THIS IS NOT A SOLICITATION OF VOTES FOR THE AMENDED PLAN. VOTES MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED A DISCLOSURE STATEMENT. THIS AMENDED DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THIS AMENDED DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re:	Chapter 11
OAK ROCK FINANCIAL, LLC,	Case No. 8:13-72251-REG
Debtor.	

AMENDED DISCLOSURE STATEMENT IN SUPPORT OF THE AMENDED JOINT PLAN OF LIQUIDATION OF OAK ROCK FINANCIAL, LLC

Dated: August 29, 2018

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Pursuant to Chapter 11 of Title 11 of the United States Code, *11 U.S.C. § 101, et seq.* (the "Bankruptcy Code"), Oak Rock Financial, LLC ("Oak Rock" or the "Debtor"), the Debtor and Debtor in Possession in the above-captioned Chapter 11 Case, together with Israel Discount Bank of New York, as Agent, Bank Leumi USA, Capital One Bank, National Association, and Bank Hapoalim B.M. (collectively, the "Lenders" and, together with the Debtor, the twenty-three creditors[1] represented by Michael G. McAuliffe, Esq. (the "McAuliffe Claimants") and the eleven Rothenberg Defendants[2] represented by Steven M. Kaplan, Esq. of Kaplan Levenson P.C., the "Amended Plan Proponents") hereby submit this Amended Disclosure Statement (the "Amended Disclosure Statement") in support of the Amended Joint Plan of Liquidation of Oak Rock Financial, LLC Under Chapter 11 of the Bankruptcy Code (the "Amended Plan" or the "Joint Amended Plan", which is annexed hereto). The Honorable Robert E. Grossman presides over the Case, which is pending in the United States Bankruptcy Court for the Eastern District of New York (the "Bankruptcy Court or "Court").

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1. Estate of Elinor Yagerman
2. James J. Gries, Supplemental Trust Fund a/k/a Estate of James Gries
3. Clinton Brown, III
4. John Grillo
5. Natalie Grillo, as individual
6. Natalie Grillo, as custodian for Emily Grillo
7. Natalie Grillo, as custodian for Christopher Grillo
8. Natalie Grillo, as custodian for Matthew Grillo
9. Natalie Grillo, as custodian for Samantha Grillo
10. Christian Garsault
11. Maria Garsault
12. Elena Fischer
13. Robert Wayne
14. Margarita Cardwell
15. Miriam Cardwell
16. Lizbeth Garcia a/k/a Lizbeth Garcia Mesa
17. Charles Cobb, as individual
18. Jennifer Cobb
19. Charles Cobb, as custodian for Caitlyn Cobb
20. Rose McGeever
21. William Clark
22. Maureen Cox
23. Lawrence Cox

2

1. Laura Kaplan
2. Arlene Saftler
3. POS Funding
4. Eric Rothenberg
5. Alisse Rothenberg
6. Eric Jay Rothenberg Rollover IRA
7. Jeffrey Rapaport
8. Jeffrey Rapaport MD Defined Benefit Sharing Plan
9. Shelley Saftler
10. Corey Saftler
11. Corey Saftler CGM IRA Custodian

The definitions contained in the Bankruptcy Code are incorporated herein by this reference. The definitions set forth in Article I of the Amended Plan shall also apply to capitalized terms used herein that are not otherwise defined.

I. INTRODUCTION AND OVERVIEW

A. INTRODUCTION

On April 29, 2013 (the "Petition Date"), Israel Discount Bank of New York ("IDB"), Bank Leumi USA ("Bank Leumi"), and Bank Hapoalim B.M. ("Bank Hapoalim") (IDB, Bank Leumi and Bank Hapoalim are collectively referred to herein as the "Petitioning Creditors") filed an involuntary petition (the "Involuntary Petition") under Chapter 7 of the Bankruptcy Code against Oak Rock in the Bankruptcy Court.

This Amended Disclosure Statement, submitted in accordance with Bankruptcy Code § 1125, contains information regarding the Amended Plan proposed by the Proponents. A copy of the Amended Plan accompanies this Amended Disclosure Statement. The Amended Disclosure Statement is being distributed to you for the purpose of enabling you to make an informed judgment about the Amended Plan.

The Amended Disclosure Statement describes the Amended Plan and contains information concerning, among other matters: (1) the history, business, assets and liabilities of the Debtor's Estate, and a description of all pending litigation and other recoveries (2) the assets available for distribution under the Amended Plan and (3) a summary of the Amended Plan and the means for implementation of the Amended Plan. The Debtor strongly urges you to review carefully the contents of this Amended Disclosure Statement and the Amended Plan (including the exhibits to each) before making a decision to accept or reject the Amended Plan. Particular attention should be paid to the provisions affecting or impairing your rights as a Creditor.

On May 3, 2018, the Plan Proponents filed a Disclosure Statement in Support of Joint Plan of Liquidation (the "Disclosure Statement"), along with a proposed Joint Plan of Liquidation (the "Plan"). On June 7, 2018, the Official Committee of Unsecured Creditors (the "UCC") filed a Preliminary Objection to Joint Disclosure Statement (the "UCC Objection"). On June 11, 2018, North Mill Capital, LLC ("North Mill") and ZFI Endowment Partners, LLP ("ZFI") filed a Preliminary Objection to Joint Disclosure Statement (the "North Mill/ZFI Objection", and with the UCC objection, the "Objections"). A hearing on the Disclosure Statement and Objections was held by the Bankruptcy Court on June 18, 2018. Subsequently, the North Mill/ZFI Objection was resolved. The UCC Objection, which was never ruled on by the Bankruptcy Court, maintained that the Disclosure Statement should not be approved on the grounds that the Plan is non-confirmable because, according to the UCC, it does not permit the Court to determine the allowed Professional fees and expenses of the UCC's counsel, Perkins Coie LLP. The UCC Objection further asserted that the Disclosure Statement contained inaccurate or misleading statements of fact, most particularly with respect to the Disclosure Statement's description of the UCC Litigation (as defined below). To address the UCC Objection, this Amended Disclosure Statement, commencing at page 50, incorporates the UCC's Statement of Position, which sets forth in detail and largely, if not entirely, verbatim the UCC's rebuttal to what it contends are the various misleading and/or inaccurate statements contained in the Disclosure Statement (and carried over

into this Amended Disclosure Statement), including, but not limited to, the UCC Litigation. The Plan Proponents do not endorse the UCC's Statement of Position.

On or about _____, 2018, the Bankruptcy Court approved this Amended Disclosure Statement as containing sufficient information to enable a hypothetical reasonable investor to make an informed judgment about the Amended Plan. Under Bankruptcy Code § 1125, this approval enabled the Proponents to send you this Amended Disclosure Statement and solicit your acceptance of the Amended Plan. The Bankruptcy Court has not considered the Amended Plan itself or conducted a detailed investigation into the contents of this Amended Disclosure Statement.

Your vote on the Amended Plan is important. Absent acceptance of the Amended Plan, there may be no distribution whatsoever to any Creditor other than to the Lenders assuming the Lenders are successful in the UCC Litigation pending before the Bankruptcy Court and the decision of the Bankruptcy Court granting the Lenders first priority liens on all assets of the Oak Rock Estate is sustained on appeal. Accordingly, the Proponents urge you to accept the Amended Plan by completing and returning the enclosed ballot(s) no later than _____, 2018, at 5:00 p.m. Eastern Time.

B. DISCLAIMERS

THIS AMENDED DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PROPOSED JOINT AMENDED PLAN. PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THE AMENDED DISCLOSURE STATEMENT IS TO PROVIDE "ADEQUATE INFORMATION" OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF THE DEBTOR AND THE CONDITION OF THE DEBTOR'S BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE AMENDED PLAN. SEE 11 U.S.C. § 1125(a).

FOR THE CONVENIENCE OF CREDITORS, THIS AMENDED DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE AMENDED PLAN, BUT THE AMENDED PLAN ITSELF QUALIFIES ANY SUMMARY. IF ANY INCONSISTENCY EXISTS BETWEEN THE AMENDED PLAN AND THE AMENDED DISCLOSURE STATEMENT, THE TERMS OF THE AMENDED PLAN ARE CONTROLLING.

NO REPRESENTATIONS CONCERNING THE DEBTOR'S FINANCIAL CONDITION OR ANY ASPECT OF THE AMENDED PLAN ARE AUTHORIZED BY THE PROPONENTS OTHER THAN AS SET FORTH IN THIS AMENDED DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION THAT ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS AMENDED DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

ANY FINANCIAL INFORMATION CONTAINED HEREIN, UNLESS OTHERWISE INDICATED, IS UNAUDITED. MOREOVER, BECAUSE OF THE DEBTOR'S FINANCIAL

DIFFICULTIES, AS WELL AS THE COMPLEXITY OF THE DEBTOR'S FINANCIAL MATTERS, THE BOOKS AND RECORDS OF THE DEBTOR, UPON WHICH THIS AMENDED DISCLOSURE STATEMENT IN PART IS BASED, MAY BE INCOMPLETE OR INACCURATE. HOWEVER, REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT ALL SUCH INFORMATION IS FAIRLY PRESENTED.

LaMONICA HERBST & MANISCALCO, LLP ("LHM") IS BANKRUPTCY COUNSEL TO THE DEBTOR. LHM HAS RELIED IN PART UPON INFORMATION PROVIDED BY THE DEBTOR THROUGH ITS CHIEF RESTRUCTURING OFFICER, CLIFFORD A. ZUCKER (THE "CRO") OF COHNREZNICK LLC ("COHNREZNICK") AND COHNREZNICK, THE DEBTOR'S FINANCIAL CONSULTANTS IN CONNECTION WITH THE PREPARATION OF THIS AMENDED DISCLOSURE STATEMENT. ALTHOUGH LHM HAS PERFORMED CERTAIN LIMITED DUE DILIGENCE IN CONNECTION WITH THE PREPARATION OF THIS AMENDED DISCLOSURE STATEMENT, COUNSEL HAS NOT INDEPENDENTLY VERIFIED ALL OF THE INFORMATION CONTAINED HEREIN. OTTERBOURG P.C. ("OTTERBOURG") IS COUNSEL FOR IDB, AS AGENT FOR THE LENDERS, OTTERBOURG AND IDB HAVE ALSO PERFORMED LIMITED DUE DILIGENCE IN CONNECTION WITH THE PREPARATION OF THIS AMENDED DISCLOSURE STATEMENT AND NEITHER HAVE VERIFIED ALL OF THE INFORMATION CONTAINED HEREIN.

THE CONTENTS OF THIS AMENDED DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH CREDITOR OR INTEREST HOLDER SHOULD CONSULT HIS, HER OR ITS OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND OTHER MATTERS CONCERNING THEIR CLAIM.

C. AN OVERVIEW OF THE CHAPTER 11 PROCESS

The Debtor is no longer in business and ceased all operations immediately prior to the filing of the Involuntary Petition. The Debtor's Chapter 7 Case was subsequently converted to a Chapter 11 Case for the purposes of conducting an orderly liquidation of the Debtor's Assets. The filing of a Chapter 11 bankruptcy petition creates a bankruptcy "estate" comprising all of the property interests of the debtor. Unless a trustee is appointed by the Bankruptcy Court for cause (no trustee has been appointed in this Chapter 11 Case), a debtor remains in possession and control of all its assets as a "debtor in possession".

The filing of a Chapter 11 petition gives rise to what is known as the "automatic stay" which, generally, enjoins creditors from taking any action to collect or recover obligations owed by a debtor prior to the commencement of a Chapter 11 Case. The Bankruptcy Court can grant relief from the automatic stay under certain specified conditions or for cause.

The Bankruptcy Code authorizes the creation of one or more official committees to protect the interests of some or all creditors or interest holders. The fees and expenses of counsel and other professionals employed by such official committees and allowed by the Bankruptcy Court are borne by a bankruptcy estate and have priority in distribution over the Creditors of the Estate. On May 27, 2014, the United States Trustee appointed two of the Debtor's creditors to the UCC

[Docket No. 573]. On June 19, 2014, the U.S. Trustee named three additional creditors of the Debtor to the UCC [Docket No. 614].

A Chapter 11 debtor may emerge from bankruptcy by successfully confirming a plan of reorganization. Alternatively, as in this Case, where the assets of the debtor have already been sold and/or liquidated and the proceeds are to be distributed to creditors through a plan of liquidation. Such a plan may be either consensual or non-consensual and provide, among other things, for the treatment of the claims of creditors and interests of shareholders. The provisions of the Amended Plan are summarized below.

D. AMENDED PLAN OVERVIEW

The Amended Plan is a plan of liquidation and provides for the distribution of the proceeds arising from the liquidation of the Debtor's Assets (as discussed below), including from litigation proceeds resulting from various Causes of Action brought by the Debtor. In this regard the Debtor ceased operations and began liquidating its assets immediately prior to the filing of the Involuntary Petition.

The Lenders have been found by the Bankruptcy Court to have priority liens in all of the Debtor's Assets senior to all other Creditors, including the True Participants (as defined below) with that decision pending Appeal (as defined below)[3] before the United States District Court for the Eastern District of New York (the "District Court"). The Lenders have also been granted by an Order of the Bankruptcy Court Superpriority Administrative Claim status senior to all Creditors of the Oak Rock Estate, including Administrative Claimants.

In an effort to bring the Oak Rock Chapter 11 Case, which has now been pending before the Bankruptcy Court for over five years, to a conclusion and allow the liquidation proceeds of the Estate to be distributed, as well as bring to a conclusion all pending litigation, including without limitation, the UCC Litigation, as more fully described below, the Lenders are prepared to allow a portion of what they assert are Estate Assets which would otherwise, subject only to the Appeal and UCC Litigation be payable entirely to the Lenders, to be distributed to various claimants and junior classes of creditors, as well as pay certain Administrative Claims, as specifically provided for in the Amended Plan, with the residual funds remaining in the Estate after the aforesaid distributions being paid to the Lenders. In sum, if the Lenders are successful in, among other things, in defending the claims brought by the UCC Litigation and the decision of the District Court is ultimately affirmed there would be no distribution whatsoever to the True Participants, the Alleged Participants (defined below) or to all administrative claimants, including professional fees. Therefore this Amended Plan, funded entirely from what the Lenders believe to be their assets, represents, in the Lenders' opinion, the highest and best chance of the creditor classes receiving any distribution whatsoever from the Oak Rock Estate.

The following briefly summarizes the treatment of Creditors and Interest Holders under the Amended Plan. Actual Distributions will vary depending upon, among other things, the outcome of and objections to claims, if any, and the actual amount of certain claims available upon the Effective Date of the Amended Plan.

[3] See Section I.2, infra, for further details regarding the Appeal.

E. UNCLASSIFIED CLAIMS

Certain types of Claims are not placed into voting Classes; instead they are unclassified. They are not considered Impaired and they do not vote on the Amended Plan. As such, the Debtor and the Lenders have not placed the following Claims in a Class:

Administrative Claim or Administrative Claims: means the individual or collective reference to, all Allowed costs and expenses of administration of the Chapter 11 Case with priority under Bankruptcy Code § 507 including, without limitation, costs and expenses allowed under Bankruptcy Code § 503(b) relating to the actual and necessary costs and expenses of preserving the Estate of the Debtor, including any Professional Fee Administrative Claims and the Superpriority Administrative Claim granted to the Lenders. Holders of Administrative Claims are not entitled to vote on the Amended Plan.

Superpriority Administrative Claim: means the Administrative Claim granted pursuant to the Cash Collateral Orders providing the Lenders, subject to certain reservation of rights, as set forth therein, with certain Distribution priorities over all other Creditors, including all holders of Administrative Claims, in the Assets of the Estate.

U.S. Trustee Fees: Quarterly fees owed to the Office of the U.S. Trustee shall be paid when due in accordance with applicable law and the Liquidating Trustee shall continue to file any required operating reports until the Chapter 11 Case is closed under Bankruptcy Code § 350.

Professional Fee Administrative Claims: means any Allowed Administrative Claim for fees, expenses and other reimbursable costs incurred by any Professional under Bankruptcy Code § 503(b).

Priority Tax Claims: Any Claim of a governmental unit of the kind specified in Bankruptcy Code §§ 502(i) and 507(a)(8).

F. CLASSIFIED CLAIMS

The table below summarizes the classification, status, voting rights, and estimated range of recoveries and estimated amount of classified Claims and Interests under the Amended Plan. This information is provided in summary form below for illustrative purposes only and is qualified in its entirety by reference to the provisions of the Amended Plan.

Class	Status	Entitled To Vote	Estimated Recovery	Estimated Amount of Allowed Claims
Class 1: Priority Claims	Unimpaired	No	100%	Nominal
Class 2: Alleged Participant Claims and General Unsecured Claims	Impaired	Yes	35% of the principal amount of the Allowed General Unsecured Claims	Approximately $30,000,000

			and the Allowed Alleged Participation Claims set forth on Exhibit B (annexed to the Amended Plan) ($3,161,576.24.)	
Class 3: True Participants Claim	Impaired	Yes	51.4% ($8,599,000.)	$16,721,547.
Class 4: IDB's Participation Claim and Leumi's Participation Claims	Impaired	Yes	$5,000 each ($15,000)	Approximately $9,214,000.
Class 5: Lenders Deficiency Claim	Impaired	Yes	$5,000.	Approximately $33,551,315.
Class 6: Lenders Secured Claim	Impaired	Yes	62%	Not less than 89,910,827.
Class 7: Equity Interests	Impaired	No	0%	N/A

G. VOTING ON THE AMENDED PLAN

1. Who May Vote

No votes shall be solicited from the holders of Class 1 as Class 1 Claims (Priority Claims) are conclusively presumed to have accepted the Amended Plan as these Claims are being paid in full and are not entitled to vote to accept or reject the Amended Plan. However, Classes 2 (Alleged Participants Claims), Class 3 (True Participant Claims – Claims of Medallion Business Credit, a division of Medallion Financial Corp, Medallion Bank, ZFI Endowment Partners, LLC and North Mill Capital, LLC), Class 4 (IDB Participation Claim and Leumi Participation Claims), Class 5 (Lenders Deficiency Claim) and Class 6 (Lenders Secured Claim) are Impaired by the Amended Plan and entitled to vote. Holders of interests in Class 7 (Equity Interests) are Impaired and are not receiving any distributions under the Amended Plan. Under Bankruptcy Code § 1126(g), the holders of such Interests are conclusively presumed to reject the Amended Plan, and the votes of such holders will not be solicited.

In accordance with Bankruptcy Code § 1126(c) and except as provided in Bankruptcy Code § 1126(e), an Impaired Class of Claims shall have accepted the Amended Plan if the Amended 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 Allowed Claims of such Class that have timely and properly voted to accept or reject the Amended Plan. If any Impaired Class of Claims entitled to vote does not accept the Amended Plan by the requisite statutory majority provided in Bankruptcy Code § 1126(c), the Debtor reserves the right to amend the Amended Plan in accordance with Section 15.4 of the Amended Plan or undertake to have the Bankruptcy Court confirm the Amended Plan under Bankruptcy Code § 1129(b) or both. With respect to Impaired Classes of Claims and Interests that are deemed to reject the Amended Plan, the Debtor shall request that the Bankruptcy Court confirm the Amended Plan pursuant to Bankruptcy Code § 1129(b).

If this Amended Plan is not confirmed for any reason or is not confirmed in accordance with the distributions currently provided herein for the various Classes of Creditors, then the Creditors, including without limitation, the Lenders, True Participants and the Alleged Participants, reserve and preserve all of their rights, claims, remedies and defenses in place prior to the date of this Amended Disclosure Statement, and none the terms of this Amended Plan or Amended Disclosure Statement shall be binding or adversely affect, prejudice or waive any of the rights, claims, remedies or defenses of any of the Plan Proponents or any other party to the Amended Plan or proponents of this Amended Disclosure Statement.

2. How to Vote

A form of Ballot is being provided to Creditors in Classes 2, 3, 4, 5 and 6 by which Creditors in such Classes may vote their acceptance or rejection of the Amended Plan. The Ballot for voting on the Amended Plan gives you one important choice to make with respect to the Amended Plan - you can vote for or against the Amended Plan. To vote on the Amended Plan, please complete the Ballot, as indicated thereon by: (1) indicating on the enclosed ballot that (a) you accept the Amended Plan or (b) you reject the Amended Plan and (2) signing your name and mailing the ballot in the envelope provided for this purpose. The Debtor's counsel will count the Ballots. Additionally, a Ballot is being provided to Creditors in all other Classes to indicate their consent (or lack thereof) for the optional assignment of claims included within the Amended Plan.

IN ORDER TO BE COUNTED, BALLOTS MUST BE COMPLETED, SIGNED AND RECEIVED NO LATER THAN 4:00 P.M. EASTERN TIME ON _____, 2018 AT THE FOLLOWING ADDRESS:

LAMONICA HERBST & MANISCALCO, LLP
3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
Attn: Jacqulyn S. Loftin, Esq.

DO NOT SEND YOUR BALLOT VIA FACSIMILE OR E-MAIL.

IF YOUR BALLOT IS NOT PROPERLY COMPLETED, SIGNED AND RECEIVED AS DESCRIBED, IT WILL NOT BE COUNTED. IF YOUR BALLOT IS DAMAGED OR LOST, YOU MAY REQUEST A REPLACEMENT BY ADDRESSING A WRITTEN REQUEST TO THE ADDRESS SHOWN ABOVE.

FACSIMILE OR ELECTRONICALLY SUBMITTED BALLOTS WILL NOT BE COUNTED.

H. CONFIRMATION OF THE AMENDED PLAN

1. Generally

"Confirmation" is the technical term for the Bankruptcy Court's approval of a plan of reorganization or liquidation. The timing, standards and factors considered by the Bankruptcy Court in deciding whether to confirm a plan of reorganization are discussed below.

2. Objections to Confirmation

Any objections to Confirmation of the Amended Plan must be in writing and must be filed with the Clerk of the Bankruptcy Court and served on counsel for the Proponents and the United States Trustee on or before the date set forth in the notice of the Confirmation Hearing sent to you with this Amended Disclosure Statement and the Amended Plan. Bankruptcy Rule 3007 governs the form of any such objection.

3. Hearing on Confirmation

The Bankruptcy Court has set _____, 2018 at ___:____ __.m. for a hearing (the "Confirmation Hearing") to determine whether the Amended Plan has been accepted by the requisite number of Creditors and whether the other requirements for confirmation of the Amended Plan have been satisfied. The Confirmation Hearing will be held in United States Bankruptcy Court, Eastern District of New York, 290 Federal Plaza, Central Islip, New York 11722 before the Honorable Robert E. Grossman, United States Bankruptcy Judge. The Confirmation Hearing may be continued from time to time and day to day without further notice. If the Bankruptcy Court confirms the Amended Plan, it will enter the Confirmation Order substantially in form agreed upon by all Proponents.

II. OVERVIEW OF THE DEBTOR AND ITS OPERATIONS

A. INTRODUCTION

Founded in 2001, Oak Rock was an asset-based lender that financed various Dealers (as defined below) who in turn financed retail installment sales contracts for consumer purchases of goods ranging from automotive products, furniture and electronics to equipment and appliances. Oak Rock's business model involved borrowing money from commercial banks and obtaining funds from private investors ("Participants") which it then loaned to selected Dealers (as defined below) or borrowers (the "Loans"). The vast majority of the Dealers used these funds to finance retail installment contracts for the purchase of consumer goods, while certain others used the funds to extend small business loans.

When the Chapter 11 Case was filed, Oak Rock had the right to payment upon and serviced approximately 75,000 consumer contracts in multiple states throughout the country. The vast majority of payments by customers were deposited into an operating account at Capital One Bank, National Association ("Capital One") and an operating account at Bank of America, N.A. ("BoA"). Before the Petition Date, when deposits were made by customers, Oak Rock used that money to fund expenses, relend to its borrowers, pay creditors and Participants their share of the loan proceeds, and cover operating expenses. On or about April 30, 2013 Oak Rock serviced approximately 69 borrowers defined below as "Dealers" with approximately 76,000 consumer contracts that served as collateral for its loans in multiple states throughout the country.

B. FINANCING AND SIGNIFICANT INDEBTEDNESS

1. Institutional Debt

The Lenders currently hold (a) subject to Appeal, valid, perfected and priority liens in and on all of the Assets of the Debtor's Estate pursuant to a series of prepetition loans and advances made pursuant to the terms of a revolving credit facility secured by all of the Debtor's Assets, as well as (b) subject to certain reservations of rights contained in the cash collateral orders, a Superpriority Administrative Claim, senior to all other Creditors, in all of the unencumbered Assets, including all proceeds recovered from any and all Causes of Action brought on behalf of the Oak Rock Estate. The balance asserted by the Lenders under this credit facility, as per the Lenders' proof of claim is $89,910,826.88.

2. True Participant Claims

The Bankruptcy Court determined, by written decision issued in April 2014, that Medallion Business Credit, a division of Medallion Financial Corp., and Medallion Bank. (collectively, "Medallion"), as well as North Mill Capital, LLC ("North Mill") were True Participants in several of the Loans. Although the Bankruptcy Court originally held that ZFI Endowment Partners, LLP ("ZFI") was not a True Participant, the District Court subsequently determined on appeal that ZFI, like Medallion and North Mill, was a True Participant. Pursuant to such rulings and as more fully described below (the "True Participant Orders"), the True Participants hold equitable and beneficial ownership interests in certain Dealer Loans and accompanying Assets. The True Participants also filed certain proofs of claims in the Chapter 11 Cases in respect of such interests and the claims arising therefrom.

3. Alleged Participants Claims

Those Claimants of the Estate, exclusive of the participation claims of IDB and Leumi, claiming an interest in the various Loans and accompanying Assets who are not True Participants (as defined in the True Participants Orders), are alleged participants ("Alleged Participants").

The Alleged Participants base their claims upon the Debtor's books and records or upon the proofs of claim and alleged, among other things, owning participation interests in various of the Debtor's Dealer Loans and accompanying Assets in the aggregate sum of $29,833,062 and are scheduled on Exhibit A annexed to the Amended Plan. The Bankruptcy Court has not yet determined the status of the advances made by the Alleged Participants in the Loans and accompanying Assets, and that determination remains pending before the Bankruptcy Court. The composition and treatment of these claims is set forth in detail in the sections of this Amended Disclosure Statement entitled "Class 2 description of Alleged Participant Claims".

C. EVENTS LEADING TO THE INVOLUNTARY PETITION

The Lenders and the Debtor have been previously advised that, before the Petition Date, one of Oak Rock's former board members, Thomas Stephens ("Stephens"), moved to New York to assist in overseeing the management of Oak Rock and to put in place more "formalities" with regard to the operations and accounting practices of the business. Expecting to clean up simple accounting issues to improve the potential marketability of the business, Stephens allegedly

discovered misconduct on the part of John Murphy ("Murphy"), the Debtor's former president, manager, and the founder of the company. Murphy's misconduct, allegedly, involved intentionally misstating the value of the collateral securing Oak Rock's credit facility for the purpose of obtaining advances under this credit facility for which the Debtor would not have otherwise been qualified.

Promptly upon being confronted about his alleged misconduct by Stephens, Murphy resigned as the company's manager, and Stephens agreed to run the company on an interim basis and to assist in the transition to new management. Murphy later pled guilty to bank fraud and is serving currently a 96-month prison term.

After learning of the issues involving Murphy, IDB, as Agent for the Lenders, attempted to work with the Debtor to engage outside professionals and independent management to pursue an orderly liquidating of the assets of Oak Rock, but this effort was unsuccessful. Thereafter, the Lenders accelerated the loan and the Petitioning Creditors filed the Involuntary Petition.

D. THE COMMENCEMENT OF THE CHAPTER 11 CASE

On April 30, 2013, IDB filed a motion seeking the emergency appointment of an interim Chapter 7 Trustee, the shortening of deadlines relating to the Involuntary Petition, and certain injunctive relief (the "Interim Chapter 7 Trustee Motion").

On May 5, 2013, the Debtor filed a motion to convert the Case to a Case under Chapter 11 pursuant to Bankruptcy Code § 706(a) (the "Conversion Motion").

On May 6, 2013, a hearing was held before this Court at which hearing the Court heard arguments with respect to the Interim Chapter 7 Trustee Motion and the Conversion Motion. On May 6, 2013 (the "Conversion Date"), the Court entered an Order granting the Conversion Motion, thereby converting the Case to one under Chapter 11 and rendering the Interim Chapter 7 Trustee Motion moot.

1. Retention of Key Professionals

The Debtor by Order of this Court retained LHM on May 30, 2013 as its general bankruptcy counsel in this Chapter 11 Case.

The Debtor also sought to employ (a) CohnReznick, LLP ("CohnReznick") to provide restructuring services to the Debtor and to assist the Debtor in preserving and liquidating the Debtor's Assets; (b) Clifford A. Zucker, a Partner at CohnReznick, as Chief Restructuring Officer of the Debtor, *nunc pro tunc* to the Petition Date, pursuant to Bankruptcy Code § 327(a). The Bankruptcy Court authorized these retentions in an Order dated May 30, 2013. In addition, Edward P. Bond was appointed as the Debtor's Independent Managing Member (the "Manager") to act as the Debtor's independent manager to oversee the services rendered by the CRO and CohnReznick.

The UCC's employment of Perkins Coie LLP was authorized in an Order dated August 5, 2014, *nunc pro tunc* to (and effective as of) June 4, 2014.

2. Filing of Statements and Schedules

Immediately following the Conversion Order, LHM filed the Debtor's schedules and Statement of Financial Affairs (the "SOFA") as well as the Declaration of Clifford Zucker as CRO in support of the schedules and SOFA.

E. SIGNIFICANT COURT ORDERS RELATING TO THE ADMINISTRATION OF THE OAK ROCK CHAPTER 11 CASE

1. Use of Cash Collateral[4]

Immediately following the entry of the Conversion Order, the Debtor entered into negotiations with the Lenders for the use of a portion of the cash proceeds received and to be received by the Debtor in repayment of certain Dealer Loans (as defined below) for the purpose of conducting an orderly liquidation of the Debtor's Assets. These cash proceeds, which are referred to as "Cash Collateral" under the Bankruptcy Code, were subject to the liens and claims of the Lenders and the Participants. Pursuant to the Bankruptcy Code, an order of the Bankruptcy Court is required if the Debtor is to be allowed to use this Cash Collateral where the Lenders assert that the Debtor had no unencumbered Assets and that the use of the Cash Collateral being requested by the Debtor is subject to a "blanket" lien in favor of the Lenders and therefore not otherwise available to the Debtor. These negotiations resulted in the entry of the initial Interim Order Authorizing Emergency Use of Cash Collateral pursuant to 11 U.S.C § 363 and Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363 allowing the Debtor limited use of Cash Collateral and granting the Lenders as adequate protection for the use of this Cash Collateral and/or for the diminution in the value of the Lenders' collateral, replacement liens and a Superpriority Administrative Claim on "all currently owned and hereafter acquired assets or properties of the Debtor and its estate" pursuant to Bankruptcy Code §§ 361 and 363 and having priority over any and all other administrative expenses of the kind specified in, or ordered pursuant to Bankruptcy Code §§ 105, 326, 328, 330, 331 503(b), 507(a), 507(b) and/or 726(b) (the "Interim Cash Collateral Order") which Order was entered on May 16, 2013.[5] As more fully described below, the Interim Cash Collateral Order was amended numerous times thereafter; however, the protections granted to the Lenders with regard to the Superpriority Administrative Claim pursuant to the Interim Cash Collateral Order did not diminish in scope with each successive cash collateral order.

[4] As a result of the pending litigation challenging the claims and liens asserted by the Lenders and described elsewhere in this Disclosure Statement, the UCC does not admit that the Lenders have valid priority liens upon any of the Debtor's Assets, including cash, or that its cash would be cash collateral as defined in the Bankruptcy Code. The True Participants and the Alleged Participants have also raised several challenges to, among other things, the liens, claims and cash collateral interests asserted by the Lenders as described more fully in, among other things, the briefs filed in the pending Appeal and the reservation of rights contained in the Cash Collateral Orders and, accordingly, similarly do not make any such admissions and reserve all rights accordingly.

[5] The descriptions of the Interim Cash Collateral Order and all amendments thereafter, in addition to all objections thereto are subject in all respects to the express terms contained therein.

Immediately following the entry of the Interim Cash Collateral Order, the Alleged Participants and the True Participants filed an expedited motion seeking to vacate the Interim Cash Collateral Order.

After further hearings before the Bankruptcy Court, the Lenders, the True Participants, and certain of the Alleged Participants consented to a second interim order authorizing the further use of cash collateral by the Debtor pursuant to Bankruptcy Code § 363 and granting the Lenders adequate protection pursuant to Bankruptcy Code §§ 361 and 363 (the "Second Interim Cash Collateral Order") which was entered by the Bankruptcy Court on May 30, 2013 and again specifically provided the Agent, for the ratable benefit of the Lenders, and the Participants (as defined in the Second Interim Cash Collateral Order) as security for any diminution in the value of the Collateral and the Participation Funds (as defined in the Second Interim Cash Collateral Order), including, without limitation, as a result of the use by Debtor of any Cash Collateral on and after the Petition Date valid, binding, enforceable, non–avoidable and perfected first priority replacement liens on and security interests in the replacement liens (the "Replacement Liens"). The Second Interim Cash Collateral Order further provided that the "the liens and security interests granted shall not be made on a parity with, or subordinated to any other lien or security interest under § 364(d) of the Bankruptcy Code or otherwise. In addition to Replacement Liens the Court granted the Agent and the Participants as adequate protection for the use of all Cash Collateral on and after the Petition Date, as well as for any diminution in the value of the Collateral an allowed super-priority administrative expense claim (the "Superpriority Administrative Claim") in an amount equal to all diminution in the value of the Collateral and/or the Participation Funds on and after the Petition Date, including, without limitation, as a result of the Debtor's use of Cash Collateral pursuant to the terms of this Order, having priority over any and all other administrative expenses of the kind specified in, or ordered pursuant to, Bankruptcy Code §§ 105, 326, 328, 330, 331, 503(b), 507(a), 507(b) and/or 726(b). The Second Interim Cash Collateral Order further provided that "no cost or administrative expenses which have been or may be incurred in the Debtor's Chapter 11 Case or in any subsequent Case(s) under Chapter 7 of the Bankruptcy Code, and no priority claims, are or will be prior to or on a parity with the respective claims of Agent and Lenders and Participants".

Finally, the Second Interim Cash Collateral Order (and the subsequently amended orders entered thereafter) expressly preserved the Lenders' and the Participants' Competing Rights (as defined in the Cash Collateral Orders), claims and interests in and to, among other things, the Cash Collateral, the Replacement Liens and the Superpriority Administrative Claim (collectively, the "Competing Rights"). Such Competing Rights, as well as the Debtor's rights, counterclaims and interests, were expressly reserved pending a final order by the Bankruptcy Court determining such Competing Rights and notwithstanding anything to the contrary contained in the cash collateral orders.

The Second Interim Cash Collateral Order also authorized and Allowed parties, including the UCC when it was formed, to investigate and challenge the pre-petition liens asserted by IDB as Agent and the Lenders individually. As provided in more detail below, the UCC did, in fact, challenge the liens asserted by the Agent and Lenders by filing objections to the Claims of IDB and the Lenders. Specifically, the UCC commenced Adv. Pro. 8-14-08231- REG against IDB and the Lenders on August 17, 2014, challenging their asserted liens, seeking to subordinate their Claims and for other relief.

The Bankruptcy Court thereafter on September 19, 2013 [Docket No. 414] entered the Order Amending Second Interim Order Authorizing Use of Cash Collateral pursuant to 11 U.S.C. § 363 and Granting Adequate Protection pursuant to § 361 § 363 (the "Further Amended Second Interim Order"). In this regard, the various parties to the Further Amended Second Interim Order Cash Collateral agreed that the Cash Collateral would not be used for the UCC's professional fees or expenses incurred in connection with the investigation into claims, including, but not limited to, claims under Chapter 5 of the Bankruptcy Code against IDB or the Lenders under the terms set forth in the Further Amended Second Interim Order. The Further Amended Second Interim Order also granted the UCC an extension of time until August 18, 2014 to file an objection or any other action or claim that seeks to object to, challenge, contest or otherwise invalidate or otherwise reduce the lien of the Agent or the Lenders.

Numerous subsequent interim orders authorizing the use of cash collateral pursuant to Bankruptcy Code § 363 and granting adequate protection pursuant to Bankruptcy Code §§ 361 and 363 followed. Each had a refreshed budget and termination date and some orders contained non-substantive modifications but the rights and protections granted the Lenders, the True Participants and the Alleged Participants did not change and were not modified.

The Lenders' Superpriority Administrative Claim is estimated to be $9,363,150.

F. LOAN PARTICIPANTS

The advances that Oak Rock made to its borrowers (the "Dealers") were loan receivables (the "Dealer Loans") on Oak Rock's books and records. These Dealer Loans served as Collateral for the loans and advances made to Oak Rock by the Lenders pursuant to the pre-petition revolving credit agreement between the Debtor and Lenders. Various parties purchased participations in the same loans made by Oak Rock to the Dealers and based upon their individual contractual agreements with Oak Rock (and in the case of the True Participants as determined by the Bankruptcy Court) such participants enjoyed various rights in and to these loans.

As of February 2013, the Debtor's books and records indicated that there were approximately $62.8 million in outstanding participations in the Dealer Loans made by the Debtor. Under the contract the Debtor acted as the manager of such participation interests in the loan transactions and typically paid the participants each month as receipts from the Dealers were deposited into the Debtor's bank accounts.

As referred to above, the Debtor was a party to a number of loans, security and servicing agreements with the Dealers whereby the Debtor loaned funds to these companies, on a secured basis, subject to the terms of the various loan agreements (collectively, the "Dealer Agreements"). Collateral for the Dealer Loans consisted of, among other things, the Dealers' retail installment sales contracts with its customers which were, in turn, transferred or pledged to Oak Rock.

G. LIQUIDATION OF THE BUSINESS

In furtherance of the liquidation, the CRO identified, as of the Petition Date, those Dealers that remained in formula under the terms of their individual loan agreements with Oak Rock and classified them as Tier I Dealers. The Debtor continued servicing these Tier I Dealers after the Petition Date. The Debtor notified all Tier I Dealers that they would need to find an alternative

source of funding and payoff their loan obligations to Oak Rock immediately. Every Tier I Dealer loan obligation was repaid in full.

Other Dealers had loans with Oak Rock that were either in default under the terms of the Dealer Agreements or were no longer in business and therefore could not satisfy their loan obligations to Oak Rock (hereafter "Tier III Dealers"). In early October 2013, the Debtor drafted and sent all of these Tier III Dealers notice of various Events of Default (as defined in the Dealer Agreements) the acceleration of the outstanding obligation due by the particular Dealer and demand for full payment of its obligations under the Dealer Agreement. The acceleration and formal demand for payment of the outstanding balances under the Dealer Agreements was a necessary element to terminating the Dealer Agreements. Moreover, the termination of each of the Tier III Dealer Agreements allowed the Debtor to redeem its collateral in which the Debtor was secured under the Dealer Agreements, as well as pursue the personal guarantees in favor of the Debtor entered into by various third parties in in connection with the Dealer Agreements.

The CRO then attempted to liquidate the underlying collateral (retail consumer installment sales contracts) held by the Tier III Dealers.

The CRO, in his business judgment, determined that it was also necessary to retain Vision Financial Corp. ("Vision" or the "Collection Agent") if it were to recover certain delinquent Tier III accounts receivable across various jurisdictions. By its Order dated February 26, 2014, the Bankruptcy Court approved the retention of Vision. Through these efforts the Debtor has procured collections of more than $300,000 for the benefit of the Estate and its creditors.

The CRO exerted substantial effort in attempting to collect the Tier I Dealer Loans and the Tier III accounts receivable. Consequently, the Debtor successfully marshaled and liquidated approximately $93 million in assets and is currently holding approximately $67 million for the benefit of the Estate and its Creditors.

H. BAR DATE FOR FILING PROOFS OF CLAIM AND OBJECTIONS TO PROOFS OF CLAIM

The Debtor submitted an application seeking the entry of an Order, pursuant to Bankruptcy Rule 3003(c)(3), fixing a deadline and establishing procedures for filing proofs of claim and approving the form and notice to all persons and entities (including, without limitation, individuals, partnerships, corporations, joint ventures, trusts and governmental units) that assert a claim, as defined in Bankruptcy Court § 101(5) against the Debtor, which arose prior to the Petition Date. In an Order of the Bankruptcy Court dated July 11, 2013, the Court established September 3, 2013 as the bar date for all persons and entities (the "Bar Date") and November 4, 2013 as the bar date for governmental units (the date that is 180 days after the date of the order for relief).

I. INTERCREDITOR LITIGATIONS

There have been three significant litigations before the Bankruptcy Court and among the creditors of the Oak Rock Estate. The first of these litigations decided which parties alleging to own participation interests in the Loans and accompanying Assets were True Participants. The second litigation (current subject to the Appeal) decided the priority between the Lenders and the

True Participants. The third is still ongoing and relates to certain avoidance and other claims brought by the UCC against the Lenders.[6]

1. Alleged Participants/True Participant Litigations

Certain Creditors of the Oak Rock Estate claimed that they were not unsecured creditors but rather had entered into various loan participation agreements with Oak Rock, as referred to above, prior to the Petition Date that provided them with ownership interests in and superior rights to the Loans and accompanying Assets and proceeds of such purchased Oak Rock Loans. As a result, these creditors argued that they were True Participants entitled to their proportionate share of the ownership and possession of various purchased Loans and accompanying Assets.

In this regard, on May 30, 2013, Medallion commenced an adversary proceeding by the filing of a complaint against the Debtor and the Lenders. In its complaint, Medallion sought, among other things, declaratory relief relating to its participations in Oak Rock's Dealer Loans to certain of the Dealers and for a determination of the priority of its alleged participation interests over the liens and interests of the Lenders. Various of the Alleged Participants joined in this litigation.

At the same time the Debtor commenced four adversary proceedings seeking declaratory relief and turnover relating to the interests of numerous parties claiming participation interests in Oak Rock's Loans to the Dealers and the priority of those interests in view of the security interest held by the Lenders. The Alleged Participants allege, among other things, that the funds representing their interests in the various Loans made by the Debtor are not part of the Debtor's Asset or Assets of the Estate, and should be distributed to them. The Alleged Participants named in the Debtor's complaints included, but were not limited to, Medallion, Redstone Business Lenders, LLC ("Redstone"), various members of and entities related to the Birnberg family (the "Birnberg Defendants"), various friends, acquaintances, and/or members and affiliates of the Rothenberg family (the "Rothenberg Defendants"), North Mill, ZFI, POS Funding, Rose McGeever, The Brown Family Group, LLC, Robert Baker, and David Schellhardt, Bank Leumi USA, Lawrence and Maureen Cox ("Cox"), Alan Guber, Florence Guber, Jacalyn Weidhorn, Vincent Salvatore, Katherine Salvatore, Christopher Dowd as Custodian for Matthew Dowd, Ryan Dowd, and Abigail Dowd (collectively, the "Dowd Defendants"), Elinor Yagerman, James J. Gries Supplemental trust fund a/k/a Estate of James Gries, Clinton Brown III, John Grillo, Natalie Grillo, as an individual, Natalie Grillo as custodian for Emily Grillo, Natalie Grillo as custodian for Christopher Grillo, Natalie Grillo as custodian for Matthew Grillo, Natalie Grillo as custodian for Samantha Grillo, James N. Agals, Christian Garsault, Maria Garsault, Elena Fischer, Robert Wayne, Margarita Cardwell, Miriam Carwell, Lizbeth Garcia a/k/a Lizbeth Garcia Mesa, Charles Cobb, Jennifer Cobb, Charles Cobb as custodian for Tyler Cobb, Charles Cobb as custodian for Caitlyn Cobb, Rose McGeever, Lauren Clark and William Clark (collectively, the "Yagerman Defendants") and IDB. The Rothenberg Defendants asserted counterclaims and cross claims, seeking, among other things, declaratory judgments that the funds they advanced to Oak Rock

[6] There is a fourth litigation involving Medallion, the Lenders and the Debtor that has not yet commenced (other than by the filing of a complaint and answer) and remains pending the resolution of, among other things, the Committee litigation described herein.

constituted the purchase of true participation interests in the applicable Loans and accompanying Assets.

On March 27, 2014, Bankruptcy Judge Grossman read his decision into the record with regard to various competing summary judgment motions in the various adversary proceedings. The Court granted partial summary judgment in favor of Medallion and North Mill, finding that both were True Participants and held equitable and beneficial proportionate ownership interests in the Loans and accompanying Assets that they had respectively purchased. The Bankruptcy Court found that all other Creditors claiming such status were not True Participants, but rather Alleged Participants not having the same rights as the True Participants and were either unsecured lenders to, or investors in, the Debtor. The Court did not rule on the issue of priority as between the Lenders and the True Participants. With the exception of Agals, Schellhardt, Baker, Salvatore, Dowd and Leumi, all other parties claiming to be True Participants, but whom the Court ruled not to be so, appealed to the District Court. On April 10, 2014, the Court entered its supplemental findings of fact and conclusions of law confirming that Medallion and North Mill were True Participants.

On March 31, 2015, U.S. District Judge Sandra J. Feuerstein ruled on the various appeals, holding, among other things, that ZFI was also a True Participant, but that issues of fact precluded a summary judgment determination as to the status of the remaining appellants. Thus, the Bankruptcy Court's March 2014 determination that the Rothenberg Defendants (and others) did not hold "true" participations in the Loans and accompanying Assets was reversed and the determination of that issue remains pending before the Bankruptcy Court and is fully preserved in the event the Amended Plan is not confirmed.

2. Lenders and True Participants

The second group of these litigations related to the priority between the Lenders and the True Participants as to the loan proceeds which composed the majority of the assets of the Oak Rock Estate.

On September 30, 2013, Medallion filed the Objection of Medallion Entities to Perfection of Liens Asserted by Israel Discount Bank of New York as Agent (the "Lien Objection") [Docket Nos. 434-36]. In its Lien Objection, Medallion asserted a variety of arguments for why the Lenders' liens on all of the Debtor's Assets were invalid or unperfected. The other True Participants and the Rothenberg Defendants joined Medallion in the Lien Objection, either in whole or in part.

Commencing on October 8, 2014 the Lenders, on the one hand, and Medallion, North Mill and ZFI, jointly, on the other hand, as well as the UCC filed cross motions for summary judgment relating to such alleged lien perfection lapses and priority disputes. The Court heard oral argument on November 20, 2014 and on February 11, 2015 announced its ruling in favor of the Lenders in respect of the parties' summary judgment motions. By Memorandum Decision entered on March 19, 2015 and orders entered on March 19, 2015 and April 21, 2015, the Court held that the Lenders had valid perfected, first priority liens on all of the Debtor's Assets.

Each of Medallion, North Mill and ZFI, as well as the UCC, subsequently appealed the foregoing decision and orders, which appeals were consolidated before the District Court under

Case No. 2:15-cv-01757 (Honorable Sandra J. Feuerstein) (the "Appeal"). The Appeal became *sub judice* before the District Court as of August 2015 and remains pending decision.

3. UCC's Claims Against the Lenders

The third group of these significant litigations was brought by the UCC against the Lenders. On August 17, 2014, the UCC filed Adv. Pro. No. 8-14-08231-REG as provided for in the Second Cash Collateral Order and pursuant to the Assignment Stipulation. The Complaint asserts a number of Causes of Action, including seeking to equitably subordinate the Claims asserted by the Agent and the Lenders, challenging two Bank Leumi "participation agreements" (and seeking to enforce for the benefit of all general creditors a subordination agreement of IDB regarding the agreements), declaring the UCC-1 financing statement recorded by IDB in 2001 to be no longer in effect and setting aside the UCC-1 financing statement recorded by IDB in 2012 as a preferential transfer, releasing funds held in segregated accounts by declaring them to be unencumbered funds, objecting to the proofs of claim filed by IDB, objecting to adequate protection relief and "Replacement Liens" described in the Collateral Orders and the avoidance of various transfers as "intentional fraudulent transfers" under state and federal law. After extensive discovery the matter was tried before this Court during 2016 and 2017, post-trial briefs have been filed with the Bankruptcy Court and the proceeding is now awaiting decision (hereinafter the "UCC Litigation").

J. OTHER LITIGATIONS

1. MK Auto Adversary Proceeding

The CRO, after reviewing the books and records of the Estate, discovered that collections due and owing to the Debtor were not being turned over by MK Auto, Inc. ("MK Auto") as required under its loan documents. After a thorough investigation, the Debtor commenced an action that set forth allegations, including, but not limited to, conversion and breach of contract pursuant to Bankruptcy Code §§ 105, 362, 541, 542, 544 and 549 and Bankruptcy Rules 6009, 7001 and 7065 and Rule 65 of the Federal Rules of Civil Procedure to recover property of the Estate wrongfully being held by MK Auto.

On June 13, 2014, the Debtor served the summons and complaint, to which MK Auto was required to file an answer or otherwise move on or before July 13, 2014. MK Auto failed to file a timely answer or otherwise move in the pending adversary proceeding. On July 16, 2014, the Debtor, through its counsel, appeared at the pre-trial conference and advised the Court that MK Auto failed to file an answer or otherwise move. LHM also noted on the record that MK Auto, as a corporation, failed to obtain counsel to appear on its behalf in this pending adversary proceeding. At the Court's directive, MK Auto's time to file an answer was extended until August 15, 2014. MK Auto failed to comply with the Court's directive and either file an answer or otherwise move and the Debtor default was noted on the record. The Debtor has obtained a default judgment in the amount of $15,463,318.06 and the case has been closed. The CRO believes this claim to be uncollectable, or that the cost of collection would outweigh any benefit to the Estate.

2. S.W.A.T. Adversary Proceeding

Similarly, during the Debtor's operations, the Debtor determined that collections were not being turned over by Leonard Woods LLC D/B/A S.W.A.T. Home Security ("SWAT") as required

under the loan documents. As a result, on or about June 30, 2014, LHM, on behalf of the Debtor, commenced an adversary proceeding against SWAT pursuant to Bankruptcy Code §§ 105, 362, 541, 542, 544 and 549, Bankruptcy Rules 6009, 7001 and 7065 of the Federal Rules of Bankruptcy Procedure and Rule 65 of the Federal Rules of Civil Procedure to recover property of the Estate wrongfully being held by SWAT.

Since filing an answer, SWAT provided pertinent financial information that has allowed the Debtor to assess the viability of its claims. Thereafter, the parties engaged in informal settlement negotiations. Desiring to resolve the claims asserted by the Debtor against SWAT and the State Court Action against Carl Hatton, Jr. ("Hatton"), SWAT's Guarantor, SWAT and Hatton provided the Debtor with certified financial statements in the form approved by the Official Committee of Unsecured Creditors, together with supporting documents. SWAT and Hatton also provided the Debtor with a schedule of SWAT's accounts receivable reflecting the value thereof was $105,984.64 as of April 2, 2015 and that it was diminishing over time.

The financial statement and supporting documents provided by SWAT reflect that SWAT's only asset of value is its receivables. The financial statement and supporting documents provided by Hatton reflect that his liabilities exceed his assets. During the parties' settlement discussions, an opportunity arose for SWAT to sell the receivables to an unrelated third party, High County Holdings LLC ("High County"). Recognizing that the Debtor is secured against SWAT's receivables, the Parties and High County negotiated a transaction by which the Debtor would consent to SWAT's sale of its receivables and old account information to High County and terminate its security interest in those receivables in exchange for 100% of the sale proceeds in the amount of $110,000.00 and certain additional consideration to SWAT and Hatton in view of their financial condition.

The Debtor submitted a motion seeking approval of the settlement, which the Court granted in an Order entered on March 24, 2016. Thereafter, the purchase price was paid and deposited in escrow with the Estate and the case was closed.

3. North Mill Capital Adversary Proceeding

In addition to the adversary proceeding relating to North Mill's status as a true participant as described above, the Debtor and the UCC have commenced a separate adversary proceeding against North Mill to avoid pre-petition transfers in the amount of approximately $574,000 made by the Debtor to North Mill and to disallow North Mill's claim against the Estate. North Mill filed a timely answer on November 11, 2015. This action is still pending. The Bankruptcy Court stayed this action until the UCC Litigation is concluded. This adversary proceeding will be dismissed pursuant to the terms of the Amended Plan.

4. Mariela Wayne Adversary Proceeding

On or about May 5, 2015, the Debtor and the UCC commenced an adversary proceeding against Mariela Wayne to avoid certain pre-petition transfers in the amount of approximately $84,000 made by the Debtor to Mariela Wayne. The defendant's answer was due on January 5, 2015. This action is still pending and to date no answer has been filed with the Bankruptcy Court.

The Bankruptcy Court stayed this action until the UCC Litigation is concluded. This adversary proceeding will be dismissed pursuant to the terms of the Amended Plan.

5. Equilend, Inc. Adversary Proceeding

On or about May 5, 2015, the Debtor and the UCC commenced an adversary proceeding against Equilend, Inc. to avoid certain pre-petition transfers in the amount of approximately $500,000 made by the Debtor to Equilend, Inc. The defendant filed a timely answer on July 28, 2015. This action is still pending. The Bankruptcy Court stayed this action until the UCC Litigation is concluded. This adversary proceeding will be dismissed pursuant to the Amended Plan.

6. James J. Greis Supplemental Trust Fund a/k/a Estate of James Gries, John Grillo, Natalie Grillo, Charles Cobb, Jennifer Cobb, Rose McGeever, Lauren Clark, William Clark, Maureen Cox and Lawrence Cox Adversary Proceeding

On or about June 1, 2016, the Debtor commenced an adversary proceeding against these defendants to avoid certain pre-petition transfers in the aggregate amount of approximately $3,300,000 made by the Debtor to the defendants. The defendants' time to file an answer has been extended through November 8, 2018. This action is still pending. The Bankruptcy Court stayed this action until the UCC Litigation is concluded. This adversary proceeding will be dismissed pursuant to the terms of the Amended Plan.

7. Technologent Adversary Proceeding

On May 6, 2015, Oak Rock and UCC filed a Complaint against Technologent Inc. pursuant to Bankruptcy Code §§ 541, 542, 547, 548 and 550, N.Y. Debt. & Cred. §§ 273, 274, 275, 276(a), 278 and 279, and Bankruptcy Rules 6009 and 7001 to recover an avoidable transfer in the amount of $35,737.63. The parties engaged in informal settlement negotiations and resolved the adversary proceeding for a settlement sum of $20,000. The Court approved the settlement and so-ordered the stipulation on August 21, 2015 and the settlement sum was thereafter paid to the Estate and the case was closed.

8. Valley National Bank Adversary Proceeding

On or about May 5, 2015, The Debtor and the UCC commenced an adversary proceeding against Valley National Bank to avoid pre-petition transfers in the amount of approximately $3,700,000 made by the Debtor to Valley National Bank. The defendants filed an answer on August 6, 2015. This action was settled for $747,500, which the Bankruptcy Court approved in a Stipulation and Order entered on June 29, 2016. These funds were deposited in an escrow account held with LHM.

9. Personal Guarantee Actions

Prior to the filing of the Involuntary Petition and as set forth above; the Debtor was party to various Dealer Agreements. Oak Rock in furtherance of each of these Dealer Agreements

obtained the personal guaranty of the principal of each Dealer that "unconditionally guaranteed", the payment when due, of each and every obligation, direct or contingent or hereafter arising" owing to the Debtor by the Dealer (the "Guaranty").

The CRO, with the assistance of his retained professionals, identified those Dealers that were in payment default of their Dealer Agreements. In many instances, the Dealers were unwilling, or did not have the wherewithal, to fulfill their loan obligations under the Dealer Agreements, yet in many instances there were still substantial outstanding obligations that remained. Therefore, the Debtor sought to enforce the Guaranty in connection with the Dealer Agreements.

Accordingly, the Debtor commenced nine actions in the New York Supreme Court, Suffolk County with the following captions: *Oak Rock Financial v. Michael LaValle and Susan LaValle*, Index No. 63882/2014; (ii) *Oak Rock Financial v. Carl Hatton Jr.*, Index No. 63884/2014: (iii) *Oak Rock Financial v. Magdi Gendi,* Index No. 63891/2014; (iv) *Oak Rock Financial v. Randall II. Frazier*, Index No. 63893/2014; (v) *Oak Rock Financial v. Larry Katzoviiz, Kristina Katzovitz, James Miller and Elizabeth Miller,* Index No. 63894/2014; (vi) *Oak Rock Financial v. J. Henry Jones and Donna Jones*, Index No. 63882/2014; (vii) *Oak Rock Financial v. William Rodriguez,* Index No. 64425/2014, (viii) *Oak Rock Financial v. Tarek M. Ramadan,* Index No. 63873/2014; and (ix) *Oak Rock Financial v. Sergio Horta*, Index No. 63890/2014.

The Debtor was prevented from prosecuting its claims against Michael LaValle as a result of the bankruptcy case he filed on September 14, 2012. Mr. LaValle received a discharge in his bankruptcy case. Judgment was, however, entered on October 14, 2014 against Susan LaValle in the sum of $1,242,844.12, with interest thereon at the rate of 9% per year. The CRO believes the judgment against Mrs. LaValle to be uncollectable or the cost of collection would outweigh any benefit to the Estate.

The Debtor's motion for summary judgment in lieu of complaint against Carl Hatton Jr. was denied by decision and ordered entered on January 14, 2015 and the motion papers were deemed the pleadings in that action. This matter was resolved as part of the SWAT settlement approved by the Bankruptcy Court as set forth above.

Judgment in the sum of $17,501,047.70 was entered against Madgi Gendi on December 9, 2014. The CRO believes this judgment to be uncollectable or that the cost of collection would outweigh any benefit to the Estate.

William Frazer's time in which to oppose the Debtor's motion for summary judgment in lieu of a complaint was extended through late October 2015 while the parties were exploring settlement predicated on his financial condition. When these discussions failed to reach fruition and following withdrawal of Frazer's counsel, the Debtor proceeded with his motion. Judgment in the sum of $6,458,784.83, plus interest thereon at the rate of 9% per year, was entered on May 24, 2016. The CRO believes this judgment to be uncollectable or the cost of collection would outweigh any benefit to the Estate.

An Order approving a $50,000 settlement with the Katzovitzes was approved by the Bankruptcy Court on March 2, 2017. [Dkt No. 1246] and an order approving a $13,000 settlement

with the Millers on December 15, 2017. [Dkt No. 1304] These funds were thereafter deposited in escrow with the Estate.

Judgment in the sum of $4,640,331.11 was entered against J. Henry Jones on October 14, 2014. The Debtor did not prosecute its claims against Donna Jones, his wife, because she filed a petition for bankruptcy relief pursuant to Bankruptcy Code in the U.S. Bankruptcy Court, Eastern District of Virginia on July 14, 2014. Mrs. Jones received her discharge on October 15, 2014. The CRO believes this claim to be uncollectable or that the cost of collection would outweigh any benefit to the Estate.

In response to the Debtor's motion for summary judgment in lieu of complaint, William Rodriguez moved to dismiss on personal jurisdiction grounds. On January 23, 2015, the Supreme Court of the State of New York, County of New York entered decisions and orders granting the Debtor's motion and denying the motion to dismiss. Following inquest, the Court entered judgment against William Rodriguez in the sum of $2,311,184.77. Following argument before the Second Department, by decision and Order dated March 22, 2017 the decision denying the motion to dismiss was affirmed and the judgment was vacated on the grounds that since the Debtor's motion for summary judgment relied upon documents extrinsic to the guaranty or note, the motion should have been denied by the Court below. The case was remanded, but has not been rescheduled by the Court. This proceeding will be dismissed pursuant to the Amended Plan as the CRO believes that the cost of collection would outweigh any benefit to the Estate.

The Debtor was awarded judgment against Tarek M. Ramadan in the sum of $17,669,246.99, which judgment was entered on November 26, 2014. He subsequently filed a Chapter 7 bankruptcy in the U.S. Bankruptcy Court for the District of New Jersey on December 15, 2014 under Case No. 14-35145. On January 12, 2015, the CRO, on behalf of the Debtor, filed a proof of claim in the sum of the judgment in the Chapter 7 case. Mr. Ramadan received his discharge on April 16, 2015. As a result, the judgment is uncollectable.

As relating to Sergio Horta, by decision and order entered on July 25, 2014, the Court denied the Debtor's motion for summary judgment in lieu of complaint. The original action against Horta was discontinued and a second action was commenced on November 9, 2016. Over Horta's opposition, judgment was entered in the sum of $4,593,308.35, together with interest thereon at 9% per year, on July 10, 2017. The CRO believes this claim to be uncollectable or that the cost of collection would outweigh any benefit to the Estate.

10. Avoidance Actions and Other Causes of Action

Certain of the Dell/Stephens Parties (referred to below) commenced an action against EisnerAmper, LLP ("EisnerAmper, LLP"), the Debtor's former auditors and accountants, for Causes of Action, including malpractice. Thereafter the Debtor in conjunction with the UCC commenced negotiations with EisnerAmper and the Dell/Stephens Parties to arrive at a settlement of the claim. After substantial negotiations the matter was settled, with, among other things, EisnerAmper paying the Debtor's Estate $2,250,000 and obtaining a full release of all claims by the Estate and various other third parties, including the Dell/Stephens Parties. These funds have been deposited in separate escrow accounts with LHM. As of February 28, 2018, the current balance of the escrow account is $2,250,896.85.

The Debtor invoking the clawback provisions of the Bankruptcy Code filed various avoidance actions against various "insiders" who as either owners of the Debtor's equity, managers of Oak Rock or parties in "control" of the Debtor received pre-petition transfers from the Debtor which the CRO believed were in violation of the Bankruptcy Code. These parties were: Prime Plus Acquisition Corp. in the sum of $25,627,396., Bobcat Property Trust in the sum of $4,242,043., Oasis Capital Management LLC in the sum of $449,469., John Dell in the sum of $491,164., Oasis POS, LLC in the sum of $221,075. and Thomas Stephens $200,087.00.

These suits were settled with the Estate recovering $2,000,392. from the Dell/Stephens Parties and exchanging mutual releases. Pursuant to an amended supplement to the prior motion of the Debtor and the UCC for the approval of a settlement agreement with Prime Plus Acquisition Corp. and others pursuant to Bankruptcy Rule 9019 and Bankruptcy Code §§ 105(a), 363 and 541 a settlement agreement approving this compromise was entered on October 11, 2016. These funds have been deposited in escrow with LHM. As of February 28, 2018, the current balance of the escrow account is $2,250,896.85.

11. Sale of Remaining Assets and Remnant Assets

The Debtor has located a buyer for its Remaining and Remnant Assets as defined at Paragraphs 1.1.70, 1.1.71 and 1.172 of the Amended Plan.

Within three (3) business days following entry of the Confirmation Order, all right, title, and interest in and to the Remaining Assets shall be sold and assigned to, and shall vest in, SM Financial Services Corporation for the purchase price of $9,000 free and clear of all liens, claims, interests and encumbrances and SM Financial Services Corporation shall be granted the protections of a good faith purchaser under Bankruptcy Code § 363(m).

Within three (3) business days following entry of the Confirmation Order, all right, title, and interest in and to the Remnant Assets shall be sold and assigned to, and shall vest in, Oak Point Partners LLC for the purchase price of $6,000 free and clear of all liens, claims, interests and encumbrances pursuant to the Remnant Asset Purchase Agreement between the Debtor and Oak Point Partners LLC shall be granted the protections of a good faith purchaser under Bankruptcy Code § 363(m).

12. Other Post Petition Activities

Subsequent to the Petition Date, the Debtor directed substantially all of its efforts towards streamlining and reducing operations, reducing costs and the liquidation of its assets and remaining servicing operations. Debtor's overarching goal was to maximize the value of such assets while minimizing the expenses associated with maintaining such assets. All of the Estate's Assets have been liquidated, the offices of the Debtor have been closed and only two part time employees remain to carry out limited administrative duties.

III. DESCRIPTION OF THE AMENDED PLAN

A DISCUSSION OF THE PRINCIPAL PROVISIONS OF THE AMENDED PLAN AS THEY RELATE TO THE TREATMENT OF CLASSES OF ALLOWED CLAIMS AND INTERESTS IS SET FORTH BELOW. THE DISCUSSION OF THE AMENDED PLAN THAT

FOLLOWS CONSTITUTES A SUMMARY ONLY, AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. YOU ARE URGED TO READ THE AMENDED PLAN IN FULL IN EVALUATING WHETHER TO ACCEPT OR REJECT DEBTOR'S PROPOSED AMENDED PLAN OF LIQUIDATION. IF ANY INCONSISTENCY EXISTS BETWEEN THIS SUMMARY AND THE AMENDED PLAN, THE TERMS OF THE AMENDED PLAN CONTROL. ALL CAPITALIZED TERMS NOT OTHERWISE DEFINED HAVE THE MEANINGS ASCRIBED TO THEM IN THE AMENDED PLAN.

SUBJECT TO THE PENDING APPEAL AND RESOLUTION OF THE COMPETING RIGHTS, THE LENDERS HAVE A FIRST PRIORITY LIEN AND SUPERPRIORITY ADMINISTRATIVE CLAIM ON ALL ASSETS AND RECOVERIES OF THE OAK ROCK ESTATE AND ANY AND ALL DISTRIBUTIONS TO THE CLAIMANTS LISTED BELOW ARE BEING PAID FROM THE DISTRIBUTION THAT WOULD OTHERWISE BE PAID TO THE LENDERS.

A. ADMINISTRATIVE CLAIMS, PROFESSIONAL FEES AND PRIORITY TAX CLAIMS

Certain types of Administrative Claims are not placed into voting classes; instead they are unclassified. They are not considered Impaired and they do not vote on the Amended Plan. As such, the Debtor and the Lenders have not placed the following Claims in a Class:

1. Superpriority Administrative Claim

As described at II(E)(1) above, the Lenders are the holders of a Superpriority Administrative Claim which has priority over all unsecured Claims, including all Administrative Claims, Professional Fee Administrative Claims and Priority Claims. As Proponents of the Amended Plan, the Lenders have agreed to subordinate their priority distribution as the holder of a Superpriority Administrative Claim to all Allowed Administration Claims, the Professional Fee Administrative Claims, All Priority Claims, the U.S. Trustee Fees and Classes 1, 2, and 3 Creditors.

2. Administrative Claims

Except with regard to Professional Fee Administrative Claims (referred to below), all Administrative Claims shall receive, in full and final satisfaction and settlement of such Administrative Claim on the Effective Date, cash equal to the unpaid portion of such Administrative Claim. *However*, Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during the Chapter 11 Case may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto prior to the Effective Date by the Debtor.

Administrative Claims Bar Date: Except as provided in Sections 2.1.2 and 2.1.3 for (i) U.S. Trustee Fees and (ii) Professionals requesting compensation or reimbursement for Professional Fee Administrative Claims, respectively, requests for payment of Administrative Claims must be filed no later than thirty (30) days after the Effective Date (the "Administrative Claims Bar Date"). Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the Administrative Claim Bar Date,

shall be forever barred from asserting such Claims against the Debtor, the Debtor's property or Assets, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset, or recover such Administrative Claim.

3. U.S. Trustee Fees

Quarterly fees owed to the Office of the U.S. Trustee shall be paid when due in accordance with applicable law and the Liquidating Trustee shall continue to file any required operating reports until the Chapter 11 Case is closed under Bankruptcy Code § 350.

4. Professional Fee Administrative Claims

Except as provided below, each Professional seeking Professional Fee Administrative Claim status through and including the Effective Date, pursuant to Bankruptcy Code §§ 330, 331 and § 503(b)(2) shall file its respective application for allowance of compensation for services rendered and the reimbursement of expenses incurred through the Effective Date by no later than the date that is thirty (30) days after the Effective Date or such other date as may be fixed by the Court. If after notice and a hearing the Bankruptcy Court awards compensation to the Professional Fee Administrative Claimant, the Professional Fee Administrative Claimant nevertheless agrees to be compensated in a sum no greater than the amount provided for each Professional Fee Administrative Claimant pursuant to the Amended Plan in Cash upon entry of an order of the Court or upon such other terms as may be mutually agreed upon between such holder of an Allowed Professional Fee Claim and the Lenders. Objections to timely filed Professional fee Claims must be filed no later than ten (10) days after the Effective Date.

Notwithstanding the foregoing, the Professional Fee Claim of Perkins pursuant to Bankruptcy Code §§ 330, 331 and § 503(b)(2) for any allowance of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date shall be filed by no later than the date that is ten (10) days after the Confirmation Date or such other date as may be fixed by the Court. Objections to the Perkins Professional Fee Claim must be filed no later than ten (10) days after the filing of the Perkins application for compensation. If after notice and a hearing the Court awards Perkins an Allowed Professional Fee Administrative Claim in excess of $2,500,000, pursuant to Bankruptcy Code §§ 330 and 331, the Lenders reserve the right to unilaterally withdraw the proposed Amended Plan.

Each Allowed Professional Fee Claimant shall receive compensation in the following amounts:

(a) LaMonica Herbst & Maniscalco, LLP shall receive as full and final compensation for all services rendered and to be rendered to the Oak Rock Estate: (i) one hundred (100%) percent of all interim distributions previously paid to LHM as of the date of the filing of this Amended Disclosure Statement and (ii) ninety (90%) percent of any and all outstanding but unpaid fees and one hundred (100%) percent of all unpaid expenses incurred or to be incurred by LHM through the Effective Date of the Amended Plan. As of the date of the filing of this Amended Disclosure Statement LHM's outstanding unpaid fees equaled $493,222, as of

December 31, 2017 and $5,058 in expenses. LHM reserves its right to object to this treatment on or before the hearing on the Confirmation of the Amended Plan.

(b) CohnReznick shall receive as full and final compensation for all services rendered and to be rendered to the Oak Rock Estate: (i) one hundred (100%) percent of all interim distributions previously paid to CohnReznick as of the date of the filing of this Amended Disclosure Statement and (ii) eighty eight (88%) percent of any and all outstanding but unpaid fees and one hundred (100%) percent of all unpaid expenses incurred or to be incurred by CohnReznick through the Effective Date of the Amended Plan. As of the date of the filing of this Amended Disclosure Statement CohnReznick's outstanding unpaid fees equaled $1,030,053, as of December 31, 2017, and $10,688 in expenses. CohnReznick reserves its right to object to this treatment on or before the hearing on the Confirmation of the Amended Plan.

(c) Edward Bond, Manager, shall receive in full and final compensation for all services rendered and to be rendered to Oak Rock Estate through the Effective Date of the Amended Plan in the sum of forty thousand ($40,000) dollars. As of the date of filing this Amended Disclosure Statement, Mr. Bond has outstanding fees and expenses of approximately three hundred seventy-seven thousand ($377,000) dollars. Mr. Bond has agreed to accept this treatment under the Amended Plan.

(d) The Professional fee claim of Perkins for full and final compensation for all services rendered and expenses incurred through the Confirmation Date shall be deemed Allowed in the amount awarded by the Court. In the event the Court awards Perkins an Allowed Professional Fee Administrative Claim in excess of $2,500,000, pursuant to Bankruptcy Code §§ 330 and 331, the Lenders reserve the right to unilaterally withdraw the proposed Amended Plan.

(e) On June 26, 2018, the Bankruptcy Court appointed Allan Gropper (Ret. Bankruptcy Judge) as the Fee Examiner to, among other things, analyze the reasonableness of each of the Professional fees and expenses of each the Professional Fee Administrative Claimant and provide the Bankruptcy Court with non-binding recommendations as to the reasonableness of the fees and expenses of each Professional Fee Administrative Claimant. The Court directed each of the Professional Fee Administrative Claimants and the Lenders to participate in the process. The Court also directed each of the Professional Fee Administrative Claimants to submit to the Fee Examiner a fee application and any other documents requested by the Fee Examiner on or before July 26, 2018, and directed the Fee Examiner to submit to the Court a written report within thirty (30) days of receiving all requested documents. The Order appointing the Fee Examiner provides that the "[t]he Court's ultimate determination of professional fees and expenses

is without prejudice to the rights of the proponents of the Joint Plan to withdraw such plan from consideration."

(f) Various of the Professional Fee Claimants have previously escrowed certain funds for the payment of their Allowed claims (hereinafter "Professional Fee Escrowed Funds") which shall be retained by the Professional Fee Claimants until their respective applications for the allowances of compensation for services rendered and the reimbursement of expenses incurred through the Effective Date that remain unsatisfied pursuant to Bankruptcy Code §§ 330 and 331 are heard and Allowed by the Court as provided for under the Amended Plan. Allowed Professional Fee Claims shall be paid first from the Professional Fee Escrowed Funds. If the Professional Fee Escrowed Funds are insufficient to pay the Allowed Professional Fee Claims in full, any shortfall shall be paid from the Assets. If there is a surplus of Professional Fee Escrowed Funds after all Allowed Professional Fee Claims are paid in full, the surplus shall be transferred to the Oak Rock Estate.

(g) A holder of an Allowed Priority Tax Claim shall be entitled to be paid in full in final satisfaction, settlement and release of and in exchange for such Allowed Priority Tax Claim, if, in the Debtor's discretion the Allowed Priority Tax Claimant receives such other treatment as to which such holder and the Debtor shall have agreed; *provided, however*, that the Debtor shall have the right to pay any Allowed Priority Tax Claim, or any remaining balance of any Allowed Priority Tax Claim, in full at any time on or after the Effective Date without premium or penalty.

B. CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

The classification of Claims and Equity Interests against the Debtor pursuant to the Amended Plan is as follows:

Class	Status	Entitled to Vote
Class 1: Priority Claims	Unimpaired	No
Class 2: Alleged Participant Claims and General Unsecured Claims	Impaired	Yes
Class 3: True Participants Claims	Impaired	Yes
Class 4: IDB's Participation Claim and Leumi's Participation Claims	Impaired	Yes
Class 5: Lenders Deficiency Claim	Impaired	Yes
Class 6: Lenders Secured Claim	Impaired	Yes
Class 7: Equity Interests	Impaired	No

Section 1123 of the Bankruptcy Code provides that a plan must classify the claims against and equity interests in a debtor. In compliance with Bankruptcy Code §1123, the Amended Plan divides these claims and equity interests into classes and sets forth the treatment for each class. A debtor is also required, under § 1122 of the Bankruptcy Code, to classify claims against and equity interests in a debtor into classes that contain claims and equity interests that are substantially similar to the other claims and equity interests in such class. The Debtor believes that the Amended Plan has classified all claims and equity interests in compliance with the provisions of Bankruptcy Code § 1122. Set forth below is a description of the classification and treatment of each Class of Claims and equity interests.

1. Class 1 - Priority Claims

Classification: Class 1 consists of Priority Claims.

Treatment: To the extent any Priority Claim becomes an Allowed Priority Claim, and as soon as practicable after the Effective Date, a holder of an Allowed Priority Claim against the Debtor shall receive in exchange for such Allowed Priority Claim, payment equal to the unpaid portion of such Allowed Priority Claim unless otherwise agreed to in writing or permitted between the Allowed Priority Claimant and the Debtor and shall release all claims against the Estate.

Voting: Class 1 is unimpaired and is conclusively presumed to have accepted the Amended Plan and, therefore, holders of Class 1 Claims are not entitled to vote to accept or reject the Amended Plan.

Estimated Amount of Allowed Class 1 Claims: Approximately $56,963.77.

2. Class 2 – Alleged Participant Claims and General Unsecured Claims

Classification: Class 2 consists of Alleged Participant Claims and General Unsecured Claims of the Estate.

Treatment: In full and final settlement of its Claim and except as provided below, each holder of an Allowed Class 2 Alleged Participant Claim and each holder of an Allowed General Unsecured Claim shall receive payment in Cash on the Effective Date equal to thirty-five (35%) percent of such Creditor's Claim.

Unless disputed by the Alleged Participant, each Class 2 Alleged Participants scheduled on Exhibit B annexed to the Amended Plan, except as provided for below, shall be entitled to receive on the Effective Date as an Allowed Claim an unavoidable and indefeasible payment in Cash equal to thirty-five (35%) percent of his, her or its respective Distribution as set forth on Exhibit B annexed to the Amended Plan.

The Lenders, pursuant to a certain Stipulation, dated September 17, 2015, purchased the Claim of the Small Business Administration as the Receiver of Redstone Business Lenders, LLC as evidenced by an Amended Proof of Claim #72-2 filed on May 12, 2014 in the Estate in the Face Amount of $20,799,121.00. The Lenders, for purposes of this Amended Plan only and for no other purpose, will subordinate payment of this Claim to the Distribution provided for the other Allowed Class 2 Claimants.

Voting: Class 2 is Impaired and is entitled to vote on the Amended Plan.

Estimated Amount of Allowed Class 2 Claims: $29,823,062.

3. Class 3 - True Participant Claims

Classification: Class 3 consists of the Allowed Claims of each of Medallion, ZFI and North Mill which have been found by the True Participant Orders entered by the Bankruptcy Court to be True Participants.

Treatment: Each holder of an Allowed Class 3 True Participant Claim shall receive payment in cash on the Effective Date equal to fifty-one and four-tenths (51.4%) percent of such holder's Allowed Claim. Specifically, Medallion, and each of the Plan Proponents, agree, subject to Confirmation of the Amended Plan on the terms and conditions as agreed between the parties and presented hereby, that Medallion shall receive on the Effective Date an unavoidable and indefeasible payment in cash of six million eight hundred thousand dollars ($6.8 million) on account of its Allowed Class 3 True Participant Claim. Similarly, North Mill, ZFI and each of the Plan Proponents, agree, subject to Confirmation of the Amended Plan on the terms and conditions as agreed between the parties and presented hereby, that North Mill and ZFI shall, respectively, receive on the Effective Date an unavoidable and indefeasible payment in cash equal to one million two hundred eighty five thousand dollars $1,285,000 (with regard to North Mill) and five hundred fourteen thousand dollars ($514,000) (with regard to ZFI) on account of their respective Allowed Class 3 True Participation Claims.

Voting: The members of Class 3 are Impaired and entitled to vote on the Amended Plan.

Estimated Amount of Allowed Class 3 Claims: Approximately: $16,721,547.00.

4. Class 4 – The IDB Participation Claim and the Leumi Participation Claims

Classification: Class 4 consists of the IDB Participation Claim and the Leumi Participation Claims. The IDB Participation Claim arises from IDB's participation interest in the Debtor's loan to Luther Appliance & Furniture Sales, Inc. The Leumi Participation Claims arise from Leumi's participation interests in the Debtor's Loans to: (i) Merchants Advance, LLC and Amerimerchant LLC; and (ii) US Military Loans, Inc.

Treatment: The holders of the IDB Participation Claim and the Leumi Participation Claims shall each receive a distribution in cash of $5,000 in complete satisfaction of each of their Class 4 Claims solely after the payment in full of distributions provided for in the Amended Plan on account of all of the Classes 1, 2 and 3 Allowed Claims.

Voting: Class 4 is Impaired and is entitled to vote on the Amended Plan.

Estimated Amount of Allowed Class 4 Claims: Approximately: $9,214,000.00.

5. Class 5 - Lenders Deficiency Claim

Classification: Class 5 consists of the Lenders Deficiency Claim.

Treatment: For purposes of this Amended Plan and for no other purpose, the holders of the Lenders Deficiency Claim agree, in full and final settlement of their respective Claims, to receive a Distribution in Cash of $5,000 in complete satisfaction of their Class 5 Allowed Claim but only after the payment in full of all Distributions provided for in the Amended Plan on account of Class 2, 3, and 4 Allowed Claims.

Voting: Class 5 is Impaired and is entitled to vote on the Amended Plan.

6. Class 6 - Lenders Secured Claim

Classification: Class 6 consists of the Lenders Secured Claim, which arises from the Debtor's obligations to the Lenders pursuant to a certain credit agreement as subsequently amended and modified from time to time, which obligations were secured by a perfected and senior in priority security interest in all of the Debtor's Assets. By orders of the Bankruptcy Court, dated March 19, 2015 and April 21, 2015, the Lenders were found to have a first lien position on all of the Debtor's Assets.

Treatment: The Lenders shall receive in full and final settlement of their Class 6 Allowed Claim, a Distribution equal to all of the remaining Assets of the Estate including but not limited to all funds (inclusive of accrued interest) currently on deposit or to be deposited in the Escrowed Funds or the Professional Fee Escrow Funds in Cash on the Effective Date, as well as any subsequent recoveries which may arise from Assets of the Estate which may or may not have been liquidated on the Effective Date or come into existence thereafter.

Notwithstanding their priority status and for purposes of this Amended Plan and for no other purpose, the Lenders have agreed to subordinate the foregoing Distribution on account of

their Class 6 Allowed Claim to the payment in full of all Distributions provided for in the Amended Plan to all holders of Allowed Administrative Claims (including the Allowed Professional Fee Claims) and all holders of the Classes 1, 2, and 3 Allowed Claims.

Voting: Class 6 is Impaired and is entitled to vote on the Amended Plan.

Estimated Amount of Allowed Class 6 Claims: Not less than approximately $72,128,347, as of February 28, 2018, consisting of: (i) liquidation proceeds (except for the Professional Fee Escrowed Funds) in the approximate amount of $66,809,248, as of February 28, 2018; (ii) the Professional Fee Escrowed Funds of approximately $322,443 as of February 28, 2018; (iii) settlement proceeds from the Dell/Stephens settlement and the EisnerAmper settlement of $4,251,687.48, as of February 28, 2018; and (iv) the preference recovery from Valley National Bank in the sum of $747,856.99, as of February 28, 2018.

7. Class 7 - Equity Interests

Classification: Class 7 consists of Equity Interests in the Debtor.

Treatment: On the Effective Date, all Interests in Class 7 shall be cancelled and each holder thereof shall not be entitled to, and shall not receive or retain any property or interest in property on account of, such Interests.

Voting: Class 7 is deemed to have rejected the Amended Plan and, therefore, holders of Class 7 Equity Interests are not entitled to vote to accept or reject the Amended Plan.

C. ACCEPTANCE OR REJECTION OF THE AMENDED PLAN

1. Classes Entitled to Vote

Class 2 (Alleged Participant Claims), Class 3 (True Participant Claims), Class 4 (IDB Participation Claim and the Leumi Participation Claims), Class 5 (Lenders Deficiency Claim and Class 6 (Lenders Secured Claim) are the Impaired Classes under the Amended Plan and shall be entitled to vote to accept or reject the Amended Plan.

2. Classes Not Entitled to Vote

Class 1 (Priority Claims). A holder of a Claim in this Class is conclusively presumed to have accepted the Amended Plan and is not entitled to vote to accept or reject the Amended Plan. No votes shall be solicited from the holders of any Priority Claims.

3. Class of Interests Deemed to Reject the Amended Plan

Interests in Class 7 (Equity Interests) are Impaired and will not receive any distributions under the Amended Plan. Under Bankruptcy Code § 1126(g), the holders of Class 7 Equity Interests are conclusively presumed to reject the Amended Plan, and the votes of such holders will not be solicited.

4. Acceptance by an Impaired Class

In accordance with Bankruptcy Code § 1126(c) and except as provided in Bankruptcy Code § 1126(e), an Impaired Class of Claims shall have accepted the Amended Plan if the Amended 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 Allowed Claims of such Class that have timely and properly voted to accept or reject the Amended Plan, *provided, however*, if no creditor has an Allowed Claim in any Amended Plan Class, such Class shall be deemed to have accepted the Amended Plan.

5. Nonconsensual Confirmation

If any Impaired Class of Claims entitled to vote does not accept the Amended Plan by the requisite statutory majority provided in Bankruptcy Code § 1126(c), the Amended Plan Proponents acting unanimously reserve the right to amend the Amended Plan in accordance with Section 15.4 of the Amended Plan or undertake to have the Court confirm the Amended Plan under Bankruptcy Code § 1129(b) or both. With respect to impaired classes of Claims and Interests that are deemed to reject the Amended Plan, the Amended Plan Proponents shall request that the Court confirm the Amended Plan pursuant to Bankruptcy Code § 1129(b).

D. MEANS FOR IMPLEMENTATION OF THE AMENDED PLAN

1. Settlement of Certain Claims

In consideration for the classification, distribution, releases and other benefits provided under the Amended Plan, upon the Effective Date, the provisions of the Amended Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved pursuant to the Amended Plan. Except as otherwise provided, all distributions made pursuant to the Amended Plan to Creditors holding Allowed Claims in any Class are intended to be indefeasible and shall be final, including all Causes of Action brought by the CRO against the Alleged Participants.

2. Implementing Actions

On the Effective Date, the following shall occur to implement the Amended Plan:

(a) The Debtor shall be deemed dissolved and the Manager and CRO shall be deemed resigned without any further action by the Debtor, including the filing of any documents with the Secretary of State for any state in which the Debtor is incorporated or any other jurisdiction, and without the necessity for any payments to be made in connection therewith.

(b) The UCC shall be deemed dissolved; and

(c) Except as maybe provided otherwise in the Amended Plan, the Debtor shall cause (and shall be deemed to have caused) the Assets of the Estate to be distributed in accordance with the terms of the Amended Plan.

3. No Further Duties

Upon satisfaction of the payment of all parties effected by the Amended Plan the Debtor shall have no further duties or responsibilities in connection with the implementation of the Amended Plan other than the resolution of any pending objections to any Claims.

4. Cancellation of Existing Securities and Agreements

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

5. No Further Action

Each of the matters provided for under the Amended Plan involving the limited liability company structure of the Debtor or limited liability company 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 herein, and shall be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, holders of Claims or Interests against or in the Debtor or its officers or managers.

6. Sources for Amended Plan Distributions

All Cash necessary to make Distributions pursuant to the Amended Plan shall be obtained from: (a) liquidation proceeds held by the Debtor in various operating and escrow accounts, including each Professional Fee Escrow Funds.

7. Conditions to Amended Plan Effectiveness

Notwithstanding anything in the Amended Plan to the contrary, the Amended Plan may not be consummated, and the Effective Date shall not occur, unless and until each of the following conditions shall have been either satisfied or waived, in writing, by the Amended Plan Proponents:

(a) The Court has entered the Confirmation Order and the Confirmation Order has become a Final Order;

(b) No stay of the Confirmation Order is in effect;

(c) All documents, instruments and agreements, in form and substance satisfactory to the Debtor, Lenders, the Rothenberg Defendants and Medallion, provided for under or necessary to implement the Amended Plan

have been executed and delivered by the parties thereto, unless such execution or delivery has been waived, in writing; and

(d) The Proponents shall have received all authorizations, consents, regulatory approvals, rulings, opinions or other documents that are determined by the Proponents to be necessary to implement the Amended Plan.

8. Satisfaction of Conditions

Except as expressly provided or permitted in the Amended Plan, any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. Unless otherwise agreed by the Proponents, in the event that one or more of the conditions set forth in Section 8.8 of the Amended Plan has not occurred or otherwise been waived, in writing, the Amended Plan by the one hundred twentieth (120th) day after entry of the Confirmation Order as a Final Order, (a) the Confirmation Order shall be vacated, (b) the Debtor and all holders of Claims and Interests shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred, and (c) the Debtor's obligations with respect to Claims and Interests shall remain unchanged and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

9. Limited Liability Company Authorization

Upon the Effective Date, all transactions and applicable matters provided for under the Amended Plan shall be deemed to be authorized and approved by the Debtor without any requirement of further action by the Debtor, the Debtor's Manager or the Debtor's CRO.

10. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Amended Plan, the Confirmation Order, any other order of the Court, or any document or agreement enforceable pursuant to the terms of the Amended Plan, nothing shall affect the rights and defenses, both legal and equitable, of the Debtor, and holders of Unimpaired Claims 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.

11. Effectuating Documents; Further Transactions

Subject to the terms and conditions of the Amended 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 Amended Plan.

E. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. Contracts and Leases Not Specifically Assumed and Assigned are Rejected

All executory contracts and unexpired leases of the Debtor not expressly assumed, rejected or terminated by the Amended Plan, or by Order of the Court entered prior to the Confirmation Date, or which are not subject of a pending application or litigation, including applications to assume or reject on the Confirmation Date, shall be deemed rejected as of the Confirmation Date.

2. Bar Date for Filing Claim For Rejection Damages

If the rejection of an executory contract or unexpired lease by the Debtor pursuant to Section 10.1 of the Amended Plan results in damages to the counterparty to such contract or lease, then a Claim for damages or any other amounts related in any way to such contract or lease shall be forever barred and shall not be enforceable against the Debtor, its successors or assigns or their property, unless a proof of claim is filed with the Court and served on the Debtor within ten (10) days after the service of notice of the Effective Date, which notice shall prominently state that such executory contracts and unexpired leases have been rejected; *provided, however,* that the rejection claim bar date for unexpired leases and executory contracts rejected prior to the Confirmation Date shall be the date set forth in the applicable order rejecting such lease or contract.

3. Retiree Benefits

The Debtor does not have any retiree benefit Amended Plans, funds or programs, as defined in Bankruptcy Code § 1114. Accordingly, no such payments will be, or are required to be, made pursuant to Bankruptcy Code § 1129(a)(13).

F. PROVISIONS REGARDING TREATMENT OF DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS

1. No Distributions Pending Allowance

If any portion of any Creditor Claims, including, but not limited to, any Administrative Claims, Lenders Secured Claims, Priority Claims, True Participant Claims, Alleged Participant Claims or General Unsecured Claims are disputed by the Debtor, no payment or distribution provided hereunder shall be made on account of such Claims, unless and until such Disputed Claim becomes Allowed by Final Order of the Court; However, notwithstanding any other Amended Plan provisions, the Claims of Medallion, North Mill, ZFI, the Lenders and the Alleged Participants are Allowed Claims in the amounts and pursuant to the terms provided for in the Amended Plan.

2. No Post-Effective Date Interest

To the extent that a Disputed Claim becomes an Allowed Claim after the Effective Date the holder of such Claim shall not be entitled to any interest thereon.

3. Impact and Preservation of the Appeal

If the District Court decides all or any portion of the Appeal (as defined at Article I(2) above) prior to the occurrence of the Effective Date, then each of Medallion and the Lenders shall take any and all actions reasonably required or deemed prudent to preserve their respective appellate rights to the United States Court of Appeals for the Second Circuit (the "Second Circuit"). Additionally, each of Medallion and Lenders shall reasonably cooperate to request an order of the Second Circuit to delay any briefing schedule for such appeals until the earlier of (a) the occurrence of the Effective Date and (b) the failure to confirm the Amended Plan comprising the settlement among Medallion and the Lenders. If the Effective Date occurs, then each of Medallion and the Lenders shall take any and all actions reasonably required to withdraw any of the pending Appeals (or appeals thereof to the Second Circuit) to which they are a party. Regardless of the decision of the District Court and except as provided herein, Medallion, the Lenders and the Debtor have agreed to be bound, exclusively, by the express terms of the Amended Plan and on the condition that the Amended Plan is confirmed upon the express terms contained therein, unless otherwise jointly agreed by the Lenders, Medallion, North Mill and ZFI.

G. EFFECTS OF CONFIRMATION

1. Discharge of the Debtor

Pursuant to Bankruptcy Code § 1141(d)(3), Confirmation will not discharge Claims against the Debtor; *provided, however,* that, from and after the Effective Date, no holder of any Claim or Interest 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 retained professionals, the CRO, the Debtor's Manager and/or their respective successors, assigns and/or property, except as to rights, obligations, duties, claims and responsibilities preserved, created or otherwise established by the terms of the Amended Plan, an order of the Bankruptcy Court or another court of competent jurisdiction and all Causes of Action brought by the Debtor and/or the UCC shall be dismissed with prejudice.

2. Dissolution of Creditors Committee

The UCC shall be dissolved as of the Effective Date and of no further force and effect.

3. Release of the Lenders

Except as to rights, obligations, duties, claims and responsibilities expressly preserved, created or otherwise established by the terms of the Amended Plan, the Confirmation Order, an order of the Court or another court of competent jurisdiction; pursuant to § 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and as of the Effective Date, the Debtor, the Debtor's Estate, the Settling Parties, all Administrative Claimants, the UCC, and all holders of an equity interest, and each of their respective agents, affiliates, predecessors, successors and assigns (collectively, the "Releasing Parties") shall be deemed to have provided a full and complete discharge and release to the Lenders, jointly and severally, and each of their respective successors and assigns, members, partners, advisors, attorneys, officers, directors and employees, in their capacities as such (the "Released Parties"), from any and all Claims and causes of action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or

unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability, any theory of debt recharacterization, equitable subordination liability or otherwise, arising from or related in any way to the Debtor, including any such claims that the Releasing Parties would have been legally entitled to assert against the Released Parties, jointly or severally, in its own right (whether individually, collectively, or on behalf of the Debtor or the Estate, including those in any way related to the Chapter 11 Case or the Amended Plan to the fullest extent of the law), including, but not limited to, dismissing with prejudice any and all adversary proceedings brought by any Releasing Party against the Lenders, jointly or severally, including, but not limited to, those adversary proceedings specifically enumerated as Causes of Action (the "Released Claims").

Except as to rights, obligations, duties, claims and responsibilities expressly preserved, created or otherwise established by the terms of the Amended Plan, the Confirmation Order, an order of the Court or another court of competent jurisdiction, the Releasing Parties are permanently enjoined and precluded, from and after the Effective Date, from: (a) commencing or continuing in any manner or action or other proceeding of any kind against the Released Parties whether directly, derivatively or otherwise, on account of or in connection with or with respect to any Released Claims, (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Released Parties on account of or in connection with or with respect to any Released Claims; (c) creating, perfecting or enforcing any lien, claim or encumbrance of any kind against the Lenders on account of or in connection with or with respect to any Released Claims; (d) asserting any right to setoff, subrogation or recoupment of any kind against any obligation due from the Lenders on account of or in connection with or with respect to any Released Claims unless such holder has filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in a Claim or Equity Interest or otherwise that such holder asserts, has or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (e) commencing or continuing in any manner or action or other proceeding of any kind against the Released Parties on account of or in connection with or with respect to any Released Claim.

4. Exculpation and Release of Debtor, CRO, Manager and Professionals

Except to the extent arising from willful misconduct or gross negligence, from and after the Effective Date, any and all Claims, liabilities, Causes of Action, rights, damages, costs and obligations held by any party, any Settling Party or Person who is or has been a holder of any Claim against, Equity Interest in or a Participation with the Debtor, the Chief Restructuring Officer, the Manager and their respective attorneys, accountants. financial advisors, agents and other professionals, and their officers, directors and employees, whether known or unknown, matured or contingent, liquidated or unliquidated, existing, arising or accruing, whether or not yet due in any manner arising between the Petition Date and the Effective Date and related to the administration of the Chapter 11 Case or the formulation, negotiation, prosecution or implementation of the Amended Plan, shall be deemed fully waived, barred and released in all respects, except as to rights, obligations, duties, claims and responsibilities preserved, created or otherwise established by terms of the Amended Plan, the Confirmation Order, an order of the Court or another court of competent jurisdiction.

5. Injunction Enjoining Holders of Claims Against the Debtor, CRO and Debtor's Manager

The Amended Plan is the sole means for resolving, paying or otherwise dealing with all Claims and Interests. To that end, except as to rights, obligations, duties, claims and responsibilities expressly preserved, created or otherwise established by the terms of the Amended Plan, an order of the Bankruptcy Court or another court of competent jurisdiction, at all times on and after the Effective Date, through and including the date of entry of a Final Decree closing the Chapter 11 Case, all Persons or government agencies, and each of their respective agents, affiliates, predecessors, successors and assigns who have been, are, or may be holders of Claims against or Interests in the Debtor arising prior to the Effective Date, shall be enjoined from taking any of the following actions against or affecting the Debtor, the CRO, the Debtor's Manager, the Lenders, its Estate, including the Assets, with respect to such Claims or Interests (other than actions brought to enforce any rights or obligations under the Amended Plan or any settlement related thereto to litigate before the Court to make determinations called for pursuant to the Amended Plan), including:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind against the Debtor, the CRO, the Debtor's Manager, the Estate or the Assets (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date);

(b) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree, or order against the Debtor, the CRO, the Debtor's Manager, the Estate or the Assets;

(c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any lien against the Debtor, the CRO, the Debtor's Manager, the Estate or the Assets;

(d) asserting any right of subrogation, or recoupment of any kind, directly or indirectly against any obligation due the Debtor, the CRO, the Debtor's Manager, the Oak Rock Estate or the Assets; and

(e) proceeding in any manner in any place whatsoever against the Debtor, the CRO, the Debtor's Manager, the Estate, or the Asset that does not conform to or comply with the provisions of the Amended Plan.

H. RELEASE BY THE LENDERS

Except as to rights, obligations, duties, claims and responsibilities expressly preserved, created or otherwise established by the terms of the Amended Plan, the Confirmation Order, an order of the Court or another court of competent jurisdiction, pursuant to § 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and as of the Effective Date, the Lenders, jointly and severally, and each of their respective agents, affiliates, predecessors, successors and assigns (collectively, the "Lender Releasors") shall be deemed to have provided a

full and complete discharge and release to all Settling Parties, the UCC, the Administrative Claimants, and any holder of a Claim or Interest and each of their respective agents, affiliates, members, partners, advisors, officers, directors, employees, heirs, administrators, executors, attorneys and representatives, in their capacities as such (collectively, the "Settling Releasees"), from any and all claims and causes of action whatsoever, including, but not limited to, all of the Causes of Action, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability, any theory of debt recharacterization, equitable subordination liability or otherwise, arising from or related in any way to the Debtor and its Estate, including, but not limited to, any such claims that the Lender Releasors, jointly or severally, would have been legally entitled to assert against the Settling Releasees in their own right (the "Lenders/Settling Parties Released Claims").

Except as to rights, obligations, duties, claims and responsibilities expressly preserved, created or otherwise established by the terms of the Amended Plan, the Confirmation Order, an order of the Court or another court of competent jurisdiction, the Lender Releasors are permanently enjoined and precluded, from and after the Effective Date, from: (a) commencing or continuing in any manner or action or other proceeding of any kind against any of the Settling Releasees whether directly, derivatively or otherwise, on account of or in connection with or with respect to any Lenders/Settling Parties Released Claims; (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Settling Releasees on account of or in connection with or with respect to any Lenders/Settling Parties Released Claims; (c) creating, perfecting or enforcing any lien, claim or encumbrance of any kind against the Settling Releasees on account of or in connection with or with respect to any Lenders/Settling Parties Released Claims; (d) asserting any right to setoff, subrogation or recoupment of any kind against any obligation due from the Settling Releasees on account of or in connection with or with respect to any Lenders/Settling Parties Released Claims; and (e) commencing or continuing in any manner or action or other proceeding of any kind against the Settling Releasees on account of or in connection with or with respect to any Lenders/Settling Parties Released Claims.

I. RELEASE OF CREDITORS

Except as to rights, obligations, duties, claims and responsibilities expressly preserved, created or otherwise established by the terms of the Amended Plan, the Confirmation Order, an order of the Court or another court of competent jurisdiction, the Debtor, the Estate, the UCC and the Chief Restructuring Officer and each of their respective agents, affiliates, managers, predecessors, successors and assigns, jointly and severally, on and as of the Effective Date, shall be deemed to have provided a full and complete discharge and release of any and all Claims and Causes of Action of any nature or description, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, held by, arising from or related in any way to the Debtor, its Estate and the Chapter 11 Case against any holders of Claims or Interest, any Alleged Participant and/or any True Participant, and any Settling Releasee, including but not limited to Medallion and the Rothenberg Defendants. To that end, any and all tolling agreements entered into by and among the Debtor, its Estate, the UCC, any Alleged Participant, any True Participant or any Settling Releasee (and counsel thereto) in respect of any Cause of Action shall be deemed to have terminated and expired as of the

Effective Date, and any and all adversary proceedings brought against any of the foregoing in respect of any Cause of Action are and shall be deemed dismissed *with prejudice*.

J. RETENTION OF JURISDICTION

The Court shall retain jurisdiction over the Chapter 11 Case, including, without limitation, such jurisdiction as is necessary to ensure that the purposes and intent of the Amended Plan are implemented.

The Court shall also retain jurisdiction for the purpose of classification of the Claims of any Creditor or Interests and the determination of such objections as may be filed with respect to the Claims and Interests, including proceedings for estimation of Claims or Interests pursuant to Bankruptcy Code § 502(c). The Court shall further retain jurisdiction as set forth in the Amended Plan and for the following additional purposes:

(a) To consider any amendments to or modification of the Amended Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Court, including, without limitation, the Confirmation Order;

(b) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any, are pending and the allowance of Claims;

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

(d) To issue orders in aid of execution and consummation of the Amended Plan, to the extent authorized by Bankruptcy Code § 1142 including those allowed pursuant to Bankruptcy Rule of Procedure 7070;

(e) To hear and determine all applications for compensation and reimbursement of expenses of Professionals under Bankruptcy Code §§ 330, 331 and 503(b) and the Amended Plan;

(f) To issue injunctions and effect any other actions that may be necessary or appropriate to restrain interference by any person or entity with the consummation, implementation or enforcement of the Amended Plan, the Confirmation Order or any other order of the Bankruptcy Court;

(g) To hear and determine matters concerning state, local and federal taxes in accordance with Bankruptcy Code §§ 346. 505 and 1146 (including, without limitation, any request by the Debtor or the Liquidating Trust for an expedited determination of tax under Bankruptcy Code § 505(b));

(h) To enter such orders as may be necessary or appropriate to implement, consummate, or enforce the provisions of the Amended Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Amended Plan or the Amended

Disclosure Statement including orders pursuant to Bankruptcy Rule of Procedure 7070 to be applied in all contested matters and adversary proceedings;

(i) To hear and determine all disputes involving the existence, scope and nature of the discharges granted under the Amended Plan, the Confirmation Order or the Bankruptcy Code;

(j) To enter a final decree closing the Chapter 11 Case;

(k) To hear any other matter not inconsistent with the Bankruptcy Code; and

(l) To recover all Assets of the Debtor wherever located.

K. SUMMARY OF DISTRIBUTABLE ASSETS

At the present time, the non-litigation assets (other than the Cash described elsewhere herein) owned by the Debtor have little or no value.

L. BEST INTEREST OF CREDITORS TEST

Pursuant to Bankruptcy Code § 1129(a)(7), unless there is unanimous acceptance of the Amended Plan by an impaired Class, the Debtor must demonstrate, and the Bankruptcy Court must determine that with respect to such Class, each holder of a Claim will receive property of a value, as of the Effective Date of the Amended Plan, that is not less than the amount that such holder would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date. This requirement is commonly referred to as the "Best Interests of Creditors Test".

The Amended Plan is a plan of liquidation. All assets of the Oak Rock Estate have been liquated and all Causes of Action either settled or uncollectable, except for the UCC Litigation. Therefore, each holder of a claim will receive property of a value, as the Effective Date of the Amended Plan, that is no less than the amount that such holder would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date.

The Amended Plan satisfies the Best Interests of Creditors Test. The Amended Plan provides greater recovery to the Holders of Allowed Claims than such Holders would receive under a liquidation under Chapter 7 primarily because the Amended Plan avoids a layer of administrative expense associated with the appointment of a Chapter 7 trustee, while increasing the efficiency of administrating the Debtor's Assets for the benefit of its Creditors. Most obviously (with respect to efficiency), the Debtor has already completed much of the analysis concerning the Causes of Action, State Actions and other litigation that a Chapter 7 trustee would have to reevaluate before such actions could continue and/or commence.

Moreover, in a Chapter 7 Case, the Chapter 7 trustee would also be entitled to seek a sliding scale commission based upon the funds distributed by such trustee, even though many of the funds have already been accumulated and most of the expenses associated with generating those funds have already been incurred based on the approximately $72 million of cash on hand, a Chapter 7 trustee's fee would likely exceed $2 million (approximately 3% of total cash). Accordingly, there

is a reasonable likelihood that Creditors would "pay again" for the funds already accumulated, since the Chapter 7 trustee would be entitled to receive a commission in some amount for all funds distributed, including possibly substantial funds handed over to the Liquidating Trust by the Debtor. It is also anticipated that a Chapter 7 liquidation would result in delay in the Distributions to Creditors. Among other things, a Chapter 7 Case would trigger a new bar date for filing Claims that would be more than ninety (90) days following conversion of the Case to Chapter 7. Fed. R. Bankr. P. 3002(c). Hence, a Chapter 7 liquidation would not only delay Distributions, but raise the prospect of additional Claims that were not asserted in the Chapter 11 Case. Based on the foregoing, the Amended Plan provides an opportunity to bring the greatest return to Creditors.

As importantly, the Amended Plan distributions are being made available with the acquiescence of the Lenders, who have liens on all of the Estate Assets and a Superpriority Administrative Claim senior to all Administrative Claims, subject only to the Appeal and Competing Rights (as defined in the Cash Collateral Orders). These distributions to administrative creditors, and creditors would not be available if a Chapter 7 conversion occurred.

M. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE AMENDED PLAN

The following discussion is a summary of certain U.S. federal income tax consequences of the Amended Plan to the Debtor and to Holders of Claims and Interests. This discussion is based on the IRS, Treasury Regulations promulgated and proposed thereunder, judicial decisions and published administrative rules and pronouncements of the IRS as in effect on the date hereof. Due to the complexity of certain aspects of the Amended Plan, the lack of applicable legal precedent, the possibility of changes in the law, the differences in the nature of the Claims (including Claims within the same Class) and Interests, the Holder's status and method of accounting (including Holders within the same Class) and the potential for disputes as to legal and factual matters with the IRS, the tax consequences described herein are subject to significant uncertainties. No legal opinions have been requested from counsel with respect to any of the tax aspects of the Amended Plan and no rulings have been or will be requested from the IRS with respect to the any of the issues discussed below. Furthermore, legislative, judicial or administrative changes may occur, perhaps with retroactive effect, which could affect the accuracy of the statements and conclusions set forth below as well as the tax consequences to the Debtor and the Holders of Claims and Interests.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtor or the Holders of Claims or Interests in light of their personal circumstances, nor does the discussion deal with tax issues with respect to taxpayers subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, pass-through entities, brokers and dealers in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies, regulated investment companies and foreign taxpayers). This discussion does not address the tax consequences to Holders of Claims who did not acquire such Claims at the issue price on original issue. No aspect of foreign, state, local or estate and gift taxation is addressed.

THE FOLLOWING SUMMARY IS NOT A SUBSTITUTE FOR CAREFUL TAX AMENDED PLANNING AND ADVICE BASED UPON THE PERSONAL

CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT WITH SUCH HOLDER'S TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE AMENDED PLAN.

1. Consequences to Debtor

The Amended Plan provides that the Debtor will be liquidated and dissolved. As a result, there will be no net operating loss or capital loss carry-forwards or other tax attributes available to Debtor following the Effective Date.

2. Consequence to Holders of Claims

The federal income tax consequences of the Amended Plan to a Holder of a Claim will depend upon several factors, including but not limited to: (i) the origin of the Holder's Claim; (ii) whether the Holder is a resident of the United States for tax purposes (or falls into any of the special classes of taxpayers excluded from this discussion as noted above); (iii) whether the Holder reports income on the accrual or cash basis method; (iv) whether the Holder has taken a bad debt deduction or worthless security deduction with respect to this Claim; and (v) whether the Holder receives distributions under the Amended Plan in more than one taxable year. HOLDERS ARE STRONGLY ADVISED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE TAX TREATMENT UNDER THE AMENDED PLAN OF THEIR PARTICULAR CLAIMS.

3. Holders of Claims

Generally, a Holder of an Allowed Claim will recognize gain or loss equal to the difference between the "amount realized" by such Holder and such Holder's adjusted tax basis in the Allowed Claim. The "amount realized" is equal to the sum of the Cash and the fair market value of any other consideration received under the Amended Plan in respect of a Holder's Claim.

4. Distributions in Discharge of Accrued but Unpaid Interest

Pursuant to the Amended Plan, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claims, with any excess allocated to accrued but unpaid interest. However, there is no assurance that the IRS will respect such allocation for federal income tax purposes. Holders of Allowed Claims not previously required to include in their taxable income any accrued but unpaid interest on an Allowed Claim may be treated as receiving taxable interest, to the extent any consideration they receive under the Amended Plan is allocable to such accrued but unpaid interest. Holders previously required to include in their taxable income any accrued but unpaid interest on an Allowed Claim may be entitled to recognize a deductible loss, to the extent that such accrued but unpaid interest is not satisfied under the Amended Plan. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR ALLOWED CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

5. Character of Gain or Loss; Tax Basis; Holding Period

The character of any gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss recognized by a Holder of Allowed Claims under the Amended Plan will be determined by a number of factors, including, but not limited to, the status of the Holder, the nature of the Allowed Claim in such Holder's hands, the purpose and circumstances of its acquisition, the Holder's holding period of the Allowed Claim, and the extent to which the holder previously claimed a deduction for the worthlessness of all or a portion of the Allowed Claim. The Holder's aggregate tax basis for any consideration received under the Amended Plan will generally equal the amount realized in the exchange (less any amount allocable to interest as described in the next paragraph). The holding period for any consideration received under the Amended Plan will generally begin on the day following the receipt of such consideration.

6. Consequences to Holders of Interests

Pursuant to the Amended Plan, all Interests in the Debtor are being extinguished. A Holder of any Interest extinguished under the Amended Plan should generally be allowed a worthless stock deduction in an amount equal to the Holder's adjusted basis in the Holder's Interest. A worthless stock deduction is a deduction allowed to a Holder of a corporation's stock for the taxable year in which such stock becomes worthless. If the Holder held the Interest as a capital asset, the loss will be treated as a loss from the sale or exchange of such capital asset. Capital gain or loss will be long-term if the Interest was held by the Holder for more than one year and otherwise will be short-term. Any capital losses realized generally may be used by a corporate Holder only to offset capital gains, and by an individual Holder only to the extent of capital gains plus $3,000 of other income.

7. Withholding

All Distributions to Holders of Allowed Claims under the Amended Plan are subject to any applicable withholding, including employment tax withholding. The Debtor will withhold appropriate employment taxes with respect to payments made to a Holder of an Allowed Claim that constitutes a payment for compensation. Payors of interest, dividends, and certain other reportable payments are generally required to withhold thirty percent (30%) of such payments if the payee fails to furnish such payee's correct taxpayer identification number (social security number or employer identification number), to the payor. The Debtor may be required to withhold a portion of any payments made to a Holder of an Allowed Claim if the Holder (a) fails to furnish the correct social security number or other taxpayer identification number ("TIN") of such Holder, (b) furnishes an incorrect TIN, (e) has failed to properly to report interest or dividends to the IRS in the past, or (d) under certain circumstances, fails to provide a certified statement signed under penalty of perjury, that the TIN provided is the correct number and that such Holder is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

AS INDICATED ABOVE, THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND NOT A SUBSTITUTE FOR CAREFUL TAX AMENDED PLANNING WITH A

TAX PROFESSIONAL. THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE AMENDED PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE AMENDED PLAN.

IV. THE UCC'S STATEMENT POSITION

A. UCC Litigation

The UCC has indicated that persons receiving the Amended Disclosure Statement should be advised of the following information in order to correct, according to the UCC, inaccurate or misleading statements in the Disclosure Statement that have been carried over into this Amended Disclosure Statement. The Plan Proponents do not adopt, and the Lenders reject virtually each assertion in, the UCC's Statement of Position.

(a) The UCC Litigation includes causes of action challenging the Lenders' asserted liens, seeking to avoid fraudulent transfers and fraudulent conveyances of both assets and obligations, objections to the Lenders' claims and the request for equitable subordination of all of the Lenders' claims to a priority junior to general unsecured creditors. The UCC Litigation was divided into two trials – the first regarding fraudulent transfers and fraudulent conveyances (which has been completed and it is awaiting a ruling) and the second involving all other causes of action (which has yet to be set for trial).

(b) The pre-trial discovery included over 50 days of depositions, production of millions of pages of documents, written discovery, dilatory motions, discovery motions and motions to compel the Lenders to provide responsive discovery. The trial began in November 2016, included over 1,300 exhibits admitted into evidence, live testimony of 23 witnesses over 24 days of trial and was concluded in December 2017. After the evidentiary submissions were complete, hundreds of pages of post-trial submissions were filed to summarize and provide arguments regarding the evidence at trial.

(c) The length of the trial was driven in large measure by the Lenders' refusal to stipulate to the admissibility of documents which were not reasonably in dispute prior to trial[7] and their refusal to admit to facts prior to the trial that were not reasonably in dispute.[8] These refusals resulted in additional trial time to prove the facts and documents.

[7] According to the UCC, the Court ultimately admitted nearly all of the exhibits offered by the Committee, over the Lenders' objections.

[8] According to the UCC, *See, e.g.*, Trial Ex 1420-23 ("Request for Admission No. 87: ORF engaged in the practice of Reaging Adjustments' and 'Delinquency Adjustments' of Consumer Loans (as defined below). RESPONSE NO. 87: Deny."); 1420-24 ("Request for Admission No. 93: ORF for years maintained 'overadvances' on certain Dealer Loans

(d) The UCC believes that the evidence in the UCC Litigation proved that the Debtor engaged in a systematic, intentional and massive fraud on its creditors that is best characterized as a Ponzi scheme. The Debtor lied about the "success of its business", and used fraudulently obtained funds that it placed its commingled operating account to perpetuate its failing business.

(e) If the Court rules in favor of the UCC as to the first phrase of the trial, then all of the payments and other assets conveyed by the Debtor to the Lenders after 2008, all of the Debtor's debts payable to the Lenders and incurred after 2008 will be avoided and the Lenders' claims will be disallowed until they return the payments they received.

(f) The UCC believes that the Lenders did not establish their primary defense that they took their transfers and obligations in "good faith" and "for value." The UCC believes that the evidence at trial showed that the Lenders had actual knowledge of the Debtor's fraud or otherwise received "inquiry notice" of the Debtor's fraud on its creditors - *i.e.*, information[9] that should have caused them to investigate the matter further and thereby discover fraud (information that is known as "red flags"). The Lenders knew or should have known, for example, that:

- the Debtor sold Participations in over advanced Dealer Loans and used proceeds from those sales to make payments to Lenders upon the line of credit;

- the Debtor sold Participations to a Small Business Investment Company and individual investors, and, in violation of law, used the funds that it received from those participants (at least in part) to make payments upon the line of credit to the Lenders;

- the Debtor issued a confidential offering memorandum to its investors that contained numerous representations that Lenders knew were made and knew were not true;

- the Debtor provided the Lenders with borrowing base certificates that showed, among other things, the Debtor did not have sufficient Consumer Receivables or cash to support the business it was representing to the Lenders and its creditors;

– advances above those permitted under the particular Dealer Loan agreement with that Dealer. RESPONSE NO. 93: Deny.); 1420-28 ("Request for Admission No. 112: From and after 2002, ORF deposited all funds it collected into its primary operating account, including all monies that it received from lenders, Participants, Dealers, the obligors on Dealer Loans and its owners (its "Commingled Operating Account"). RESPONSE NO. 112: Deny."); id. ("Request for Admission No. 114: From and after 2002, ORF used the Commingled Operating Account to pay all creditors, including lenders, Participants, and equity holders as well as providing advances to Dealers. RESPONSE NO. 114: Deny.")

[9] According to the UCC, as used with respect to the knowledge of the Lenders, each obtained this information in advance of it joining the Oak Rock credit facility and thereafter in twice per year field examination reports. IDB and Bank Leumi would have had this information at all relevant times to the UCC Litigation while Capital One and Bank Hapoalim joined the credit after 2009 and necessarily would have had the information a shorter period of time.

- the Lenders were repeatedly advised by their field examiner that the Debtor frequently loaned its customers (a "Dealer" that was, as a general rule, thinly capitalized and making loans to consumers with "subprime" credit) more than the purchase price of the item being purchased from those Dealers violating both the Debtor's loan policy and common sense;[10]

- the Debtor for years did not identify or provide specific information regarding the reaging of the consumer obligations that provided the cash flow to support the Dealers, the Debtor and the repayment of funds loaned by the Lenders, despite warnings in a number of field examination reports that the reaging may be material; and,

- the Lenders' field examiner reported that the Debtor's largest Dealer Loans had material rates of dilution (i.e., non-collectability), and Oak Rock was advancing further funds to these Dealers without any consideration of the dilution.

(g) The evidence also demonstrated that senior leadership among the Lenders refused to take steps that likely would have caught the problems earlier and substantially reduced the amounts of the losses from the Debtor's pervasive fraud. The UCC believes that it proved that the Lenders acted in bad faith toward the Debtor and its other creditors.

(h) The rampant, unreported and fraudulent reaging of consumer receivables coupled with the inadequate loan to value coverage of the collateral securing the underlying consumer receivables - all of which the Lenders were aware - ultimately combined to cause the Debtor's failure as a substantial portion of the Debtor's Dealer Loans and Consumer Receivables securing them proved uncollectable.

(i) The UCC also believes that the evidence in the UCC Litigation proved that IDB aided and abetted the Debtor's fraud on other creditors by, among other things, (i) submitting a fraudulent certification to the Debtor's auditor certifying that the Debtor was in full compliance with its credit agreement; (ii) circulating the fraudulent offering memorandum to potential sources of capital for the Debtor (which IDB knew to include false information); and (iii) allowing a new banks to join the credit facility after it was informed of a potential $17 million over advance on the Debtor's line of credit.

(j) Most Claimants in Classes 2 & 3 never had the level of insight into and data regarding the Debtor's operations that the Lenders did and thus would not

[10] According to the UCC, the Debtor's accounting practices regarding these actions (which were known to the Lenders) also failed to comply with Generally Accepted Accounting Principles.

have received the actual knowledge of the Debtor's operations or observed the "red flags" of fraud that the Lenders were provided.

(k) If the Committee prevails in the UCC Litigation, including the equitable subordination and other causes of action that are yet to be tried, the Committee believes that general unsecured creditors, including creditors in Class 2 and Class 3, would recover 100% of their claims plus interest ahead of any payment to the Lenders.

B. Actions by IDB and the Lenders Against Unsecured Creditors and Participants and Accomplishments of the UCC

The history of this case is replete with examples of actions by IDB and the Lenders against the Alleged Participants, the True Participants and General Unsecured Creditors. The Lenders have consistently sought to have the other creditors paid very little or nothing from the Estate. The proposals within the Plan were offered only after substantial litigation that required significant investments of time and expense by the claimants and the UCC.

It is undeniable that the UCC's efforts over many years and the as of yet compensated work by the UCC's counsel were largely responsible for changing the position of 10 B and the Lenders first from paying nothing or very little to other creditors in 2013, then proposing a plan in October 2015 to pay either 5% or 10%, and now proposing a plan to pay either 35% or 51.4% of the face amounts of the claims against the Debtor. But for the extraordinary efforts by the Committee and Perkins, it is likely that IDB and the Lenders would have succeeded in taking all of the funds on hand and preventing distributions to all of the other creditors.

The True Participants asserted claims against the Debtor and are included among the UCC's constituents. The True Participants are also beneficiaries of the efforts of the UCC and its counsel. The substantial increase in the proposed distributions to True Participants demonstrates the benefit they received from the UCC's efforts since their separate litigation with the Lenders has been stayed while the UCC Litigation proceeded to the first phase of its trial. When the UCC successfully either avoids the liens asserted by IDB and the Lenders or equitably subordinates their claims to the claims of all creditors, the True Participants will also reap substantial benefits from those efforts.

The numerous, repeated efforts by IDB and the Lenders for the claimants now classified in Classes 2 and 3 to receive very little or nothing on account of their claims include the following:

(a) Motions for summary judgment in various adversary proceeding regarding the nature of the participations and whether they were claims against the Debtor or the funds being collected.

(b) Motion to Convert Case from Chapter 11 to Chapter 7. [Docket No. 696].

(c) Letter to the Court requesting that the Committee be disbanded in light of the Lenders' newly asserted position that participants are not creditors. [Docket No. 938].

(d) Objections to almost all of the Claims now in Classes 2 and 3. [Docket No. 938].

(e) Attempts to assert third party claims against over 45 third parties, including a number of witnesses that the Committee called at the trial in the UCC Litigation. (Adv. No. J 4-08231, Docket No. 160).

(f) Motion to authorize interim distribution to the Lenders on claims that were not then, and have not now, been allowed. [Docket. No. 1279].

As late as October 2015, IDB and the Lenders filed a plan of reorganization [Dkt. No. 1010, October 6, 2015] where they proposed to pay Claims in Classes 2 and 3 either 5% or 10% of their Claims for a total payment to those creditors of only $2.3 million. This should be compared to the $11.7 million proposed for creditors in Classes 2 and 3 under the Plan.

The Committee believes that it is indisputable that the conclusion of the first phase of the trial of the UCC Litigation explains the overwhelming majority of that almost $9.5 million increase from the prior plan and the over $11.7 million increase above the negative and then nominal recoveries IDB and the Lenders sought to Impose. The Committee's efforts account for the vast majority, if not all, of those increases.

The Committee also notes that the Plan proposes to pay other Professional Fee Claims over 95% of the fees and expenses that those professionals incurred during the case, while proposing that the Professional Fee Claim of Perkins receive less than 25% of the fees and expenses incurred despite the demonstrable and quantifiable benefit of those efforts.[11]

C. Inaccurate and Erroneous Information Regarding Claims Asserted by IDB and the Lenders

Whether referring to the Secured Claim, Unsecured Claim or alleged "Superpriority Administrative Expense" claims asserted by the Lenders and IDB, the Disclosure Statement and

[11] According to the UCC, the "over 95%" realization is derived from the amounts of the paid and unpaid professional fees reflected on the Debtor's Monthly Operating Report, Docket No. 1317, pp. 18- 20. This indicates that approximately $6 million has been paid to the Debtor's professionals and approximately $2.3 million would be paid pursuant to the Plan for cumulative payments of approximately $8.3 million of $8.6 million of incurred fees and expenses.

this Amended Disclosure Statement fails to note that none of the Claims asserted by the Lenders has ever been Allowed and each remains both in dispute and in litigation.

The pendency of the Appeal (as defined in the Plan and Amended Plan and used in the Disclosure Statement and Amended Disclosure Statement), the UCC Litigation and the pending request for equitable subordination within the UCC Litigation challenge the validity and priority of the liens asserted by IDB and the Lenders thus rendering inaccurate all references to those claims that fail to note their "alleged", "asserted" or "disputed" status or to otherwise note that each remains subject to the UCC Litigation or the Appeal. Many of these references could be corrected by changing the Disclosure Statement and the Amended Disclosure Statement to reflect that the statements are assertions, contentions or allegations regarding those claims.

The undisputable reality is that the Lenders' claims have never been allowed was made evident when this Court denied the Lenders' motion for an interim distribution because the Court had not allowed any such claims. *See* 10/25/2017 Hearing Tr. at 31:2-5 (The Court: "I have to agree [with the Committee] that as a matter of law as we currently sit [the Lenders] don't have definitionally an allowed claim that I can make a distribution on."); Docket No. 1276 (Order denying motion for reasons set forth at hearing).

Unless and until the Secured Claim asserted by IDB and the Lenders has been Allowed and after a request is made, parties receive notice and a hearing is held on a request to allow a superpriority administrative expense (including establishing whether there has been a diminution of value and determining the amount of such diminution), there can be no Allowed Superpriority Administrative Claim.

Further, any Superpriority Administrative Claim is wholly dependent upon the existence of a diminution in the value of collateral securing an allowed secured claim. That would require the adjudication of the UCC Litigation, the Appeal and the claims being asserted by IDB and the Lenders plus such claims being both quantified and allowed by an order of this Court after notice and a hearing. This would also require determinations as to the value of the collateral both on the petition date and some future date.[12]

These material and self-evident facts escaped mention in the Disclosure Statement thereby making descriptions both inaccurate and materially misleading. While IDB and the Lenders can assert the existence and amount of such a claim, they cannot say or imply that a superpriority administrative claim exists when the predicates for its existence have never been satisfied.

Erroneous, inaccurate or misleading statements can be found throughout the Disclosure Statement and Amended Disclosure Statement, including in the following places:[13]

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[12] According to the UCC, given that the Chief Restructuring Officer operated the Debtor's business for the first time in the manner that it was *supposed* to be operated - rather than the fraudulent manner that it was operated by John Murphy - any party attempting to prove a diminution in the value of the Debtor's collateral during the bankruptcy case faces significant obstacles in carrying its burden of proof. Indeed, the Chief Operating Officer has recovered about $67 million on the roughly $59 million of cash that Oak Rock actually advanced to Dealers on Dealer Loan Receivables.

[13] According to the UCC, the Plan includes similarly incorrect statements regarding the claims asserted by IDB and the Lenders that must also be fixed.

(a) Page 4 of the Disclosure Statement and at page 5 of the Amended Disclosure Statement states, "The Lenders have also been granted by an Order of the Bankruptcy Court Superpriority Administrative Claim status senior to all Creditors of the Oak Rock Estate, including Administrative Claimants.") Since the Lenders merely assert a Superpriority Administrative Claim and have not been granted such a claim, it should be referred to as an asserted claim.

(b) Page 5 of the Disclosure Statement and page 6 of the Amended Disclosure Statement states, "Superpriority Administrative Claim: means the Administrative Claim granted pursuant to the Cash Collateral Orders providing the Lenders, subject to certain reservation of rights ...." The Lenders assert a Superpriority Administrative Claim and have not been granted such a claim and it should be referred to as an asserted claim.

(c) Page 9 of the Disclosure Statement and page 10 of the Amended Disclosure Statement states, "The Lenders currently hold (a) subject to Appeal, valid, perfected and priority liens in and on all of the Assets of the Debtor's Estate pursuant to a series of prepetition loans and advances made pursuant to the terms of a revolving credit facility secured by all of the Debtor's Assets, as well as (b) subject to certain reservations of rights contained in the cash collateral orders, a Superpriority Administrative Claim, senior to all other Creditors, in all of the unencumbered Assets, including all proceeds recovered from any and all Causes of Action brought on behalf of the Oak Rock Estate." These positions are assertions (so the statement should be that the Lenders assert that they currently hold those positions). Also, the statement fails to note that the asserted positions are subject to the UCC Litigation and that the alleged Superpriority Administrative Claim is subject to certain limitations as well as reservations. The limitations include the limitation to diminution of value of collateral should its asserted liens be upheld.

(d) Page 11 of the Disclosure Statement and page 12 of the Amended Disclosure Statement states, that certain cash proceeds "were subject to the liens and claims of the Lenders and the Participants" when the correct statement is that they were subject to liens and claims asserted by those parties.

(e) Pages 11 - 13 of the Disclosure Statement and pages 12-14 of the Amended Disclosure Statement describe various arguments asserted by the Lenders regarding the various orders regarding cash collateral in this case. The penultimate paragraph of that section on page 13 of the Disclosure Statement and page 14 of the Amended Disclosure Statement should

include a statement to the effect that, "For clarity, nothing herein modifies the terms of any Order regarding Cash Collateral."

(f) Page 23 of the Disclosure Statement and page 24 of the Amended Disclosure Statement states, "SUBJECT TO THE PENDING APPEAL AND RESOLUTION OF THE COMPETING RIGHTS, THE LENDERS HAVE A FIRST PRIORITY LIEN AND SUPERPRIORITY ADMINISTRATIVE CLAIM ON ALL ASSETS AND RECOVERIES OF THE OAK ROCK ESTATE AND ANY AND ALL DISTRIBUTIONS TO THE CLAIMANTS LISTED BELOW ARE BEING PAID FROM THE DISTRIBUTION THAT WOULD OTHERWISE BE PAID TO THE LENDERS." An accurate statement would modify the language to note that the asserted claims are also subject to the UCC Litigation and that the Lenders assert the issues that follow since none of those claims have been finally adjudicated.

(g) Page 24 of the Disclosure Statement and page 24 of the Amended Disclosure Statement states, "... the Lenders are the holders of a Superpriority Administrative Claim which has priority over all unsecured Claims" when an accurate statement would be that the Lenders assert that they are the holders of such a claim.

(h) Page 29 of the Disclosure Statement and page 30 of the Amended Disclosure Statement states, "By orders of the Bankruptcy Court, dated March 19, 2015 and April 21, 2015, the Lenders were found to have a first lien position on all of the Debtor's Assets." An accurate statement would note that the referenced orders are subject to the Appeal and the UCC Litigation. Also, it states, "Notwithstanding their priority status ... " when an accurate statement would be that it was notwithstanding the priority status they assert.

(i) Page 40 of the Disclosure Statement and page 42 of the Amended Disclosure Statement states, that "The Plan satisfies the Best Interests of Creditors Test" when an accurate statement would be that the Proponents believe or assert that to be the case. It also states that the Lenders "have liens on all of the Estate Assets and a Superpriority Administrative Claim senior to all Administrative Claims, subject only to the Appeal and Competing Rights" when an accurate statement would be that the Lenders believe or assert that to be the case and would also note that it is subject to the UCC Litigation.

(j) Page 41 of the Disclosure Statement and page 42 of the Amended Disclosure Statement states, "These distributions to administrative creditors, and creditors would not be available if a Chapter 7 conversion

occurred" when an accurate statement would be that the Proponents believe or assert that to be the case.

D. The Disclosure Statement and the Amended Disclosure Statement Includes Incorrect Statements of the Law and Fact

The misstatements of the law within the Disclosure Statement preclude it from providing "adequate information" as contemplated by Section 1125 of the Bankruptcy Code. The incorrect statements of law include the following:

(a) "ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION THAT ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION." (Disclosure Statement, page 2 and the Amended Disclosure Statement at page 3). While Section 1125(b) precludes solicitation "unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information," there is no limitation to solely information contained within that disclosure statement. The extensive record created in this case, among other thigs, is quite different from most cases and is a reference source for creditors to evaluate the decision on whether to accept or reject the Plan.

(b) "… [P]rovided, however, if no creditor has an Allowed Claim in any Plan Class, such Class shall be deemed to have accepted the Plan." (Disclosure Statement, page 30 and the Amended Disclosure Statement at page 32). Section 1126(c) sets forth the exclusive means for a class to accept a plan- "A class of claims has accepted a plan if such plan has been accepted by creditors, ..., that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, ..., that have accepted or rejected such plan." Nothing in the Bankruptcy Code permits the modification of this requirement by including incorrect statements in either a plan or a disclosure statement. The theory that a class of claims accepts a plan without any creditor voting to accept the Plan is incorrect and not supported by case law.

(c) "As importantly, the Plan distributions are being made available with the acquiescence of the Lenders, who have liens on all of the Estate Assets and a Superpriority Administrative Claim senior to all Administrative Claims, subject only to the Appeal and Competing Rights (as defined in the Cash Collateral Orders)." (Disclosure Statement, page 40 and the Amended Disclosure Statement at page 42) The statement that the Lenders have liens on all of the Estate Assets and a Superpriority Administrative Claim is incorrect as a matter of law because (a) the Lenders' liens have not been finally allowed, (b) there has been no request for allowance of a

> Superpriority Administrative Claim (or a determination that there has been any diminution of value of any interest in any collateral and (c) the UCC Litigation remains pending and could eliminate and or subordinate the rights asserted by the Lenders. The statement should be corrected or withdrawn.

The incorrect statement of facts includes the following:

Page 4 of the Disclosure Statement and page 4 of the Amended Disclosure Statement incorrectly states that the Debtor "ceased all operations immediately prior to the filing of the Involuntary Petition." The Debtor operated on a limited basis and advanced and collected millions of dollars over many months during this case. The statement is incorrect.

Page 4 of the Disclosure Statement and page 5 of the Amended Disclosure Statement incorrectly refers to "proceeds resulting from various Causes of Action brought by the Debtor." The statement is incorrect because it fails to recognize recoveries received from the efforts of the Committee in the UCC Litigation and settlements.

Page 6 of the Disclosure Statement and pages 6-7 of the Amended Disclosure Statement includes a table with a variety of claims identified thereon. Conspicuously missing, though, is any amount associated with General Unsecured Claims that are included within Class 2. Creditors asserting General Unsecured Claims that are not asserting any Participation Claims (by either being on the Debtor's Schedule of Liabilities or having filed a proof of claim) include AT&T, BellSouth, COW Direct, CT Lien Solutions, Equifax, Pitney Bowes, Poland Spring Direct and UPS. Excluding General Unsecured Claims and I or listing only amounts of "Alleged Participant" Claims as a total for Class 2 is incorrect and misleading.

Page 7 of the Disclosure Statement and page 8 of the Amended Disclosure Statement states, "Additionally, a Ballot is being provided to Creditors in all other Classes to indicate their consent (or lack thereof) for the optional assignment of claims included within the Plan." No optional assignments of claims are contemplated under the Plan.

Page 15 of the Disclosure Statement and page 15 of the Amended Disclosure Statement states, that the Debtor "is currently holding approximately $67 million for the benefit of the Estate and its Creditors" when page 40 refers to "the approximately $72 million of cash on hand." The $5 million difference is primarily the result of the efforts of the Committee and its counsel in negotiating settlements of estate claims.

Page 22 of the Disclosure Statement and page 22 of the Amended Disclosure Statement repeats this sentence with respect to two different escrow accounts reflecting the proceeds from settlements of differing amounts, "As of February 28, 2018, the current balance of the escrow account is $2,250,896.85." It is exceptionally unlikely that both settlements where the Committee was the primary negotiating party would have exactly the same amount of cash on hand as of February 28, 2018.

Page 28's statement of the of the Disclosure Statement and page 29’s of the Amended Disclosure Statement is that, "Estimated Amount of Allowed Class 2 Claims: $29,823,062" is incorrect in its omission of trade creditors with General Unsecured Claims since that amount

reflects only the sum of "Alleged Participant Claims." This omission also demonstrates the Lenders' failure to recognize that there are other creditors whose claims are ignored in the Disclosure Statement.

Page 29 of the Disclosure Statement and page 31 of the Amended Disclosure Statement, in the Treatment section regarding Class 6 Claims, states that the Lenders would receive all funds deposited into the Professional Fee Escrows when the treatment of Administrative Claims provides that such funds would be disbursed to the respective professionals. Both statements cannot be true.

Page 32 of the Disclosure Statement and page 34 of the Amended Disclosure Statement refers to the Proponents having certain conditions precedent related to "all authorizations, consents, regulatory approvals, rulings, opinions or other documents that are determined by the Proponents to be necessary to implement the Plan" without providing any indication of the approvals that would be required.

Page 22 of the Disclosure Statement and page 23 of the Amended Disclosure Statement includes a statement that the Debtor filed suit against John (Jack) Dell and various of his related companies and others, including Prime Plus Acquisition, Bobcat Property Trust and Oasis Capital Management. The actual sequence was that the Committee requested and on December 19, 2015 was granted standing to file suit (Docket No. 1047) against Mr. Dell and those parties (which would not have been granted had the Debtor already been in litigation with those defendants). The order granting standing for the Committee to file suit allowed, but did not require, the Debtor to join as a co-plaintiff. Thereafter, the Committee took the lead in negotiating a settlement of the claims without actually filing the form of complaint that was attached to the motion requesting standing to file suit.

V. CONCLUSION AND RECOMMENDATION

The Proponents believe that the Amended Plan is in the best interest of Creditors and urges Creditors to vote to accept the Amended Plan.

Dated: August 29, 2018
Submitted by:

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Clifford Zucker
Debtor Chief Restructuring Officer

Dated: August 29, 2018
Submitted by: **OTTERBOURG P.C.**

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A DIVISION OF MEDALLION
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MEDALLION BANK

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