed Interest means an Interest or any portion thereof (a) that has been allowed by a Final Order of the Bankruptcy Court (or such court as the Liquidating Trustee and the Holders of any such Interest agree may adjudicate such Interest and any objections thereto), (b) that either (x) has been Scheduled as a liquidated, non- contingent, and undisputed Interest in an amount greater than zero on the Schedules, or (y) is the subject of a timely filed Proof of

Interest as to which either (i) no objection to its allowance has been filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court or (ii) any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (c) that is expressly allowed in a liquidated amount in the Plan; provided, however, that for purposes of determining the status (i.e., Allowed or Disputed) of a particular Interest prior to the expiration of the period fixed for filing objections to the allowance or disallowance of Interests, any such Interest which has not been previously allowed or disallowed by a Final Order of the Bankruptcy Court or the Plan shall be deemed to be a Disputed Interest for distribution purposes but not for voting purposes unless such Interest is specifically identified by the Debtor and/or the Liquidating Trustee as being an Allowed Interest.

1.9 APA or Asset Purchase Agreement means that certain asset purchase agreement dated July 23, 2012, as subsequently amended, entered into between the Debtor and Precision Biologics, through which Precision Biologics agreed to purchase the Debtor's operating asserts.

1.10 Assets means all tangible and intangible assets of every kind and nature of the Debtor and its Estate, and all proceeds thereof, existing as of the Effective Date.

1.11 Assumed Contract means all executory contracts to be assumed by the Debtor pursuant 11 U.S.C. § 365(a), and as identified in Exhibit A to the Plan and filed as a Plan Supplement.

1.12 Available Cash means all Cash held by the Liquidating Trustee as of the date ten (10) Business Days prior to a Distribution Date.

1.13 Avoidance Actions means Causes of Action arising under Bankruptcy Code sections 510, 541, 542, 544, 545, 547 through 551 and/or 553, or under related state or federal statutes and common law, including, without limitation, fraudulent transfer laws, whether or not litigation is commenced to prosecute such Causes of Action.

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

1.15 Bankruptcy Code means title 11 of the United States Code, as now in effect or hereafter amended and as applicable to the Debtor's Chapter 11 Case.

1.16 Bankruptcy Court means the United States Bankruptcy Court for the District of Maryland, Greenbelt Division, or any other court with jurisdiction over the Debtor's Chapter 11 Case.

1.17 Bankruptcy Rules means, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended and as applicable to the Debtor's Chapter 11 Case on proceedings therein, as the case may be, and the Local Rules, as now in effect or hereafter amended.

1.18 Bar Date means the applicable bar date for filing Proofs of Claim, Proofs of Interest, Administrative Expense Claims, Professional Fee Claims or any other type of Claims.

1.19 Business Day means any day, other than a Saturday, Sunday or Legal Holiday (as defined in Bankruptcy Rule 9006(a)).

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

1.21 Causes of Action means any and all claims, actions, proceedings, causes of action, Avoidance Actions, suits, accounts, controversies, agreements, promises, rights of action, rights to legal remedies, rights to equitable remedies, rights to payment and Claims (as defined in Bankruptcy Code section 101(5)), whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, that the Debtor and/or the Estate may hold against any Person but excluding those released, exculpated or waived pursuant to this Plan.

1.22 Chapter 11 Case means the case under chapter 11 of the Bankruptcy Code commenced by the Debtor in the Bankruptcy Court.

1.23 Claim has the meaning set forth in Bankruptcy Code section 101(5).

1.24 Claim Holder means the Holder of a Claim.

1.25 Claims and Interests Objection Deadline means the last day for filing objections to Claims and Interests, other than Administrative Expense Claims and Professional Fee Claims, which day shall be the later of sixty (60) days after the Effective Date or (b) such other date as the Bankruptcy Court may order. The filing of a motion to extend the Claims and Interests Objection Deadline shall automatically extend the Claims and Interests Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Claims and Interests Objection Deadline is denied, the Claims and Interests Objection Deadline shall be the later of the current Claims and Interests Objection Deadline (as previously extended, if applicable) or thirty (30) days after the Bankruptcy Court's entry of an order denying the motion to extend the Claims and Interests Objection Deadline.

1.26 Claims, Noticing and Voting Agent means Kurtzman Carson Consultants, LLC.

1.27 Class means a category of Holders of Claims or Holders of Interests, as described in Article 2 hereof.

1.28 Collateral means any property or interest in property of the Debtor's Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.29 Common Stock means the shares of common stock of the Debtor issued and outstanding as of the Petition Date or otherwise held as of the applicable Distribution Record Date, including common stock acquired by holders of stock options and other rights to acquire stock who exercise their rights by the Distribution Record Date.

1.30 Confirmation means entry by the Bankruptcy Court of the Confirmation Order.

1.31 Confirmation Date means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Bankruptcy Court docket in the Debtor's Chapter 11 Case.

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

1.33 Confirmation Order means the order entered by the Bankruptcy Court confirming the Plan under Bankruptcy Code section 1129.

1.34 Contingent Cash means \$730,000.00 of the \$3,965,000.00 cash component of the purchase price paid by Precision Biologics to the Debtor to purchase substantially all of the Debtor's operating assets pursuant to the Asset Purchase Agreement, as subsequently amended.

1.35 Consummation or Consummate means the occurrence of or to achieve the Effective Date.

1.36 Contingent means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

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

1.38 D&O Release means the release of the Directors and Officers as set forth in Articles 3 and 10 of the Plan.

1.39 Debtor means Neogenix Oncology, Inc.

1.40 Director means any and all present and former members of the Debtor's Board of Directors, excluding Peter Gordon.

1.41 Director and Officer Indemnification Claim means a Claim by a Director or Officer for indemnification by the Debtor pursuant to an indemnification agreement, articles of incorporation, bylaws or applicable state law as evidenced by a timely filed Proof of Claim in this Bankruptcy Case specifically asserting that Director's or that Officer's indemnification rights.

1.42 Disallowed means, (1) with respect to a Claim, or any portion thereof, that such Claim (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been filed by the applicable Bar Date or deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (c) is not Scheduled, and as to which (i) no Proof of Claim has been filed by the applicable Bar Date or deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (ii) no request for payment of an Administrative Expense Claim has been filed by the Administrative Expense Claims Bar Date, as appropriate, or deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable law, and (2) with respect to an Interest, or any portion thereof, that such Interest (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as contingent, disputed or unliquidated and as to which no Proof of Interest has been filed by the applicable Bar Date or deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (c) is not Scheduled, and as to which (i) no Proof of Interest has been filed by the applicable Bar Date or deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable law.

1.43 Disclosure Statement means the disclosure statement (including all exhibits and schedules thereto) dated March 11, 2013, relating to this Plan, distributed contemporaneously herewith in accordance with Bankruptcy Code sections 1125 and 1126(b) and Bankruptcy Rule 3018.

1.44 Disputed Claim means a Claim, or any portion thereof, that has not been Allowed pursuant to the Plan or a Final Order, and:

(a) if no Claim has been filed, or deemed to have been filed, by the applicable Bar Date, which has been or hereafter is listed on the Schedules as unliquidated, contingent or disputed, and which has not been resolved by written agreement of the parties or an order of the Bankruptcy Court;

(b) if a Claim has been filed, or deemed to have been filed, by the applicable Bar Date (i) a Claim for which a corresponding Claim has been listed on the Schedules as unliquidated, contingent or disputed; (ii) a Claim for which a corresponding Claim has been listed on the Schedules as other than unliquidated, contingent or disputed, but the amount of such Claim as asserted in the Claim varies from the amount of such Claim as listed in the Schedules; or (iii) a Claim as to which any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court, or which is otherwise disputed by the Debtor and/or the Liquidating Trustee in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn, or determined by a Final Order;

(c) if a request for payment of an Administrative Expense Claim has been filed or deemed to have been filed by the Administrative Expense Claims Bar Date, as appropriate, an Administrative Expense Claim as to which any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, or which is otherwise disputed by a

Debtor or the Liquidating Trustee in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order;

(d) for which a Claim was required to be filed by order of the Bankruptcy Court, but as to which a Claim was not timely or properly filed; or

(e) that is disputed in accordance with the provisions of this Plan.

1.45 *Disputed ... Claim* means a Disputed Claim of the type described.

1.46 *Disputed Claim Amount* means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtor or the Liquidating Trustee and the Holder of such Disputed Claim; or (iii) if a request for estimation is filed by any party, the amount at which such Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by the Debtor or the Liquidating Trustee and the Holder of such Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to such Disputed Claim; or (c) if the Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was filed, or deemed to have been filed, by the applicable Bar Date and the Claim has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, zero.

1.47 *Disputed Interest* means an Interest, or any portion thereof, that has not been Allowed pursuant to the Plan or a Final Order, and:

(a) if no Proof of Interest has been timely filed, or deemed to have been timely filed, by the applicable Bar Date, which has been or hereafter is listed on the Schedules as unliquidated, contingent or disputed, and which has not been resolved by written agreement of the parties or an order of the Bankruptcy Court;

(b) if a Proof of Interest has been timely filed, or deemed to have been timely filed, by the applicable Bar Date (i) a Proof of Interest for which a corresponding Interest has been listed on the Schedules as unliquidated, contingent or disputed; (ii) a Proof of Interest for which a corresponding Interest has been listed on the Schedules as other than unliquidated, contingent or disputed, but the amount of such Interest as asserted in the Interest varies from the amount of such Interest as listed in the Schedules; or (iii) a Proof of Interest as to which any party in interest has timely filed an objection or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court, or which is otherwise disputed by the Debtor and/or the Liquidating Trustee in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn, or determined by a Final Order; or

(c) for which a Proof of Interest was required to be timely filed by order of the Bankruptcy Court, but as to which a Proof of Interest was not timely or properly filed; or that is disputed in accordance with the provisions of this Plan.

1.48 Disputed Interest Amount means the difference between the number of shares of the Debtor's Common Stock owned by an Interest Holder as evidenced by the List of Equity Security Holders filed with the Debtor's Voluntary Petition [Docket No. 1] on the Petition Date, compared to the number of shares set forth in a Proof of Interest timely filed by the applicable Bar Date.

1.49 Distribution means any distribution pursuant to the Plan to the Holders of Allowed Claims or Holders of Allowed Interests.

1.50 Distribution Date means either the Initial Distribution Date, the Initial Stock Distribution Date or a Periodic Distribution Date.

1.51 Distribution Record Date means the record date for purposes of making Distributions under the Plan on account of Allowed Claims or Allowed Interests, which date shall be the Confirmation Date or such other date designated in the Confirmation Order.

1.52 Effective Date means the Business Day this Plan becomes effective as provided in Article 8 hereof.

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

1.54 Estate Claim has the meaning ascribed to such term in Article 6(H)(2) hereof.

1.55 Exhibit means an exhibit to the Plan filed as a Plan Supplement.

1.56 Exhibit Filing Date means the date on which Exhibits to the Plan shall be filed with the Bankruptcy Court as a Plan Supplement, which date shall be at least five (5) Business Days prior to the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court without further notice to parties in interest.

1.57 Face Amount means (a) when used in reference to a Disputed Claim or a Disputed Interest, the Disputed Claim Amount or the Disputed Interest Amount and (b) when used in reference to an Allowed Claim or an Allowed Interests, the Allowed amount of such Claim or Interest.

1.58 Final Decree means the decree contemplated under Bankruptcy Rule 3022.

1.59 Final Fee Applications means the final requests for payment of Professional Fee Claims.

1.60 Final Order means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Debtor's Chapter 11 Case, the operation or effect of which has not been stayed, reversed, or amended and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek

review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending.

1.61 Final Trust Distribution Date means the date of the last Distribution from the Liquidating Trust under the Plan for and on account of an Allowed Claim or an Allowed Interest.

1.62 General Bar Date means the bar date for filing Proofs of Claim and Proofs of Interest for Claims or Interests arising prior to the Petition Date against the Debtor in the Chapter 11 Case, other than those Claims and Interests expressly excluded from the General Bar Date pursuant to a Final Order of the Bankruptcy Court, which date was November 19, 2012.

1.63 General Unsecured Claim means a Claim that is not an Administrative Expense Claim, Priority Tax Claim, Non-Tax Priority Claim, Secured Claim, an Indemnification Claim or a Potential Shareholder Rescission Claim.

1.64 Governmental Bar Date means the bar date for Governmental Units to file Proofs of Claim for Claims arising prior to the Petition Date against the Debtor, which date was January 22, 2013.

1.65 Governmental Unit has the meaning set forth in Bankruptcy Code section 101(27).

1.66 Holder means an entity holding a Claim or Interest.

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

1.68 Indemnification Obligation means any obligation of the Debtor to indemnify, reimburse, or provide contribution to any present or former Director, Officer, or employee, or any present or former Professionals, advisors, or representatives of the Debtor, pursuant to an indemnification agreement, articles of incorporation, bylaws or applicable state law as may be in existence immediately prior to the Petition Date.

1.69 Initial Distribution Date means a Business Day, as determined by the Liquidating Trustee in consultation with the Liquidating Trust Oversight Committee, as soon as practicable after the Effective Date, that is at least five (5) Business Days after the funding of the Liquidating Trust pursuant to Article 5 of the Plan.

1.70 Initial Stock Distribution Date means a Business Day, as determined by the Liquidating Trustee in consultation with the Liquidating Trust Oversight Committee, as soon as practicable after the Effective Date, that is at least five (5) Business Days after the funding of the Liquidating Trust pursuant to Article 5 of the Plan, when the PB Stock will be distributed on a Pro Rata basis to all Allowed Interest Holders.

1.71 Interests means the legal, equitable, contractual, and other rights of any Person with respect to any capital stock or other ownership interest in the Debtor, whether or not

transferable, and all options, warrants, call rights, puts, awards, or rights or agreements to purchase, sell, or subscribe for an ownership interest or other equity security in the Debtor.

1.72 IRS means the Internal Revenue Service.

1.73 KCC means Kurtzman Carson Consultants LLC.

1.74 Lien shall mean any lien, security interest, pledge, title retention agreement, encumbrance, charge, mortgage, or hypothecation to secure payment of a debt or performance of an obligation, other than, in the case of securities and any other equity ownership interests, any restrictions imposed by applicable United States or foreign securities laws.

1.75 Liquidating Trust means the trust established on the Effective Date pursuant to Article 5 of the Plan.

1.76 Liquidating Trust Agreement means the agreement to be executed as of the Effective Date establishing the Liquidating Trust pursuant to the Plan in substantially the form attached as Exhibit B to the Plan and filed as a Plan Supplement.

1.77 Liquidating Trust Assets shall have the meaning ascribed in Article 5 hereof.

1.78 Liquidating Trust Expense Reserve means the account established and designated by the Liquidating Trustee from which the Liquidating Trustee's, the Liquidating Trustee Professionals', the Liquidating Trust Oversight Committee's and the Liquidating Trust Oversight Committee's Professionals' reasonable fees and expenses shall be paid in accordance with Article 5 of the Plan.

1.79 Liquidating Trust Oversight Committee means the committee comprised of the following five (5) persons: (1) Christopher Hyun (the current Chairman of the Official Committee and one of the Debtor's shareholders), (2) Stuart Plotnick (a current member of the Official Committee and one of the Debtor's shareholders), (3) James A. Feldman (the current Chairman of the Debtor's Board of Directors and one of the Debtor's largest shareholders), (4) Philip M. Arlen, M.D. (the current President and CEO of the Debtor, a current member of the Debtor's Board of Directors, and one of the Debtor's largest shareholders), and (5) Stanley B. Archibald, Jr. (the current Chairman of the Board of Directors of Precision Biologics and one of the Debtor's shareholders).

1.80 Liquidating Trust Oversight Committee Counsel means the attorneys for the Liquidating Trust Oversight Committee (in their capacities as such).

1.81 Liquidating Trustee means the Person appointed to act as trustee of and administer the Liquidating Trust, which Person shall initially be Peter Kravitz of Solution Trust.

1.82 Liquidating Trustee Professionals means the agents, financial advisors, attorneys, consultants, independent contractors, representatives, and other professionals of the Liquidating Trustee (in their capacities as such).

1.83 Local Rules means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Maryland.

1.84 Net Litigation Recoveries means such amounts and proceeds collected and recovered through the Liquidating Trustee's prosecution of the Causes of Action, after payment of all fees, costs and expenses of such litigation, including, without limitation, those of the Liquidating Trustee, the Liquidating Trust Professionals, the Liquidating Trust Oversight Committee, and the Liquidating Trust Oversight Committee Counsel.

1.85 Net Proceeds means such amounts collected from the sale or liquidation of Assets after payment of all costs and expenses of such sale or liquidation, including, without limitation, attorney fees.

1.86 Non-Tax Priority Claim means a Claim, other than an Administrative Expense Claim or Priority Tax Claim, which is entitled to priority in payment pursuant to Bankruptcy Code section 507(a).

1.87 Notice of Confirmation means the notice to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f).

1.88 Officer means any present or former officer of the Debtor, as authorized by the Debtor's by-laws and/or articles of incorporation, excluding Peter Gordon and Daniel J. Scher, Esquire.

1.89 Official Committee means the Official Committee of Equity Interest Holders of the Debtor appointed by the U.S. Trustee in the Chapter 11 Case pursuant to Bankruptcy Code section 1102.

1.90 PB Stock means the shares of common stock of Precision Biologics paid to the Debtor as part of the purchase price and consideration under the APA.

1.91 Periodic Distribution Date means a Distribution Date after the Initial Distribution Date which shall occur (i) after the first Business Day occurring ninety (90) days after the immediately preceding Distribution Date or (ii) on such other Business Day selected by the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee; provided, however, that Distributions shall take place no more frequently than quarterly.

1.92 Person has the meaning set forth in Bankruptcy Code section 101(41).

1.93 Petition Date means the date on which the Debtor filed its petition for relief commencing the Chapter 11 Case, which date was July 23, 2012.

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

1.95 Plan Document means the Plan, together with any contract, instrument, release, or other agreement or document entered in connection with Plan.

1.96 Plan Exhibit means any referenced exhibit attached to the Plan.

1.97 Plan Reserve Account means a bank account established by the Liquidating Trustee after the Effective Date for the purpose of segregating funds to pay, (a) Disputed Claims if and when they become Allowed Claims, (b) the reasonable fees and expenses of the Liquidating Trustee, the Liquidating Trustee's Professionals, the Liquidating Trust Oversight Committee and the Liquidating Trust Oversight Committee's Professionals, and (c) any other obligation of the Liquidating Trust as determined by the Liquidating Trustee.

1.98 Plan Supplement means the compilation(s) of documents and forms of documents, specified in the Plan, that the Debtor will file with the Bankruptcy Court on or before the date that is (a) five (5) Business Days prior to the Confirmation Hearing or (b) set by the Bankruptcy Court for the filing of such documents and forms of documents.

1.99 Post-Effective Date Expenses means the reasonably foreseeable fees and expenses of Professionals engaged by the Liquidating Trustee and/or by the Liquidating Trust Oversight Committee on or after the Effective Date.

1.100 Potential Shareholder Rescission Claims means a potential Claim under applicable state or federal law for the rescission of the purchase of the Debtor's Common Stock.

1.101 Precision Biologics means Precision Biologics, Inc.

1.102 Priority Claims means, collectively, all Priority Tax Claims and Non-Tax Priority Claims.

1.103 Priority Tax Claim means a Claim of a Governmental Unit of the kind specified in Bankruptcy Code sections 502(i) or 507(a)(8).

1.104 Professional means (a) any professional employed in this Chapter 11 Case pursuant to Bankruptcy Code sections 327, 328, or 1103 or otherwise, and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with this Chapter 11 Case pursuant to Bankruptcy Code section 503(b)(4), or (c) any professional employed after the Effective Date by either the Liquidating Trustee or the Liquidating Trust Oversight Committee.

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

1.106 Professional Fee Claim Bar Date means the bar date for filing final applications for allowance and payment of Professional Fee Claims, which is forty-five (45) days after the Effective Date.

1.107 Proof of Claim means a proof of claim filed on or before the General Bar Date or the Governmental Bar Date, as applicable, or such other date as ordered by the Bankruptcy Court.

1.108 Proof of Interest means a proof of interest filed on or before the General Bar Date or such other date as ordered by the Bankruptcy Court.

1.109 Pro Rata means, at any time, the proportion that the Face Amount of an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate Face Amount of all Allowed Claims or all Allowed Interests in such Class, unless the Plan provides otherwise.

1.110 Released Directors and Officers means any and all of the Debtor's Directors and Officers that have been released pursuant to Articles 3 and 10 of the Plan.

1.111 Released Parties means (i) the Directors and Officers of the Debtor as of the Petition Date and up to and through the Effective Date, (ii) any member of the Official Committee, solely in its capacity as a member of the Official Committee and not in any other capacity, (iii) Precision Biologics, and (iv) any of the representatives, agents, officers, directors, employees, professionals, advisors or attorneys of the foregoing or of the Debtor.

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

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

1.114 SEC means the United States Securities and Exchange Commission.

1.115 Secured Claim means a Claim that is (a) secured by a valid and perfected Lien on property in which the Debtor's Estate has an interest or (b) subject to setoff under Bankruptcy Code section 553 and such right of setoff has been asserted by the holder of such right as required by Article 6 of the Plan, to the extent of the value of the Claim Holder's interest in the applicable Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code section 506(a) or, in the case of setoff, pursuant to Bankruptcy Code section 553.

1.116 Securities Act means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

1.117 Security shall have the meaning ascribed to it in Bankruptcy Code section 101(49).

1.118 Shareholder means a Holder of the Debtor's Common Stock.

1.119 Solicitation means the solicitation by the Debtor of acceptances of the Plan.

1.120 Solicitation Procedures Order means the order entered by the Bankruptcy Court establishing procedures for Solicitation of votes for or against the Plan under Bankruptcy Code sections 105, 1125, 1126 and 1128 and Bankruptcy Rules 2002, 3017, 2018 and 3020.

1.121 Tax Items has the meaning ascribed to such term in Article 5 of the Plan.

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

1.123 Unclassified Claims means Administrative Expense Claims and Priority Tax Claims.

1.124 Unexercised Stock Options means an Interest based on the grant of a vested, unexpired option to purchase shares of the Debtor's Common Stock.

1.125 Unimpaired means, when used in reference to a Claim, Interest or Class, a Claim, Interest or Class that is not impaired within the meaning of Bankruptcy Code section 1124.

1.126 U.S. Trustee means the Office of the United States Trustee for the District of Maryland.

1.127 Voting means the casting of a ballot by an authorized Claim Holder and/or by an authorized Interested Holder, either in favor of the Plan or rejecting the Plan.

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

C. Rules of Interpretation

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

D. Computation of Time

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

E. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) and except as otherwise provided herein or therein, the laws of (i) the State of Maryland shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan and (ii) the laws of the state of incorporation of the Debtor shall govern corporate governance matters with respect to the Debtor, in either case without giving effect to the principles of conflicts of law thereof.

F. Exhibits

All Exhibits are incorporated into and are a part of this Plan as if set forth in full herein, and, such Exhibits shall be filed with the Bankruptcy Court as Plan Supplements on or before the Exhibit Filing Date. After the Exhibit Filing Date, copies of Exhibits can be obtained upon written request to the Claims Agent to the Debtor, at Neogenix Claims Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, or by downloading such Exhibits from the Bankruptcy Court's website at <http://www.mdb.uscourts.gov> (registration required) or the Claims Agent's website at www.kccllc.net/neogenix.

To the extent that any Exhibit is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-Exhibit portion of the Plan shall control.

ARTICLE 2 CLASSIFICATION OF CLAIMS AND INTERESTS

A. Introduction

The Plan places all Claims and Interests, except Administrative Expense Claims and Priority Tax Claims, in the Classes set forth below. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or an Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or such Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

The Debtor has set forth the Classes below.

B. Unsolicited and Unclassified Claims (Unclassified Classes of Claims are not entitled to vote on the Plan.)

1. Administrative Expense Claims

2. Priority Tax Claims

C. Unimpaired Classes of Claims (Classes 1, 2 and 4 are deemed to have accepted the Plan and, therefore, are not entitled to vote on the Plan.)

1. Class 1: Secured Claims

Class 1 consists of all Secured Claims.

2. Class 2: Non-Tax Priority Claims

Class 2 consists of all Non-Tax Priority Claims.

3. Class 4: General Unsecured Claims

Class 4 consists of all General Unsecured Claims.

D. Impaired Class of Claims (Class 3 is entitled to vote on the Plan.)

1. Class 3: Director and Officer Indemnification Claims

Class 3 consists of all Director and Officer Indemnification Claims.

E. Impaired Classes of Interests (Class 5 is entitled to vote on the Plan. Class 6 is deemed to have rejected the Plan and, therefore, is not entitled to vote on the Plan.)

1. Class 5: Interests (Common Stock / Potential Shareholder Rescission Claims)

Class 5 consists of all Interests based on either ownership of Common Stock or Potential Shareholder Rescission Claims.

2. Class 6: Interests (Unexercised Stock Options)

Class 6 consists of Interests based on ownership of Unexercised Stock Options.

**ARTICLE 3
TREATMENT OF CLAIMS AND INTERESTS**

A. Treatment of Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, certain Claims have not been classified, and the respective treatment of such Unclassified Claims is set forth immediately below.

1. Administrative Expense Claims

Administrative Expense Claims are Claims for costs and expenses of administration of the Debtor's Chapter 11 Case Allowed under sections 503(b), 507(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including but not limited to: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtor's Estate and operating the business of the Debtor (including, but not limited to, wages, salaries, commissions for services

and payments for inventories, leased equipment and premises) and Claims by Governmental Units for taxes (including Claims related to taxes which accrued after the Petition Date, but excluding Claims related to taxes which accrued on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting and other services and reimbursement of expenses Allowed by the Bankruptcy Court under sections 328, 330, 331, 363 or 503(b) of the Bankruptcy Code to the extent incurred on or prior to the Effective Date; (c) all fees and charges assessed against the Debtor's Estate under section 1930, chapter 123 of title 28 of the United States Code; and (d) any Claims that have been designated "Administrative Expense Claims" by order of the Bankruptcy Court.

Bar Date for Administrative Expense Claims: Holders of Administrative Expense Claims, other than Professional Fee Claims, shall file with the Claims Agent and serve on the Liquidating Trustee requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, so as to actually be received on or before the Administrative Expense Claim Bar Date, which is 30 days after the Effective Date. Any such Claim not filed by the Administrative Expense Claim Bar Date shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The Notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Administrative Expense Claim Bar Date and shall constitute notice of such bar date. The Liquidating Trustee shall have thirty (30) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Expense Claim Bar Date to review and object to such Administrative Expense Claims.

Bar Date for Applications for Professional Fees: Professional Fee Claims are Administrative Expense Claims and all applications for allowance and payment of Professional Fee Claims shall be filed with the Bankruptcy Court and served on counsel for the Debtor, counsel for the Official Committee and the U.S. Trustee on or before the Professional Fee Claim Bar Date, which is forty-five (45) days after the Effective Date. If an application for a Professional Fee Claim is not filed by the Professional Fee Claim Bar Date, such Professional Fee Claim shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The Notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Professional Fee Claim Bar Date and shall constitute notice of such bar date.

Treatment: Each Holder of an Allowed Administrative Expense Claim or an Allowed Professional Fee Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Administrative Expense Claim or such Allowed Professional Fee Claim, either (i) Cash equal to the unpaid portion of such Allowed Administrative Expense Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. Holders of Allowed Administrative Expense Claims and Holders of Allowed Professional Fee Claims will be paid in full on account of their Allowed Claims and are not entitled to vote on the Plan.

2. Priority Tax Claims

A Priority Tax Claim is a Claim or a portion of a Claim for which priority is asserted under section 507(a)(8) of the Bankruptcy Code.

The taxes entitled to priority are: (a) taxes on income or gross receipts that meet the requirements of section 507(a)(8)(A); (b) property taxes meeting the requirements of section 507(a)(8)(B); (c) taxes that were required to be collected or withheld by the Debtor and for which the Debtor is liable in any capacity as described in section 507(a)(8)(C); (d) employment taxes on wages, salaries, or commissions that are entitled to priority pursuant to section 507(a)(4), to the extent such taxes also meet the requirements of section 507(a)(8)(D); (e) excise taxes of the kind specified in section 507(a)(8)(E); (f) customs duties arising out of the importation of merchandise that meet the requirements of section 507(a)(8)(F); and (g) prepetition penalties relating to any of the foregoing taxes to the extent such penalties are in compensation for actual pecuniary loss as provided in section 507(a)(8)(G).

Treatment: Each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Priority Tax Claim, either (i) Cash equal to the unpaid portion of such Allowed Priority Tax Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date. Holders of Priority Tax Claims will be paid in full on account of such Allowed Claims and are not entitled to vote on the Plan.

B. Treatment of Classified Claims

1. Class 1: Secured Claims

Classification: A Secured Claim means a Claim that is secured by property of the Debtor.

Treatment: Provided that an Allowed Secured Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed Secured Claims in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed Secured Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date.

Voting: Class 1 is Unimpaired, and the Holders of Class 1 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, Holders of Class 1 Claims are not entitled to vote to accept or reject the Plan.

2. Class 2: Non-Tax Priority Claims

Classification: A Non-Tax Priority Claim means a Claim, other than an Administrative Expense Claim or a Priority Tax Claim, which is entitled to priority in payment pursuant to Bankruptcy Code Section 507(a).

Treatment: Provided that an Allowed Non-Tax Priority Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed Non-Tax Priority Claims in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed Non-Tax Priority Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date.

Voting: Class 2 is Unimpaired, and the Holders of Class 2 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, Holders of Class 2 Claims are not entitled to vote to accept or reject the Plan.

3. Class 3: Director and Officer Indemnification Claims

Classification: A Director and Officer Indemnification Claim means a Claim by a Director or Officer for indemnification pursuant to an indemnification agreement, articles of incorporation, bylaws or applicable state law as evidenced by a timely filed Proof of Claim in the Debtor's Chapter 11 Case.

Treatment: On the Effective Date, the Debtor's Directors and Officers shall receive the D&O Releases in full and final satisfaction of the Allowed Director and Officer Indemnification Claims.

Voting: Class 3 is Impaired and is entitled to vote on the Plan.

4. Class 4: General Unsecured Claims

Classification: A General Unsecured Claim means a Claim that is not an Administrative Expense Claim, Priority Tax Claim, Secured Claim, Non-Tax Priority Claim, or Director and Officer Indemnification Claim.

Treatment: Provided that an Allowed General Unsecured Claim has not been paid or otherwise satisfied, including through assumption by Precision Biologics, prior to the Effective Date, on the Initial Distribution Date, the Liquidating Trustee shall pay the Holders of Allowed General Unsecured Claims in full and final satisfaction of such Claims, either (i) Cash equal to the unpaid portion of such Allowed General Unsecured Claim, (ii) such other treatment as to which such Holder and the Debtor, in consultation with the Official Committee, shall have agreed upon in writing prior to the Effective Date, or (iii) in the event that number (ii) above is inapplicable, such other treatment as to which such Holder and the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, shall have agreed to in writing after the Effective Date.

Voting: Class 4 is Unimpaired, and the Holders of Class 4 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, Holders of Class 4 Claims are not entitled to vote to accept or reject the Plan.

5. Class 5: Interests (Common Stock/Potential Shareholder Rescission Claims)

Classification: Interests (Common Stock/Potential Shareholder Rescission Claims) means an Interest in the Debtor for shares of the Debtor's Common Stock owned by any Shareholder, including any Potential Shareholder Rescission Claims.

Treatment: On the Initial Stock Distribution Date, all Class 5 Allowed Interest Holders shall receive from the Liquidation Trust in consideration for their shares of the Debtor's Common Stock their pro rata share of the PB Stock. In addition, all Class 5 Allowed Interest Holders shall also receive from the Liquidation Trust at some unidentified time in the future as additional consideration for their shares of the Debtor's Common Stock their pro rata share of the Net Litigation Recoveries, if any. The foregoing treatment shall be in full and final satisfaction of all Class 5 Interest Holders' Interests based on their ownership of the Debtor's Common Stock, including, but not limited to, any Potential Shareholder Rescission Claims arising out of the purchase of such Common Stock. Because (a) pursuant to Section 510(b) of the Bankruptcy Code, all Potential Shareholder Rescission Claims are subordinated to all other Claims or Interests other than Common Stock and entitled only to the same priority as Common Stock and (b) the Holders of Potential Shareholder Rescission Claims are also Holders of Common Stock and cannot receive a double recovery on account of that Common Stock, the Holders of Potential Shareholder Rescission Claims will only (i) receive recovery on account of their Common Stock, as set forth in Class 5 of the Plan, in full and final satisfaction of any such Potential Shareholder Rescission Claims and (ii) vote on account of their Common Stock. For clarity, Holders of Potential Shareholder Rescission Claims shall not receive an additional Class 5 Allowed Interest Holders ballot or vote as a result of their Potential Shareholder Rescission Claims.

Voting: Class 5 is Impaired and is entitled to vote to accept or reject the Plan.

6. Class 6: Interests (Unexercised Stock Options)

Classification: Interests (Unexercised Stock Options) means an Interest based on the grant of a vested, unexpired option to purchase shares of the Debtor's Common Stock.

Treatment: All Unexercised Stock Options shall be cancelled on the Effective Date and shall be of no further force or effect.

Voting: Class 6 is Impaired, and the Holders of Class 6 Interests will be conclusively deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code and, therefore, Holders of Class 6 Interests are not entitled to vote to accept or reject the Plan.

C. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, the Confirmation Order, any other order of the Court, or any document or agreement enforceable pursuant to the terms of the Plan, nothing shall

affect the rights and defenses, both legal and equitable, of the Debtor and the Liquidating Trustee with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

D. Allowed Claims

Except as set forth in Article 3(C) above and in this Article 3(D), the Liquidating Trustee shall only make Distributions to Holders of Allowed Claims and Holders of Allowed Interests. No Holder of a Disputed Claim or a Holder of a Disputed Interest will receive any Distribution on account thereof until (and then only to the extent that) its Disputed Claim or its Disputed Interest becomes an Allowed Claim or an Allowed Interest; provided, however, that if the only dispute regarding a Disputed Claim or a Disputed Interest is to the amount of the Disputed Claim or the Disputed Interest, the Holder of a Disputed Claim or a Holder of a Disputed Interest shall be entitled to a Distribution on account of that portion of the Disputed Claim or the Disputed Interest which the Liquidating Trustee does not dispute, which Distribution shall be made by the Liquidating Trustee at the time and in the manner that the Liquidating Trustee makes Distributions to Holders of Allowed Claims or Allowed Interests pursuant to the provisions of the Plan. The Liquidating Trustee may, in its discretion, withhold Distributions otherwise due hereunder to any Claim Holder or Interest Holder until the Claims and Interests Objection Deadline, to enable a timely objection thereto to be filed. Any Holder of a Claim or a Holder of an Interest that becomes an Allowed Claim or an Allowed Interest after the Effective Date will receive its Distribution in accordance with the terms and provisions of this Plan and the Liquidating Trust Agreement.

**ARTICLE 4
ACCEPTANCE OR REJECTION OF THE PLAN**

A. Impaired Classes of Claims Entitled to Vote

Subject to Article 3 of the Plan, the votes of Holders of Claims and Holders of Interests in Impaired Classes who receive or retain property on account of their Claims or Interests and who are entitled to vote under the Solicitation Procedures Order will be solicited for acceptance or rejection of the Plan.

B. Acceptance by an Impaired Class

In accordance with Bankruptcy Code section 1126(c) and except as provided in Bankruptcy Code section 1126(e), an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Claims of such Class that are entitled to vote and have timely and properly voted to accept or reject the Plan. In accordance with Bankruptcy Code section 1126(d) and except as provided in Bankruptcy Code section 1126(e), an Impaired Class of Interests shall have accepted the Plan if the Plan is accepted by Holders of at least two-thirds (2/3) in amount of the Interests of such Class that are entitled to vote and have timely voted to accept or reject the Plan.

C. Presumed Acceptances by Unimpaired Classes

Holders of Claims in Classes 1, 2 and 4 are Unimpaired by the Plan. Under Bankruptcy Code section 1126(f), such Claim Holders are conclusively presumed to accept the Plan, and the votes of such Claim Holders will not be solicited.

D. Classes Deemed to Reject Plan

Holders of Interests in Class 6 are not entitled to receive or retain any property under the Plan. Under Bankruptcy Code section 1126(g), Holders of Interests in Class 6 are deemed to reject the Plan, and the votes of such Interest Holders will not be solicited.

E. Summary of Classes Voting on the Plan

As a result of the provisions of Articles 2 and 3 of this Plan, the votes of Holders of Claims in Class 3 and Holders of Interests in Class 5 that are not subject to an objection or who have filed a motion under Bankruptcy Rule 3018(a) for temporary allowance of their Claims or Interests for voting purposes, all as further set out in the Solicitation Procedures Order, will be solicited with respect to the Plan.

F. Confirmation Pursuant to Bankruptcy Code Section 1129(b)

Because Class 6 is deemed to reject the Plan, the Debtor will seek confirmation of the Plan from the Court by employing the “cramdown” procedures set forth in section 1129(b) of the Bankruptcy Code. The Debtor reserves the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Exhibit or schedule, including to amend or modify the Plan or such Exhibits or schedules to satisfy the requirements of Bankruptcy Code section 1129(b), if necessary.

G. Reservation of Rights Regarding Claims and Interests

Except as otherwise explicitly provided for in the Plan, nothing shall affect the Debtor’s or the Liquidating Trustee’s rights and defenses, both legal and equitable, with respect to any Claims or Interests, including, but not limited to, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

H. Controversy Concerning Impairment

If a controversy arises as to whether any Claim or Interest is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

I. Elimination of Vacant Classes

Any Class of Claims or Class of Interests that does not contain, as of the date of the commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Holder of an Allowed Interest, or a Holder of a Claim or a Holder of an Interest temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for all purposes, including, but not

limited to, for purposes of determining acceptance of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code and for purposes of Distribution.

ARTICLE 5 MEANS FOR IMPLEMENTATION OF THE PLAN

A. Corporate Action

1. Transfer of Estate Assets

Upon the Effective Date, (a) the Debtor shall cause all of its Assets and the Assets of its Estate to be transferred to the Liquidating Trust in accordance with the Plan; and (b) the members of the Debtor's Board of Directors shall be deemed to have resigned.

Upon transfer of the Assets to the Liquidating Trust, the Debtor shall have no further duties or responsibilities in connection with the implementation of the Plan.

2. Dissolution of the Debtor

On the Effective Date, the Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtor or payments to be made in connection therewith.

As soon as practicable after the transfer of the Assets to the Liquidating Trust, the Liquidating Trustee shall provide for the retention and storage of the books, records and files that shall have been delivered to the Liquidating Trust until such time as all such books, records and files are no longer required to be retained under applicable law, and file a certificate informing the Bankruptcy Court of the location at which such books, records, and files are being stored.

The Professionals employed by the Debtor and the Official Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing, and prosecution of Final Fee Applications, upon the submission of invoices to the Liquidating Trustee without further order of the Bankruptcy Court.

3. Cancellation of Existing Securities and Agreements

Except as otherwise provided for in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, the Interests and any other promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Claims or Interests, and all options, warrants, calls, rights, puts, awards and commitments shall be deemed cancelled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of the Debtor under the promissory notes, share certificates, and other agreements and instruments governing such Claims and Interests shall be released and of no further force or effect. Notwithstanding the foregoing, the Holders of Allowed Class 5 Interests shall be entitled to the treatment set forth in Class 5 of the Plan.

4. No Further Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtor or corporate action to be taken by or required of the Debtor shall, as of the Effective Date, be deemed to have occurred and be effective as provided for in the Plan, and shall be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, the Debtor's Directors or Officers, the Liquidating Trustee, the Liquidating Trust, Holders of Claims or Holders of Interests.

B. Sources for Plan Distribution

All Cash necessary for the Liquidating Trustee to make payments of Cash pursuant to the Plan shall be obtained from the following sources: (a) the Debtor's Cash on hand, which shall be transferred to the Liquidating Trust on the Effective Date, (b) Cash received in liquidation of the remaining assets of the Liquidating Trust, and (c) net proceeds of the Causes of Action. On the Effective Date, the Debtor shall transfer with the help of Precision Biologics the PB Stock to the Liquidating Trust.

C. Liquidating Trust

1. Establishment of the Liquidating Trust

The Liquidating Trust shall be established and shall become effective on the Effective Date. All Distributions to the Holders of Allowed Claims and the Holders of Allowed Interests shall be from the Liquidating Trust. The Liquidating Trust shall hold and administer the following assets and the net proceeds thereof (collectively, the "**Liquidating Trust Assets**"):

- (a) the Cash on hand held by the Debtor as of the Effective Date;
- (b) the PB Stock held by the Debtor as of the Effective Date;
- (c) the Causes of Action owned by the Debtor as of the Effective Date; and

(d) all other remaining property of the Debtor and the Debtor's Estate which shall be transferred by the Debtor to the Liquidating Trust on the Effective Date for liquidation and Distribution in accordance with the Plan.

2. Release of Liens

Except as otherwise provided for in the Plan, the Confirmation Order, or in any document, instrument, or other agreement created in connection with the Plan, on the Effective Date, all liens or other security interests against the property of the Debtor's Estate shall be released and deemed to be of no further force or effect.

3. Vesting of Assets

On and following the Effective Date, all property treated by the Plan, any minutes, and general corporate records of the Debtor, and any books and records relating to the foregoing not

otherwise treated by the Plan, shall not be vested in the Debtor, but shall be vested in the Liquidating Trust free and clear of all liens, claims, encumbrances, and other interests and shall thereafter be administered, liquidated by sale, collection, recovery, or other disposition and distributed by the Liquidating Trustee in accordance with the terms of the Plan and the Liquidating Trust Agreement, and shall continue to be subject to the jurisdiction of the Bankruptcy Court following confirmation of the Plan until such property is distributed to Holders of Allowed Claims and Holders of Allowed Interests in accordance with the provisions of the Plan, the Liquidating Trust Agreement, and the Confirmation Order. Notwithstanding anything to the contrary contained herein, the Liquidating Trustee shall provide for the retention and storage of the books, records and files that shall have been delivered to the Liquidating Trust until such time as all such books, records and files are no longer required to be retained under applicable law.

4. Duration of Trust

The Liquidating Trust shall have an initial term of three (3) years from the Effective Date; provided, however, that, if warranted by the facts and circumstances, and subject to the approval of the Bankruptcy Court with jurisdiction over the case, upon a finding that an extension of the term of the Liquidating Trust is necessary to accomplish the liquidating purpose of the Liquidating Trust, the Liquidating Trust's term may be extended for a finite term based on facts and circumstances. Each extension of the term of the Liquidating Trust must be approved by the Court within three (3) months before the beginning of the extended term. The Liquidating Trust may be terminated earlier than its scheduled termination if (a) the Bankruptcy Court has entered a Final Order closing the Chapter 11 Case pursuant to Bankruptcy Code section 350(a) and (b) the Liquidating Trustee has administered all assets of the Liquidating Trust and performed all other duties required by the Plan and the Liquidating Trust Agreement. As soon as practicable, the Liquidating Trustee shall seek the entry of a Final Order closing the Chapter 11 Case pursuant to Bankruptcy Code section 350.

5. Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code section 1146(c), any transfers from the Debtor to the Liquidating Trust or to any other Person pursuant to the Plan in the United States shall not be subject to any stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

6. Liquidating Trustee

(a) Appointment

Peter Kravitz of Solution Trust shall be appointed as the Liquidating Trustee which appointment shall be effective as of the Effective Date. Successor Liquidating Trustee(s), if any, shall be appointed as set forth in the Plan and the Liquidating Trust Agreement.

(b) Liquidating Trustee as Successor

Pursuant to Bankruptcy Code section 1123(b), the Liquidating Trustee shall be the successor to the Debtor for all purposes.

(c) Responsibilities of the Liquidating Trustee

Pursuant to the terms of the Plan and the Liquidating Trust Agreement, and subject to approval by the Liquidating Trust Oversight Committee as applicable, the responsibilities of the Liquidating Trustee shall include, but shall not be limited to: (i) calculating and implementing all Distributions required under the Plan, including any Distributions of Cash or PB Stock; (ii) prosecuting, settling and/or abandoning the Causes of Action; (iii) prosecuting and/or settling objections to, and estimations of, Claims and Interests; (iv) liquidating the remaining property of the Debtor's Estate, and providing for the Distribution of the Net Proceeds thereof, in accordance with the provisions of the Plan; (v) filing all required tax returns, and paying taxes and all other obligations on behalf of the Debtor from Estate funds; (vi) managing the Post-Effective Date wind down of the Debtor, and otherwise administering the Liquidating Trust; (vii) providing to the Liquidating Trust Oversight Committee and the Liquidating Trust Oversight Committee's Counsel regular, but no less than monthly unless agreed otherwise by the Liquidating Trustee and the Liquidating Trust Oversight Committee, comprehensive status updates regarding the status of any various issues and strategies concerning (a) the proposed Distributions on Allowed Claims and Allowed Interests, (b) the litigation and/or settlement of the Causes of Action, (c) the Claims and Interests resolution process including the allowance of, objection to and litigation and/or settlement of any and all Claims and Interests, (d) the creation of any proposed Plan Reserve Accounts, (e) professional fee and expense reimbursement requests by the Liquidation Trustee and his professionals and the Liquidating Trust Oversight Committee and its professionals, (f) current receipts, expenditures and distributions by the Liquidation Trust and aggregate receipts, expenditures and distributions by the Liquidation Trust from and after the Effective Date, (g) various other Case related issues and strategies; and (viii) such other responsibilities as may be vested in the Liquidating Trustee pursuant to the Confirmation Order or as may be necessary and proper to carry out the provisions of the Plan. The Liquidating Trustee shall post a bond in an amount equal to 150% of the maximum amount of liquid assets he holds or shall hold at any time on behalf of the Liquidating Trust excluding the PB Stock. The Liquidating Trustee shall use the Liquidating Trust's cash on hand or cash in a designated Plan Reserve Account to pay the premiums on such bond. To the extent that there are available funds, the Liquidating Trustee shall establish all reserves required to be established pursuant to the Plan, including, but not limited to, the Liquidating Trust Expense Reserve.

(d) Powers and Duties of the Liquidating Trustee

Subject to approval by the Liquidating Trust Oversight Committee, as applicable, the Liquidating Trustee shall have the rights and powers set forth in the Plan and the Liquidating Trust Agreement including, but not limited to, the powers of a debtor-in-possession under Bankruptcy Code sections 1107 and 1108. The Liquidating Trustee shall be governed in all things by the terms of the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall administer the Liquidating Trust, and its assets, and make Distributions from the proceeds of the Liquidating Trust in accordance with the Plan. In addition, the Liquidating Trustee shall, in accordance with the terms of the Plan, take all actions necessary to wind down the affairs of the Debtor consistent with the Plan and applicable non-bankruptcy law. Without limitation, the

Liquidating Trustee shall file final federal, state, foreign and, to the extent applicable, local, tax returns. Subject to the terms of the Plan and the Liquidating Trust Agreement, which includes, among other things, limitations on the Liquidating Trustee's discretion to take certain action without approval of the Liquidating Trust Oversight Committee or, in some circumstances, the Bankruptcy Court, the Liquidating Trustee shall be authorized, empowered and directed to take all actions necessary to comply with the Plan and to exercise and fulfill the duties and obligations arising thereunder, including, without limitation, to:

(i) employ, retain, and replace one or more attorneys, accountants, auctioneers, brokers, managers, consultants, other professionals, agents, investigators, expert witnesses, consultants, and advisors as necessary to discharge the duties of the Liquidating Trustee under the Plan and the Liquidating Trust Agreement;

(ii) object to the allowance of Claims and Interests pursuant to the terms of the Plan;

(iii) open, maintain and administer bank accounts as necessary to discharge the duties of the Liquidating Trustee under the Plan and the Liquidating Trust Agreement;

(iv) pay reasonable and necessary professional fees, costs, and expenses as set forth in the Plan;

(v) investigate, analyze, commence, prosecute, litigate, compromise, abandon, and otherwise administer the Causes of Action and all related liens for the benefit of the Liquidating Trust and its beneficiaries, as set forth in the Plan, and take all other necessary and appropriate steps to collect, recover, settle, liquidate, or otherwise reduce to Cash the Causes of Action, including all receivables, and to negotiate and effect settlements and lien releases with respect to all related Claims and all related liens;

(vi) administer, sell, liquidate, or otherwise dispose of all other Assets of the Debtor's Estate in accordance with the terms of the Plan;

(vii) represent the Debtor's Estate before the Bankruptcy Court and other courts of competent jurisdiction with respect to matters concerning the Liquidating Trust;

(viii) seek the examination of any entity under and subject to the provisions of Bankruptcy Rule 2004;

(ix) comply with applicable orders of the Bankruptcy Court and any other court of competent jurisdiction over the matters set forth in the Plan;

(x) comply with all applicable laws and regulations concerning the matters set forth in the Plan;

(xi) exercise such other powers as may be vested in the Liquidating Trust pursuant to the Plan, the Liquidating Trust Agreement or other Final Orders of the Bankruptcy Court;

(xii) execute any documents, instruments, contracts, and agreements necessary and appropriate to carry out the powers and duties of the Liquidating Trustee or the Liquidating Trust; and

(xiii) stand in the shoes of the Debtor for all purposes.

(e) Records

The Liquidating Trustee shall maintain good and sufficient books and records of account relating to the assets of the Liquidation Trust, the cash, the management thereof, all post-Effective Date transactions undertaken by the Liquidating Trustee, all expenses incurred by or on behalf of the Liquidating Trustee after the Effective Date, and all distributions contemplated or effectuated under the Plan.

(f) Accounts

The Liquidating Trustee shall (a) establish one or more general bank accounts into which shall be deposited all funds not required to be deposited into any other account or reserve and (b) create, fund, and withdraw funds from, as appropriate, any reserves or other accounts maintained or established by the Liquidating Trustee.

(g) Investment Powers

The powers of the Liquidating Trustee to invest any Cash that is held by the Liquidating Trust, other than those powers reasonably necessary to maintain the value of the assets and to further the Liquidating Trust's liquidating purposes, shall be limited to powers to invest in demand and time deposits, such as short-term certificates of deposit, in banks or other savings institutions, or other temporary liquid investments, such as treasury bills. The Liquidating Trustee is prohibited from continuing or engaging in the conduct of a trade or business, except to the extent reasonably necessary to and consistent with the liquidating purpose of the Liquidating Trust.

(h) Distributions

The Liquidating Trustee shall liquidate all of the remaining Assets of the Debtor and the Debtor's Estate (including, without limitation, all Causes of Action) and make Distributions from the Liquidating Trust to Allowed Claim Holders, Allowed Interest Holders and other third parties pursuant to and consistent with the terms of the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall make continuing efforts to dispose of the Liquidating Trust Assets, make timely Distributions, and not unduly prolong the duration of the Liquidating Trust.

(i) Certain SEC Related Issues

After the Effective Date, the Liquidating Trustee will not take any action to (i) merge the Debtor into any other entity for the purposes of allowing the acquiring entity to be a public company, or (ii) sell any equity interests in the Debtor or the Debtor's corporate shell. Additionally, after the Effective Date, if eligible, the Liquidating Trustee or the Debtor, as applicable, will file the appropriate documentation with the Securities Exchange Commission to

terminate the registration of the Debtor's common stock under the Exchange Act and the reporting requirement associated therewith under the Exchange Act. If eligibility does not exist, the Liquidating Trustee or the Debtor, as applicable, will consent to any non-pecuniary action commenced by the Securities Exchange Commission to terminate such requirements.

7. The Liquidating Trust Oversight Committee

Pursuant to the terms of the Plan, a Liquidating Trust Oversight Committee shall be established consisting of the following five members: (1) Christopher Hyun (the current Chairman of the Official Committee and one of the Debtor's shareholders), (2) Stuart Plotnick (a current member of the Official Committee and one of the Debtor's shareholders), (3) James A. Feldman (the current Chairman of the Debtor's Board of Directors and one of the Debtor's largest shareholders), (4) Philip M. Arlen, M.D., (the current President and CEO of the Debtor, a current member of the Debtor's Board of Directors, and one of the Debtor's largest shareholders), and (5) Stanley B. Archibald, Jr. (the current Chairman of the Board of Precision Biologics and one of the Debtor's shareholders). The Liquidating Trust Oversight Committee will advise the Liquidating Trustee and make certain determinations as set forth in the Plan and the Liquidating Trust Agreement. Approval of a majority of the members of the Liquidating Trust Oversight Committee shall be required for the Liquidating Trust Oversight Committee to act; provided however, that if a member of the Liquidating Trust Oversight Committee fails to respond to a request by the Liquidating Trustee for determination or approval of a proposed action within five (5) business days after receiving an email request from the Liquidating Trustee for such determination or approval, or in such other timeframe that the Liquidating Trustee and the Liquidating Trust Oversight Committee mutually agrees to, the failure to respond will be deemed an acceptance of or consent to the proposed action. In the event that a member of the Liquidating Trust Oversight Committee resigns, dies, or is removed by the Bankruptcy Court for cause (gross negligence, willful misconduct or fraud), the remaining members of the Liquidating Trust Oversight Committee shall select a successor to serve in the place of that member. The Liquidating Trustee will not institute any suit or proceeding, prosecute or settle any Cause of Action, or file or resolve any objection to any Claim or any Interest without the prior approval of the Liquidating Trust Oversight Committee. In the event that the Liquidating Trustee resigns, dies, is removed by the Bankruptcy Court for cause (gross negligence, willful misconduct, or fraud) or is removed by the Liquidating Trust Oversight Committee pursuant to Article 5(C)(12) below, the Liquidating Trust Oversight Committee shall have the right to appoint a successor Liquidating Trustee in accordance with the express terms of the Plan and the Liquidating Trust Agreement. Except for (a) reimbursement of reasonable expenses, and (b) indemnification, the members of the Liquidating Trust Oversight Committee shall receive no other compensation or other payment for the performance of their duties hereunder. The Liquidating Trust Oversight Committee may adopt by-laws with respect to its operation so long as such by-laws are consistent with the terms of the Plan. In addition, the Liquidating Trust Oversight Committee shall be entitled to hire legal and/or financial professionals to help it carry out its duties under the Plan which professionals shall be compensated from the Liquidating Trust.

8. Preservation of Causes of Action; Settlement of Causes of Action

Notwithstanding any other term or provision of the Plan, the Debtor, in consultation with the Official Committee, shall have, prior to the Effective Date, sole authority and responsibility

for investigating, analyzing, commencing, prosecuting, litigating, compromising, settling, collecting, and otherwise administering the Causes of Action.

After the Effective Date, and subject to approval by the Liquidating Trust Oversight Committee as applicable, the Liquidating Trustee shall have authority and responsibility for investigating, analyzing, commencing, prosecuting, litigating, compromising, settling, collecting, and otherwise administering the Causes of Action. In accordance with section 1123(b)(3) of the Bankruptcy Code or any corresponding provision of similar federal or state laws, and except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, (a) the Liquidating Trustee shall be deemed to be a representative of the Debtor as the party in interest in the Chapter 11 Case and any adversary proceeding in the Chapter 11 Case, under the Plan or in any judicial proceeding or appeal as to which the Debtor is a party and (b) the Liquidating Trustee shall retain all of the Causes of Action of the Debtor and the Debtor's Estate, a nonexclusive list of which is set forth on Exhibit C to the Plan, and other similar claims arising under applicable state laws, including, without limitation, fraudulent transfer claims, if any, and all other causes of action of a trustee and debtor in possession under the Bankruptcy Code.

The Debtor has not concluded its investigation into the Causes of Action. Accordingly, in considering the Plan, each party in interest should understand that any and all Causes of Action that may exist against any Person or entity may be pursued by the Liquidating Trust and/or the Liquidating Trustee, regardless of whether, or the manner in which, such Causes of Action are listed on Exhibit C to the Plan or described in the Plan. The failure of the Debtor to list a claim, right, cause of action, suit or proceeding on Exhibit C to the Plan shall not constitute a waiver or release by the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust of such claim, right of action, suit or proceeding.

9. Effectuating Documents; Further Transactions

Notwithstanding any other term or provision of the Plan, prior to the Effective Date, any appropriate officer of the Debtor shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. Subject to the terms and conditions of the Plan and the Liquidating Trust Agreement, after the Effective Date, the Liquidating Trustee shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

10. Retention of Professionals by the Liquidating Trustee and/or the Liquidating Trust Oversight Committee

Subject to the approval of the Liquidating Trust Oversight Committee, the Liquidating Trustee may, without further order of the Bankruptcy Court, employ various professionals, including, but not limited to, counsel, financial advisors, consultants and expert witnesses as needed to assist him in fulfilling his obligations under the Plan, and on whatever fee arrangement he deems appropriate, including, without limitation, hourly fee arrangements and contingency fee arrangements. The Liquidating Trustee may employ professionals that were previously

employed by the Debtor or by the Official Committee.

The Liquidating Trust Oversight Committee may, without further order of the Bankruptcy Court, employ various professionals, including, but not limited to, counsel, financial advisors, consultants, and expert witnesses, as needed to assist it in fulfilling its obligations under the Plan, and on whatever fee arrangement it deems appropriate, including, without limitation, hourly fee arrangements and contingency fee arrangements. The Liquidating Trust Oversight Committee may employ professionals that were previously employed by the Debtor or by the Official Committee.

Professionals engaged by the Liquidating Trustee or the Liquidating Trust Oversight Committee shall not be required to file interim applications for compensation in order to receive the compensation provided for herein, provided, however, such professionals shall provide copies of monthly invoices to the Liquidating Trustee and the Liquidating Trust Oversight Committee. Upon submission of a monthly invoice by a professional engaged by the Liquidating Trustee or the Liquidating Trust Oversight Committee, the recipients of such invoices shall have ten (10) days to object in writing (sent to the professional with a copy to the Liquidating Trustee and the Liquidating Trust Oversight Committee as applicable) to the payment of such invoice. Such objection shall state the amount of fees and/or disbursements which are disputed and the grounds therefor. If no written objection is made to such invoice, the Liquidating Trustee shall proceed to pay such invoice from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If a written objection is timely made, the Liquidating Trustee shall proceed to pay any portion of such invoice as to which no objection has been made from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available, and the affected professional and the objector shall discuss such invoice together with the Liquidating Trustee and the Liquidating Trust Oversight Committee at the next joint meeting of the Liquidating Trustee and the Liquidating Trust Oversight Committee. If as a result of such meeting, the objection is withdrawn or resolved, the Liquidating Trustee shall proceed to pay the remainder of such invoice (subject to adjustment if the withdrawal or resolution of the objection was based upon a consensual reduction of the amount in dispute) from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If the objection is not withdrawn or resolved, the affected professional may file an application with the Bankruptcy Court to resolve such objection and authorize payment of the disputed portion of the invoice in an appropriate amount.

To the extent that there are sufficient available funds, the Liquidating Trustee shall include in the Liquidating Trust Expense Reserve Account sufficient monies to cover the reasonably foreseeable fees and expenses of such professionals incurred, or to be incurred, after the Effective Date.

11. Compensation for the Liquidating Trustee

In addition to the reimbursement for actual out-of-pocket expenses incurred by the

Liquidating Trustee, the Liquidating Trustee shall be entitled to receive reasonable compensation for services rendered on behalf of the Liquidating Trust which compensation shall be calculated as follows:

(a) Upon the Effective Date, the Liquidating Trustee shall be entitled to be paid a one-time fee of \$5,000, excluding expenses, which fee is intended to compensate the Liquidating Trustee for the time and effort spent by the Liquidating Trustee in connection with (i) the Disbursement of Cash to Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Class 1, Class 2 and Class 4 Claims and (ii) the Disbursement of the PB Stock to the Allowed Class 5 Interest Holders on a Pro Rata basis pursuant to the terms of the Plan.

(b) Upon the Effective Date and on the first Business Day of each month thereafter until the Liquidating Trustee is no longer serving as the Liquidating Trustee in connection with the Plan, the Liquidating Trustee shall be entitled to be paid a monthly fee of \$1,000 per month, excluding expenses, which fee, along with the contingency fee provided for in Paragraph c below, is intended to compensate the Liquidating Trustee for serving as the Liquidating Trustee and fulfilling all of the duties of the Liquidating Trustee in connection with the Plan and the Liquidating Trust Agreement.

(c) In addition to the monthly fee described in Paragraph b above, the Liquidating Trustee shall also be entitled to receive a contingency fee equal to five percent (5%) of the gross amount of any proceeds received by the Liquidating Trust from the prosecution, settlement and/or other monetization of the Causes of Action which contingency fee shall be paid prior to any Disbursement of the Net Litigation Recoveries to either Precision Biologics or the Allowed Class 5 Interest Holders. Notwithstanding the foregoing, in no event shall the combined contingency fee paid to the Liquidating Trustee and the Liquidating Trustee's counsel in connection with the prosecution, settlement and/or other monetization of the Causes of Action exceed a total of forty percent (40%) of the gross amount of any proceeds received by the Liquidating Trust from the prosecution, settlement and/or monetization of the Causes of Action. In addition, the Liquidating Trustee shall be entitled to the contingency fee described in this Paragraph c unless the Liquidating Trustee is removed as Liquidating Trustee by the Bankruptcy Court for Cause as defined below.

The Liquidating Trustee shall not be required to file an application for compensation in order to receive the compensation provided for herein, provided, however, the Liquidating Trustee shall provide copies of monthly expense invoices to the Liquidating Trust Oversight Committee. Upon submission of a monthly expense invoice by the Liquidating Trustee to the Liquidating Trust Oversight Committee, the Liquidating Trust Oversight Committee shall have ten (10) days to object in writing (sent to the Liquidating Trustee) to the payment of such invoice. Such objection shall state the amount of expenses which are disputed and the grounds therefor. If no written objection is made to such invoice, the Liquidating Trustee may proceed to pay such invoice from Available Cash on hand or Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If a written objection is timely made, the Liquidating Trustee may proceed to pay any portion of such invoice as to which no objection has been made from Available Cash on hand or the Liquidating Trust Expense Reserve Account to the extent

that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available, and the Liquidating Trustee and the Liquidating Trust Oversight Committee shall discuss such invoice and objection at the next joint meeting of the Liquidating Trustee and the Liquidating Trust Oversight Committee. If as a result of such meeting, the objection is withdrawn or resolved, the Liquidating Trustee may proceed to pay the remainder of such invoice (subject to adjustment if the withdrawal or resolution of the objection was based upon a consensual reduction of the amount in dispute) from Available Cash on hand or a the Liquidating Trust Expense Reserve Account to the extent that such funds are currently available or, if such funds are not currently available, as soon as such funds do become available. If the objection is not withdrawn or resolved, the Liquidating Trustee or the Liquidating Trust Oversight Committee may file an application with the Bankruptcy Court to resolve such objection and authorize payment of the invoice in an appropriate amount.

To the extent that there are sufficient available funds, the Liquidating Trustee shall include in the Liquidating Trust Expense Reserve Account sufficient monies to cover the reasonably foreseeable fees and expenses of the Liquidating Trustee incurred, or to be incurred, after the Effective Date.

12. Removal of the Liquidating Trustee

The Liquidating Trustee, or any successor Liquidating Trustee appointed pursuant to the terms of the Plan and the Liquidating Trust Agreement, may be removed as Liquidating Trustee and as trustee of the Liquidating Trust (i) by the Bankruptcy Court for cause which shall be defined as gross negligence, willful misconduct or fraud (“Cause”) or (ii) upon a four-fifths vote of the Liquidating Trust Oversight Committee for any reason.

13. Successor Liquidating Trustee

In the event that the Liquidating Trustee or any successor Liquidating Trustee resigns, dies, is removed by the Bankruptcy Court for Cause or otherwise ceases to serve as Liquidating Trustee, the Liquidating Trust Oversight Committee shall select a successor Liquidating Trustee within thirty (30) Days of such resignation, removal, or cessation of service by the incumbent Liquidating Trustee. The Liquidating Trust Oversight Committee shall file with the Bankruptcy Court a notice of such successor, which shall be served on the U.S. Trustee and all parties that have requested notice in the Chapter 11 Case. Any successor Liquidating Trustee shall be subject to the same qualifications and shall have the same rights, powers, duties and discretion, and otherwise be in the same position, as the originally named Liquidating Trustee. References herein to the Liquidating Trustee shall be deemed to refer to the successor Liquidating Trustee acting hereunder.

14. Termination

The duties, responsibilities and powers of the Liquidating Trustee and the Liquidating Trust Oversight Committee shall terminate in accordance with the terms of the Plan and the Liquidating Trust Agreement after all of the Liquidating Trust’s assets have been liquidated and after all Distributions have been made to Holders of Allowed Claims and Holders of Allowed Interests and the Liquidating Trustee obtains an order for final decree.

15. Federal Income Taxation of Liquidating Trust

(a) Treatment of Liquidating Trust and Asset Transfers

For federal income tax purposes, the Debtor, the Liquidating Trust, the Liquidating Trustee and the beneficiary Claim Holders and Interest Holders shall treat the Liquidating Trust as a liquidating trust within the meaning of Treasury Income Tax Regulation Section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 124. For federal income tax purposes, the transfer of assets to the Liquidating Trust under the Plan is treated as a deemed transfer to the beneficiary Claim Holders and Interest Holders in satisfaction of their Claims and Interests followed by a deemed transfer of the assets by the beneficiary Claim Holders and Interest Holders to the Liquidating Trust. For federal income tax purposes, the beneficiary Claim Holders and Interest Holders will be deemed to be the grantors and owners of the Liquidating Trust and its assets. For federal income tax purposes, the Liquidating Trust will be taxed as a grantor trust within the meaning of IRC Sections 671-677 (a non-taxable pass-through tax entity) owned by the beneficiary Claim Holders and Interest Holders. The Liquidating Trust will file federal income tax returns as a grantor trust under IRC Section 671 and Treasury Income Tax Regulation Section 1.671-4 and report, but not pay tax on, the Liquidating Trust's tax items of income, gain, loss deductions and credits ("**Tax Items**"). The beneficiary Claim Holders and Interest Holders will report such Tax Items on their federal income tax returns and pay any resulting federal income tax liability. The Debtor, the Liquidating Trust, the Liquidating Trustee, and the beneficiary Claim Holders and Interest Holders will use consistent valuations of the assets transferred to the Liquidating Trust for all federal income tax purposes, such valuations to be determined jointly by the Debtor and the Liquidating Trustee.

(b) Reserves that may be Established by the Liquidating Trustee

The Liquidating Trustee shall be permitted to create separate reserves for Disputed Claims and Disputed Interests. Subject to the approval of the Liquidating Trust Oversight Committee, the Liquidating Trustee may, at the Liquidating Trustee's discretion, file a tax election to treat any such reserve as a Disputed Ownership Fund ("**DOF**") within the meaning of Treasury Income Tax Regulation Section 1.468B-9 for federal income tax purposes rather than to tax such reserve as a part of the Liquidating Trust. If such an election were made, the Liquidating Trust would comply with all federal and state tax reporting and tax compliance requirements of the DOF, including but not limited to the filing of a separate federal income tax return for the DOF and the payment of federal and/or state income tax due.

ARTICLE 6 PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims or Interests Allowed as of the Effective Date

Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, all Distributions to be made on account of Claims or Interests that are Allowed Claims or Allowed Interests as of the Effective Date shall be made on the applicable Distribution Date by the Liquidating Trustee. Distributions on account of Claims or Interests that first become Allowed Claims or Allowed Interests after the Effective Date shall be made pursuant to the terms and

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

B. Liquidating Trustee as Disbursing Agent

The Liquidating Trustee shall make all Distributions required under the Plan, subject to the terms and provisions of the Plan and the Liquidating Trust Agreement. The Liquidating Trustee shall be authorized and directed to rely upon the Debtor's books and records and its representatives and professionals in determining Allowed Claims and Allowed Interests entitled to Distribution under the Plan in accordance with the terms of the Plan.

C. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Distributions to Holders of Allowed Claims or Holders of Allowed Interests shall be made by the Liquidating Trustee (a) at the addresses set forth on the Proofs of Claim or the Proofs of Interest filed by such Holders, (b) at the addresses set forth in any written notices of address changes delivered to the Liquidating Trustee after the date of any related Proof of Claim or any related Proof of Interest, (c) at the addresses reflected in the Schedules if no Proof of Claim or Proof of Interest has been filed and the Liquidating Trustee has not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtor or the Liquidating Trustee at the time of the Distribution, or (e) in the case of the Holder of a Claim or a Holder of an Interest that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer.

Distributions shall be made from the Liquidating Trust in accordance with the terms of the Plan and the Liquidating Trust Agreement.

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

2. Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim or any Holder of an Allowed Interest is returned to the Liquidating Trustee as undeliverable or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until the Liquidating Trustee is notified in writing of such Holder's then- current address, at which time all missed Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Distributions made by the Liquidating Trustee shall be returned to the Liquidating Trustee until such Distributions are claimed. The Liquidating Trustee shall, with respect to Cash, maintain in the

Liquidating Trust Cash on account of undeliverable and unclaimed Distributions until such time as a Distribution becomes deliverable, is claimed or is forfeited.

Any Holder of an Allowed Claim or any Holder of an Allowed Interest that does not assert a Claim or an Interest pursuant to the Plan for an undeliverable or unclaimed Distribution within six (6) months after such Distribution was initially attempted to be made shall be deemed to have forfeited its Claim or Interest for such undeliverable or unclaimed Distribution and shall be forever barred and enjoined from asserting any such Claim or Interest for an undeliverable or unclaimed Distribution against the Debtor, the Debtor's Estate, the Liquidating Trustee, the Liquidating Trust, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its and their property. In such cases, any Cash or PB Stock otherwise reserved for undeliverable or unclaimed Distributions shall become the property of the Liquidating Trust free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and shall be distributed in accordance with the terms of the Plan and the Liquidating Trust Agreement. Nothing contained in the Plan or the Liquidating Trust Agreement shall require the Debtor or the Liquidating Trustee to attempt to locate any Holder of an Allowed Claim or any Holder of an Allowed Interest; provided, however, that in his sole discretion, the Liquidating Trustee may periodically publish notice of unclaimed Distributions.

D. Prepayment

Except as otherwise provided in the Plan or the Confirmation Order, the Debtor or the Liquidating Trustee, as the case may be, shall have the right to prepay, without penalty, all or any portion of an Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Secured Claim or Allowed Non-Tax Priority Claim, at any time.

E. Means of Cash Payment

Cash payments made pursuant to the Plan shall be in U.S. dollars and shall be made, on and after the Effective Date, at the option and in the sole discretion of the Liquidating Trustee by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Liquidating Trustee. In the case of foreign Creditors, Cash payments may be made, at the option of the Liquidating Trustee, in such funds and by such means as are necessary or customary in a particular jurisdiction.

F. Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Claim Holder shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

G. Withholding and Reporting Requirements

In connection with the Plan and all Distributions under the Plan, the Liquidating Trustee

shall, to the extent applicable, comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all Distributions under the Plan shall be subject to any such withholding, payment, and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment, and reporting requirements. All amounts properly withheld from Distributions to a Holder as required by applicable law and paid over to the applicable taxing authority for the account of such Holder shall be treated as part of the Distributions to such Holder. All persons holding Claims or Interests shall be required to provide any information necessary to effect information reporting and withholding of such taxes. The Liquidating Trustee shall be entitled in its sole discretion to withhold any Distributions to a Holder of an Allowed Claim or to a Holder of an Allowed Interest that fails to provide tax identification or social security information to the Liquidating Trustee upon written request. With respect to any employee-related withholding, if the Debtor is obligated by law to withhold amounts from Distributions to a present or former employee to satisfy such present or former employee's tax and other payroll obligations, the Liquidating Trustee may withhold a portion of the Distributions allocated to the Holder of an Allowed Claim that is a present or former employee, whether or not such Distributions are in the form of Cash, in such amount as is determined necessary to satisfy such Holder's tax and other payroll obligations with respect to the Distributions.

Notwithstanding any other provision of the Plan, (a) each Holder of an Allowed Claim or Holder of an Allowed Interest that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution, and (b) no Distribution shall be made to or on behalf of such Holder pursuant to the Plan unless and until such Holder has made arrangements satisfactory to the Liquidating Trustee for the payment and satisfaction of such withholding tax obligations or such tax obligation that would be imposed upon the Liquidating Trustee in connection with such Distribution. Any property to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution pursuant to Article 6 of the Plan.

H. Setoffs

1. By the Debtor

Except as otherwise provided in the Plan, the Debtor, prior to the Effective Date, and the Liquidating Trustee, on and after the Effective Date, may, pursuant to Bankruptcy Code section 553 or applicable nonbankruptcy laws, but shall not be required to, set off against any Claim or any Interest, and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim or such Interest, claims of any nature whatsoever that the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust may have against the Holder of such Claim or the Holder of such Interest; provided, however, that neither the failure to do so nor the allowance of any Claim or any Interest hereunder shall constitute a waiver or release by the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust of any such claim that the Debtor, the Debtor's Estate, the Liquidating Trustee or the Liquidating Trust may have against the Holder of such Claim or the Holder of such Interest.

2. By Non-Debtor

Unless otherwise stipulated in writing by the Debtor (before the Effective Date) or by the Liquidating Trustee (after the Effective Date), any party against whom a claim or counterclaim is asserted by the Debtor's Estate or the Liquidating Trust (an "**Estate Claim**") must assert any setoff rights, right of subrogation, or recoupment of any kind against such Estate Claim at the time it answers such Estate Claim, or such right of setoff, subrogation or recoupment will be deemed waived and forever barred; provided, however that nothing in the Plan shall limit the assertion of such right of setoff, subrogation or recoupment via an amended or supplemental pleading to the extent permitted by Rule 15 of the Federal Rules of Civil Procedure and/or Rule 7015 of the Federal Rules of Bankruptcy Procedure.

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

1. Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Administrative Expense Claims and Professional Fee Claims, all objections to Claims or Interests must be filed and served on the Holders of such Claims or the Holders of such Interests by the Claims and Interests Objection Deadline, as the same may be extended by the Bankruptcy Court. If an objection has not been filed to a Proof of Claim or a Proof of Interest, or the Schedules have not been amended with respect to a Claim or Interest that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated, and/or disputed, by the Claims and Interests Objection Deadline, as the same may be extended by order of the Bankruptcy Court, the Claim or Interest to which the Proof of Claim or Proof of Interest or Scheduled Claim or Interest relates will be treated as an Allowed Claim or an Allowed Interest if such Claim or Interest has not been Allowed earlier. Notice of any motion for an order extending the Claims and Interests Objection Deadline shall be required to be given only to those persons or entities that have requested notice in the Chapter 11 Case, or to such persons as the Bankruptcy Court shall order.

Prior to the Effective Date, the Debtor may settle or compromise any Disputed Claim or Disputed Interest with the approval of the Bankruptcy Court. After the Effective Date, subject to the terms of the Plan and the Liquidation Trust Agreement, the Liquidating Trustee may settle or compromise any Disputed Claim or Disputed Interest with the approval of the Liquidating Trust Oversight Committee without the need for Bankruptcy Court approval.

2. No Distributions on Disputed Claims or Disputed Interests

Notwithstanding any other provision of the Plan or the Liquidating Trust Agreement, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim or a Disputed Interest unless and until all objections to such Disputed Claim or Disputed Interest have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim or Disputed Interest, or some portion thereof, has become an Allowed Claim or an Allowed Interest; provided, however, that if the only dispute regarding a Disputed Claim or a Disputed Interest is to the amount of the Disputed Claim or the Disputed Interest, the Holder of a Disputed Claim or the Holder of a Disputed Interest shall be entitled to a Distribution on account of that

portion of the Disputed Claim or the Disputed Interest which the Debtor, prior to the Effective Date, or the Liquidating Trustee with the approval of the Liquidating Trust Oversight Committee, after the Effective Date, do not dispute at the time and in the manner that the Debtor or the Liquidating Trustee, as applicable, makes Distributions to Holders of Allowed Claims or Holders of Allowed Interests pursuant to the provisions of the Plan.

3. Distributions on Allowed Claims and Allowed Interests

Payments and Distributions from the Liquidating Trust to each respective Claim Holder or Interest Holder on account of a Disputed Claim or a Disputed Interest, to the extent that it ultimately becomes an Allowed Claim or an Allowed Interest, shall be made in accordance with the provisions of the Plan that govern Distributions to such Claim Holders and Interest Holders. Except as otherwise provided in the Plan, on the earlier of (a) the applicable Distribution Date following the date when a Disputed Claim or a Disputed Interest becomes an Allowed Claim or an Allowed Interest or (b) ninety (90) days after such Disputed Claim or Disputed Interest becomes an Allowed Claim or an Allowed Interest, the Liquidating Trustee will distribute to the Claim Holder or Interest Holder any Cash or other Distribution from the Liquidating Trust that would have been distributed on the dates Distributions were previously made to Claim Holders or Interest Holders had such Allowed Claim or Allowed Interest been an Allowed Claim or an Allowed Interest on such dates.

4. De Minimis Distributions

Except as otherwise provided in the Plan, the Liquidating Trustee shall not have any obligation to make a Distribution on account of an Allowed Claim or an Allowed Interest if the amount to be distributed to the specific Holder of the Allowed Claim or the Holder of the Allowed Interest on the particular Periodic Distribution Date does not constitute a final Distribution to such Holder and such Distribution has a value less than \$25.00. The Liquidating Trustee shall have no obligation to make any Distribution on Allowed Claims or Allowed Interests in an amount or of a value less than \$10.00.

J. Fractional Dollars

Any other provision of the Plan notwithstanding, the Liquidating Trustee shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

K. Fractional Shares

Any other provision of the Plan notwithstanding, the Liquidating Trustee shall not be required to make Distributions of fractions of shares of PB Stock. Whenever any Distribution of a fraction of a share of PB Stock under the Plan would otherwise be called for, the actual Distributions shall reflect a rounding down of such fraction to the nearest whole share. In the event that there are any remaining undisbursed shares of PB Stock after the Liquidating Trustee has distributed the PB Stock on a Pro Rata basis to all Allowed Interest Holders, Precision Biologics, shall upon the Liquidating Trustee's request promptly purchase from the Liquidating

Trust all such remaining shares of PB Stock in Cash at \$1.50 per share.

L. Allocation of Plan Distributions Between Principal and Interest

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

M. Distribution Record Date

The Liquidating Trustee will have no obligation to recognize the transfer of or sale of any interest in any Allowed Claim or any Allowed Interest that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes related to the Plan to recognize, deal with and distribute only to those Holders of Allowed Claims or Holders of Allowed Interests who are record Holders of such Claims or Interests, or participants therein, as of the close of business on the Distribution Record Date, as stated on the official claims register.

**ARTICLE 7
TREATMENT OF EXECUTORY CONTRACTS
AND UNEXPIRED LEASES**

A. Executory Contracts and Unexpired Leases Deemed Rejected

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan Document, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 rejecting all prepetition executory contracts and unexpired leases to which the Debtor is a party, to the extent that such contracts or leases are executory contracts or unexpired leases, on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed, assumed and assigned, or rejected by the Debtor, (b) previously shall have expired or terminated pursuant to its own terms before the Effective Date, (c) is the subject of a pending motion to assume or reject on the Confirmation Date, (d) is identified in Exhibit A to the Plan as an Assumed Contract or (e) is identified in Exhibit D to the Plan as an insurance agreement of the Debtor; provided, however, that the Debtor may amend such Exhibit D at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit shall not constitute an admission by the Debtor that such agreement is an executory contract or that the Debtor has any liability thereunder.

B. Bar Date for Rejection Damages

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

C. Assumed and Assigned Contracts

Except as otherwise provided in the Confirmation Order, the Plan, or any other Plan Document entered into after the Petition Date or in connection with the Plan, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, (a) those executory contracts identified in Exhibit A to the Plan as Assumed Contracts and (b) those insurance agreements listed on Exhibit D to the Plan; provided, however, that the Debtor may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit shall not constitute an admission by the Debtor that such agreement is an executory contract or that the Debtor has any liability thereunder.

**ARTICLE 8
CONFIRMATION AND CONSUMMATION OF THE PLAN**

A. Conditions Precedent to Plan Confirmation

The following are conditions precedent to the occurrence of the Confirmation Date:

1. A Final Order, in form and substance reasonably acceptable to the Debtor, finding that the Disclosure Statement contains adequate information pursuant to Bankruptcy Code section 1125 shall have been entered by the Bankruptcy Court;
2. The Confirmation Order, in form and substance reasonably acceptable to the Debtor, in consultation with the Official Committee, shall have been entered by the Bankruptcy Court; and
3. The Bankruptcy Court shall have approved all of the provisions, terms and conditions of the Plan in the Confirmation Order.

B. Conditions Precedent to the Effective Date

The following are conditions precedent to the occurrence of the Effective Date.

1. The Confirmation Order, in form and substance reasonably acceptable to the Debtor, shall have been entered and become a Final Order;

2. The Debtor and the Liquidating Trustee shall be authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases, indentures, and the agreements or documents created in connection with and expressly provided for under the Plan and to implement and carry out the terms of the Plan and the Liquidating Trust Agreement;
3. All Plan Exhibits shall be, in form and substance reasonably acceptable to the Debtor, and shall have been executed and delivered by all parties' signatory thereto; and
4. All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed.

C. Waiver of Conditions Precedent

Each of the conditions set forth in Article 8(B) of the Plan may be waived in whole or in part by the Debtor. The failure to satisfy or waive any condition to the Effective Date may be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

D. Consequences of Non-Occurrence of the Effective Date

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

E. Substantial Consummation

Substantial consummation of the Plan, as defined in Bankruptcy Code section 1101(2), shall not be deemed to have occurred unless and until (a) all Allowed Claims have been paid in full or, to the extent not paid in full, funds sufficient to satisfy all Allowed Claims have been placed in a segregated reserve and (b) the PB Stock has been Distributed pro rata to Holders of Allowed Class 5 Claims pursuant to the terms of the Plan.

**ARTICLE 9
ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE EXPENSE
CLAIMS**

A. Professional Fee Claims

1. Final Fee Applications

The Professionals' Final Fee Applications must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the requesting Professional, the Debtor and its counsel, the Official Committee and its counsel, the Liquidating Trustee and his counsel, and the Office of the U.S. Trustee no later than fourteen (14) days from the date on which each such Final Fee Application is filed and served. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court. All Professional Fee Claims shall be paid in full immediately upon approval by the Bankruptcy Court.

2. Employment of Professionals After the Effective Date

Except as otherwise provided for in the Plan and the Liquidating Trust Agreement, from and after the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 or any order previously entered by the Bankruptcy Court in seeking retention or compensation for services rendered or expenses incurred after such date shall terminate.

B. Other Administrative Expense Claims

All other requests for payment of an Administrative Expense Claim arising after July 23, 2012 up to and through the Effective Date, other than Professional Fee Claims, must be filed with the Court and served on the Liquidating Trustee and his counsel no later than the Administrative Expense Claims Bar Date. Unless the Liquidating Trustee or any other party in interest objects to an Administrative Expense Claim by the Administrative Expense Claims Objection Deadline, such Administrative Expense Claim shall be deemed allowed in the amount requested. In the event that the Liquidating Trustee or any other party in interest objects to an Administrative Expense Claim, the Bankruptcy Court shall determine the allowed amount of such Administrative Expense Claim.

**ARTICLE 10
EFFECT OF PLAN CONFIRMATION**

A. Binding Effect

The Plan shall be binding upon and shall inure to the benefit of the Debtor, all present and former Holders of Claims, all present and former Holders of Interests, the Official Committee, the Liquidating Trust Oversight Committee, the Liquidating Trustee, the Liquidating Trust, Precision Biologics, all other parties in interest, and all of their respective successors and assigns.

B. Discharge of the Debtor

Pursuant to Bankruptcy Code section 1141(d)(3), Confirmation will not discharge Claims against or Interests in the Debtor; provided, however, that no Claim Holder or Interest Holder may, on account of such Claim or Interest, seek or receive any payment or other Distribution

from, or seek recourse against, the Debtor, the Debtor's Estate, the Liquidating Trustee, the Liquidating Trust, and/or their respective successors, assigns and/or property, except as expressly provided for in the Plan.

C. Exculpation and Releases

1. Exculpation and Limitations of Liability

Except as otherwise expressly provided in the Plan or in the Confirmation Order, the Released Parties shall not have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or any Holder of an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or Affiliates, or any of their successors or assigns, for any act or omission relating to, in any way, or arising from (i) the preparation and/or prosecution of this Chapter 11 Case, (ii) formulating, negotiating or implementing the Plan (including the Disclosure Statement), any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan; (iii) any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtor; (iv) the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the Consummation of the Plan, or (v) the administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct as determined by a Final Order, and in all respects each of the Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to the foregoing matters. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Released Parties from liability.

2. Releases by the Debtor

Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the Debtor, on its own behalf and as a representative of the Debtor's Estate, shall, and shall be deemed to, completely and forever release, waive, void, extinguish, and discharge unconditionally, each and all of the Released Parties of and from any and all claims, causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any kind, type or nature whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that are or may be based in whole or part on any act, omission, transaction, event, or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to the Debtor, its assets, property, or Estate or the Chapter 11 Case or the Plan or the Disclosure Statement, that may be asserted by or on behalf of the Debtor or its Estate, against any of the Released Parties; provided, however, that nothing in Article 10 of the Plan shall be construed to release any Released Party from their gross negligence or willful misconduct as determined by a Final Order.

3. Releases by Holders of Claims and Holders of Interests

Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, for good and valuable consideration, including the satisfaction of the Director and Officer Indemnification Claims and consistent with the treatment provided the Holders of Class 3 Claims under the Plan with respect to the Director and Officer Indemnification Claims, to the fullest extent permissible under applicable law, each Person that has held, currently holds, or may hold a Claim or any other obligation, suit, judgment, damages, debt, right, remedy, cause of action, or liability of any kind, type or nature whatsoever, or that has held, currently holds or may hold any Interest, shall be deemed to completely and forever release, waive, void, extinguish, and discharge unconditionally each and all of the Released Directors and Officers of and from any and all claims, causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any kind, type or nature whatsoever (including, without limitation, those arising under the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise that are or may be based in whole or part on any act, omission, transaction, event, or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to the Debtor or its assets, property or Estate, the Chapter 11 Case or the Plan or the Disclosure Statement; provided, however, that nothing in Article 10 of the Plan shall be construed to release any of the Released Directors and Officers from their gross negligence or willful misconduct as determined by a Final Order.

4. Exceptions to Releases

Notwithstanding the releases set forth in Article 10 of the Plan, the following Claims and Causes of Action are expressly excepted from such releases and such individuals and entities shall not be deemed to be either Released Parties or Released Directors and Officers, as applicable:

- (a) any and all Claims or Causes of Action against Peter Gordon, the Debtor's former CFO;*
- (b) any and all Claims or Causes of Action against Daniel J. Scher, Esquire, the Debtor's former in-house counsel;*
- (c) any and all Claims or Causes of Action against Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and/or Nixon Peabody LLP, the Debtor's former outside counsel;*
- (d) any and all Claims or Causes of Action against EisnerAmper LLP, the Debtor's outside auditor; and*
- (e) any and all Claims or Causes of Action against any unlicensed compensated finder involved in the sale of the Debtor's common stock.*

5. Injunction Related to Exculpation and Releases

Except as provided in the Plan or in the Confirmation Order, as of the Effective Date, (i) all Claim Holders and Interest Holders and (ii) all other parties in interest in this Chapter 11

Case are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Parties or any Released Directors and Officers or their property on account of those matters identified and set forth in the foregoing exculpation and release sections, whether directly or indirectly, derivatively or otherwise:

(a) *commencing, conducting or continuing in any manner, directly, indirectly or derivatively, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum;*

(b) *enforcing, attaching (including, without limitation, any prejudgment attachment), executing, collecting, or recovering in any manner, directly, indirectly or derivatively, any judgment, award, decree, or other order;*

(c) *creating, perfecting or enforcing, directly, indirectly or derivatively, in any manner, any lien or encumbrance of any kind;*

(d) *setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly, indirectly or derivatively, any amount against any liability or obligation that is discharged under Article 10 of the Plan; and*

(e) *commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.*

Notwithstanding anything to the contrary contained in Article 10(C)(5) of the Plan, the injunction provided for herein shall not enjoin any Claim Holders, Interest Holders or other parties in interest from pursuing any claims against any Released Parties or any Released Directors and Officers based on any such Released Parties' or any such Released Directors and Officers' gross negligence or willful misconduct. In the event that any such Claim against any such Released Parties or any such Released Directors and Officers is brought based on their alleged gross negligence or their alleged willful misconduct and a Final Order is not entered finding any such Released Parties or any such Released Directors and Officers liable for either gross negligence or willful misconduct, then in that event, the party bringing such a Claim shall be deemed to have willfully violated the injunction provided for in Article 10(C)(5) of the Plan and shall be liable to any such Released Parties or any such Released Directors and Officers as more specifically set forth below.

Any Released Party or Released Director and Officer injured by any willful violation of such injunction shall recover actual damages, including, but not limited to, costs and attorneys' fees and expenses, and, in appropriate circumstances, may recover punitive damages from the willful violator. If the Released Party or Released Director and Officer seeks and receives indemnification for such damages from the Liquidating Trust, the Liquidating Trust shall become subrogated to the Released Party's or Released Director and Officer's rights and claims against such willful violator. Nothing contained herein, however, shall require the Released Party or Released Director and Officer to first seek recovery of such damages from the willful violator as a precondition to seeking and receiving indemnification from the Liquidating Trust. Moreover,

nothing contained in Article 10 of the Plan shall prohibit the Holder of a Disputed Claim or the Holder of a Disputed Interest from litigating its right to seek to have such a Disputed Claim or Disputed Interest declared an Allowed Claim or an Allowed Interest and paid in accordance with the distribution provisions of the Plan or the Liquidating Trust Agreement, or enjoin or prohibit the enforcement by the Holder of an Allowed Claim or the Holder of an Allowed Interest from enforcing its rights under the Plan.

D. Term of Bankruptcy Injunction or Stays

Pursuant to Article 10 of the Plan, all injunctions or stays provided for in this Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

E. Indemnification Obligations

1. Prospective Indemnification Obligations

To the fullest extent permitted under law, the Liquidating Trust shall defend, indemnify and hold harmless the Released Parties and the Released Directors and Officers from and against all claims, causes of action, obligations, suits, judgments, damages, debts, rights, remedies, and liabilities of any kind, type or nature whatsoever, as well as from and against all losses and damages, including without limitation attorneys' fees and expenses, incurred by any Released Party or by any Released Directors and Officers arising from, on account of, or in connection with those matters identified and set forth in the foregoing exculpation and release sections, except for their gross negligence or willful misconduct as determined by a Final Order (the "**Indemnification Payments**"). The Liquidating Trustee shall only pay the Indemnification Payments if each of the following conditions are met: (i) all Unclassified Claims are satisfied in full; (ii) all Holders of Allowed Class 1 Claims are satisfied in full; (iii) all Holders of Allowed Class 2 Claims are satisfied in full; (iv) all Holders of Allowed Class 4 Claims are satisfied in full; (v) all fees and expenses of the Liquidating Trustee and his professionals are satisfied in full and an appropriate reserve is established for any reasonably foreseeable remaining fees and expenses; (vi) all fees and expenses of the Liquidating Trust Oversight Committee and its professionals are satisfied in full and an appropriate reserve is established for any reasonably foreseeable remaining fees and expenses; and (vii) any amounts due to Precision Biologics under section 3.1(f) of the APA, as subsequently amended and as revised by the Bid Procedures Order (as defined in the Disclosure Statement), are satisfied in full. In addition to the foregoing, the PB Stock shall not be used for any Indemnification Payments.

2. Existing Indemnification Obligations

Except as otherwise provided in the Plan, as of the Effective Date, all indemnification obligations of the Debtor pursuant to its articles of incorporation, its bylaws, any indemnification agreements or applicable state law shall be deemed to be void and of no further force or effect. Nothing in the Plan, however, shall be deemed to release the Debtor's insurers from any claims that might be asserted by those parties entitled to indemnification by the Debtor pursuant to its articles of incorporation, its bylaws, any indemnification agreements or applicable state law, to the extent of available coverage.

F. Dissolution of the Official Committee

Effective on the Effective Date, the Official Committee shall have no further powers or duties and shall be dissolved for all purposes; provided, however, that the Official Committee and the Professionals employed by the Official Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing, and prosecution of Final Fee Applications, upon the submission of invoices to the Liquidating Trustee.

**ARTICLE 11
RETENTION OF JURISDICTION**

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

- A. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Expense Claim, the resolution of any objections to the allowance or priority of Claims or Interests and the determination of requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a);
- B. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4); provided, however, that from and after the Effective Date, the payment of the fees and expenses of the retained Professionals of the Debtor, the Official Committee, the Liquidating Trustee, the Liquidating Trust and/or the Liquidating Trust Oversight Committee shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;
- C. Hear and determine all matters with respect to the assumption 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 hear, determine and, if necessary, liquidate any Claims arising therefrom;
- D. Effectuate performance of and payments under the provisions of the Plan;
- E. Hear and determine any and all adversary proceedings, motions, applications and contested or litigated matters arising out of, under or related to the Debtor, the Chapter 11 Case, the Plan, the Confirmation Order or the Liquidating Trust Agreement;
- F. Enter such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases and

other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

- G. Hear and determine disputes arising in connection with the interpretation, implementation, consummation or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan or the Confirmation Order;
- H. Consider any modifications of the Plan, cure any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- I. Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;
- J. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated;
- K. Hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
- L. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Case;
- M. Except as otherwise limited in the Plan, recover all Assets of the Debtor and property of the Debtor's Estate, wherever located;
- N. Hear and determine matters concerning state, local and federal taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;
- O. Hear and determine all matters related to the property of the Debtor's Estate from and after the Confirmation Date;
- P. Hear and determine the Causes of Action;
- Q. Hear and determine all disputes involving the existence, nature or scope of the injunctions, indemnification, exculpation and releases granted pursuant to the Plan;
- R. Hear and determine all matters related to (i) the property of the Debtor's Estate from and after the Confirmation Date, (ii) the winding up of the Debtor's affairs, and (iii) the activities of the Liquidating Trustee and/or the Liquidating Trust, including (A) challenges to or approvals of the Liquidating Trustee's activities,

- (B) resignation, incapacity or removal of the Liquidating Trustee and successor Liquidating Trustees, (C) reporting by, termination of and accounting by the Liquidating Trustee, and (D) release of the Liquidating Trustee from its duties;
- S. Hear and determine disputes with respect to compensation of the Liquidating Trustee, the Liquidating Trustee's Professionals and the Liquidating Trust Oversight Committee's Professionals;
- T. Hear and determine all disputes involving and/or relating to any liability arising out of any termination of employment or the termination of any employee or employee benefit provision, regardless of whether such termination occurred prior to or after the Effective Date;
- U. Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;
- V. Enforce all orders previously entered by the Bankruptcy Court;
- W. Dismiss the Chapter 11 Case; and
- X. Enter a final decree closing the Chapter 11 Case.

ARTICLE 12 MISCELLANEOUS PROVISIONS

A. Modifications and Amendments

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

B. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, then the Bankruptcy Court, at the request of the Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and

effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

C. Successors and Assigns

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

D. Payment of Statutory Fees

All fees then due and payable pursuant to 28 U.S.C. § 1930, as determined by the Court at the Confirmation Hearing, shall be paid on or before the Effective Date by the Debtor or the Liquidating Trustee. All such fees that become due and payable thereafter by a Debtor shall be paid by the Liquidating Trustee. The Liquidating Trustee shall pay quarterly fees to the U.S. Trustee until the Chapter 11 Case is closed or converted and/or the entry of a final decree. The Debtor, through the Liquidating Trust, shall file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which shall be paid by the Debtor and/or the Liquidating Trustee.

E. Revocation, Withdrawal or Non-Consummation

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

F. Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon the Debtor, the Official Committee, and/or the Liquidating Trustee under the Plan shall be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, (iv) first class mail, or (v) facsimile transmission, (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, and (d) addressed as follows:

The Debtor:

GREENBERG TRAURIG, LLP

1750 Tysons Boulevard

Suite 1200

McLean, Virginia 22102

Attn: Lawrence E. Rifken, Esq. and Thomas J. McKee, Jr., Esq.

(703) 749-1300 (phone)

(703) 749-1301 (fax)

The Official Committee:

If by personal service or overnight delivery:

SANDS ANDERSON PC

1111 East Main Street, 24th Floor

Richmond, Virginia 23219

(Attn: Roy M. Terry, Jr., Esq. and Elizabeth L. Gunn, Esq.)

(804) 648-1636 (phone)

(804) 783-7291 (fax)

If by first class mail:

SANDS ANDERSON PC

P.O. Box 1998

Richmond, Virginia 23218-1998

(Attn: Roy M. Terry, Jr., Esq. and Elizabeth L. Gunn, Esq.)

(804) 648-1636 (phone)

(804) 783-7291 (fax)

The Liquidating Trust/The Liquidating Trustee:

Peter Kravitz, Liquidating Trustee

Solution Trust

230 Park Avenue, 10th Floor

New York, New York 10169

(212) 808-7230 (phone)

(310) 974-6342 (fax)

G. Plan Supplement(s)

Exhibits to the Plan not attached hereto shall be filed in one or more Plan Supplements by the Exhibit Filing Date. Any Plan Supplement (and amendments thereto) filed by the Debtor shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth herein. Substantially contemporaneously with their filing, the Plan Supplements may be viewed at the office of the clerk of the Bankruptcy Court or its designee during normal business hours, by visiting the Court's website at www.mdb.uscourts.gov (PACER account required) or by visiting www.kccllc.net/neogenix. Holders of Claims and/or Holders of Interests may obtain a copy of any Plan Supplements upon reasonable written request to the Claims Agent. The

documents contained in any Plan Supplements shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

H. Plan Exhibits

Any and all Plan Exhibits, or other lists or schedules not filed with the Plan shall be filed with the Clerk of the Bankruptcy Court at least five (5) Business Days prior to date of the commencement of the Confirmation Hearing. Upon such filing, such documents may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Holders of Interests may obtain a copy of any such document upon written request to the Debtor in accordance with Article 12(F) of the Plan.

I. Tax Reporting And Compliance

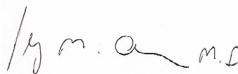
The Liquidating Trustee is hereby authorized, on behalf of the Debtor, to request an expedited determination under Bankruptcy Code section 505(b) of the tax liability of the Debtor for all taxable periods ending after the Petition Date through and including the Effective Date.

J. Filing Of Additional Documents

On or before substantial consummation of this Plan, the Debtor shall file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

Dated: March 11, 2013

Neogenix Oncology, Inc.
Debtor and Debtor-in-Possession

By: 

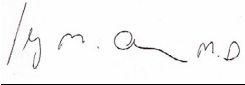
Name: Philip M. Arlen, M.D.

Title: President and Chief Executive Officer

and Interest Holder recoveries. Therefore, the Debtor and the Official Committee strongly recommend that you timely cast your Ballot and vote in favor of the Plan.

Dated: March 11, 2013

**Neogenix Oncology, Inc.
Debtor and Debtor-in-Possession**

By: 
Name: Philip M. Arlen, M.D.
Title: President and Chief Executive Officer

GREENBERG TRAURIG, LLP

By: /s/ Thomas J. McKee, Jr.
Lawrence E. Rifken, Esq. (*Pro Hac Vice*)
Thomas J. McKee, Jr., Esq. (MD Bar No. 16517)
1750 Tysons Boulevard, Suite 1200
McLean, Virginia 22102
Telephone: (703) 749-1300
Facsimile: (703) 749-1301
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mckeet@gtlaw.com

- and -

Maria J. DiConza (*Pro Hac Vice*)
Greenberg Traurig, LLP
200 Park Avenue
New York, NY 10166
Telephone: (212) 801-9200
Facsimile: (212) 801-6400
diconzam@gtlaw.com

Counsel for Debtor and Debtor-in-Possession