

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

BANDWIDTH TECHNOLOGY CORP.,

Case No. 15-11385(SHL)

Debtor.

DISCLOSURE STATEMENT

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR BANKRUPTCY COURT APPROVAL, BUT HAS NOT YET BEEN ACTUALLY APPROVED.

Bandwidth Technology Corp. (the "Debtor"), a Delaware Corporation, hereby submits this Disclosure Statement (the "Disclosure Statement") pursuant to § 1125 of Title 11, United States Code (the "Bankruptcy Code") in connection with the Chapter 11 plan of reorganization of even date (the "Plan")¹.

I. INTRODUCTION

A. Overview of the Plan.

The Plan effectively provides mechanism to restart the Debtor's business, recapitalize the Debtor's operations and issue new stock. The funding for the restart of the Debtor's business and operations will come from the proceeds from the Exclusive Intellectual Property and Patent Usage and License Agreement (the "License Agreement") and an infusion of capital by The Alexandra Master Fund Ltd. (the "Alexandra Fund") and Roland Pieper, jointly, will make best efforts to provide an amount of additional funding up to the sum of

¹ Creditors are referred to the Plan for a full description of the meaning of the Defined Terms to the extent that they are not described within this Disclosure Statement.

unsecured creditor having previously loaned the Debtor the sum of \$5,000,000. The Alexandra Fund and Roland Pieper have agreed to make best efforts to fund and advance to the Debtor up to the sum of \$50,000 in the form of a secured loan, secured by all of the assets of the Debtor.

B. The Plan.

The proceeds from the License Agreement and the Additional Funding (collectively, the "Plan Reserve Fund") will be used for the following purposes: (a) payment of administration expenses in full on the Effective Date; (b) payment of Class 1 Priority Claims on the Effective Date; and (c) payment of Class 2 Unsecured Claims in accordance with the terms of the Plan. A copy of the Plan is annexed hereto and incorporated herein as **Exhibit "A"**.

C. Voting.

In accordance with Section 1126(f) of the Bankruptcy Code, all classes of claims that are impaired under the Plan may vote to accept or reject the Plan. A class of claims is impaired if the Plan modifies, alters or changes the Claimant's legal, equitable or contractual rights against the Debtor. Class 2 is impaired making them eligible to vote. Class 3 is impaired but is deemed to have rejected the Plan. The other classes of allowed claims are being paid in full and thus are deemed unimpaired and not eligible to vote.

Ballots for acceptance or rejection of the Plan will accompany the Plan, and should be completed by all voting classes of creditors. After carefully considering this Disclosure Statement and the Plan, please indicate your vote on the enclosed ballot and return same before the voting deadline to Platzer, Swergold, Levine, Goldberg, Katz & Jaslow, LLP, Attn. Clifford A. Katz, Esq., 475 Park Avenue South, 18th Floor, New York, New York 10016.

In order to be counted, your ballot must be actually received by Platzer, Swergold, Levine, Goldberg, Katz & Jaslow, LLP, Attn. Clifford A. Katz, Esq., 475 Park Avenue South, 18th Floor, New York, New York 10016, on or before _____, 2017 (the "Voting Deadline"). All forms of delivery of ballots including overnight delivery, facsimile and email are acceptable to vote on the plan. If your ballot is damaged or lost, or if you do not receive a ballot with the Disclosure Statement, please request a replacement by contacting Debtor's counsel, Platzer, Swergold, Levine, Goldberg, Katz & Jaslow, LLP, Attn. Clifford A. Katz, Esq., ckatz@platzerlaw.com or 212-593-3000.

Pursuant to 11 U.S.C. §1126(a), any Claim to which an objection is pending at the time of the Confirmation Hearing is a Disputed Claim and shall not be entitled to vote on the Plan as a matter of law.

D. Confirmation.

The Bankruptcy Court has scheduled a hearing pursuant to Section 105(d)(2)(B)(vi) of the Bankruptcy Code to consider final approval of this Disclosure Statement on _____ before the Hon. Sean H. Lane, One Bowling Green, New York, New York 10004. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan, shall be served upon the following attorneys: (i) Platzer, Swergold, Levine, Goldberg, Katz & Jaslow, LLP, Attn. Clifford A. Katz, Esq., 475 Park Avenue South, 18th Floor, New York, New York 10016; and (ii) Office of the United States Trustee, 201 Varick Street, New York New York Attn: Andy Velez-Rivera, Esq. so as to be received on or before _____ 2017.

E. Disclaimer.

The Bankruptcy Court's preliminary approval of this Disclosure Statement does not constitute an endorsement of the Plan. No representations other than those explicitly set

forth in this Disclosure Statement are authorized concerning the terms of the Plan.

This Disclosure Statement contains summaries of certain provisions of the Plan, certain statutory provisions, certain documents related to the Plan including the License Agreement, as well as certain events in the bankruptcy case and certain financial information. Although the Debtor believes that the Disclosure Statement is accurate, the terms of the Plan govern, and creditors are advised to review the Plan in its entirety.

II. EVENTS LEADING UP TO THE BANKRUPTCY FILING

The Debtor's business was in the telecommunications industry developing intellectual property in an attempt to improve the signal quality in areas of the world in which fiber optic cables and wireless telecommunications historically had bad reception and quality. Unfortunately, the Debtor's leadership at that time caused the Debtor to incur significant and substantial losses. On or around 2013, the Debtor was effectively out of capital and Debtor's key vendors were threatening to shut off all business with the Debtor. Despite many attempts to work out of the financial difficulties, which included a change in leadership, the Debtor remained in financial difficulty and was effectively out of working capital and significantly all of the Debtor's former customers had discontinued use of the Debtor's services. In addition the market shifted dramatically away from DSL deployment towards LTE/4G/Wifi.

On May 27, 2015 (the "Involuntary Date"), an involuntary petition was filed against the Debtor for relief pursuant to Chapter 7 of Title 11 of the Bankruptcy Code. On November 21, 2015, the Debtor filed a Motion to Convert the involuntary Chapter 7 case to a voluntary case under Chapter 11 of the Bankruptcy Code (the "Motion to Convert"). On March 8, 2016, the Court granted the Debtor's Motion to Convert and entered an Order for Relief under Chapter 11 of the Bankruptcy Code.

III. EVENTS SUBSEQUENT TO THE BANKRUPTCY AND BASIS FOR REORGANIZATION

Wireless networks, in their nature, create more eavesdropping vulnerabilities and technically more difficult to trace the “Man-In-The-Middle” (“MITM”) attack-scenarios. Virtually all cell phone and wireless communications are currently unsecure and vulnerable to some form of eavesdropping. The Reorganized Debtor believes that securing data on upper communication layers and upper levels of transport service (through cellular networks) is insufficient for many real-life implementations. Wireless networks of all types (WiFi, Zigbee, Bluetooth, LTE, etc.) are being increasingly used for transport of both extremely sensitive information. The Reorganized Debtor believes that it can build off its basic intellectual property to develop an install application downloadable on to a personal cellular device to act as encryption method, such that users on both ends of the data transmission using this application will be able to transmit wireless information over the cellular network securely. Packet-level security aspects proposed by the Reorganized Debtor are not meant to replace the current security protocols and methods, but to be used in addition to those, on separate, lowest network level (physical transport layer). Traditional methods, thus, might still be in place on higher levels (for example on application layer), but in theory, and according to the Reorganized Debtor, MITM-type attacks couldn’t even start, simply because eavesdropping wouldn’t result in a meaningful sequence to start attacks from. Practical Security Aspects Providing dual-level (or dual-media) security channels, as well as multi-level channels, is a known and established method of securing many sensitive network contexts nowadays. For example all major banks, almost without exception, provide such solutions for their end-customer- and business- online banking. In these implementations, most typically, one channel is secured by the most basic encryption (128 or 256 bit) and second channel (through unencrypted SMS message transported

key or local-device generated key) is used to authorize session/transaction initiated through the first channel. In simple terms, the user creates a password through the internet encrypted site and then receives a text message (unencrypted) on his or her cell phone to validate the data access and entry point. This rudimentary security enhancement is efficient within auditable risk-control only because time-frame to execute and number of attempts are limited. However, many other scenarios, unfortunately, do not allow for such (loose) risk-constraints and relative success ratios. Both consumers and businesses are nowadays facing needs for higher (military-level) security. On the other side – users (institutions and organizations) of higher security are more and more in need of utilizing commodity-type (or near-to commodity-type) devices and public networks (or at least public network infrastructure). The Reorganized Debtor believes that it can develop a security proposal with packet-level encryption (an application for individual consumer device download) to be used on a cellular communications level as secure or more secure than the traditional use of the first and second channel enabling model.

During the pendency of the bankruptcy case, the Debtor was approached by Broadband Technologies Corp. (“Broadband”) and Mr. Roy Salmons (the former Chief Executive Officer of the Debtor) with respect to the Debtor’s willingness to license its intellectual property for use and applications in the wired and wireless markets outside of the security markets which was concentrated upon by the Debtor. Pursuant to the Debtor’s negotiations with Broadband, the parties entered into an Exclusive Intellectual Property and Patent Usage and License Agreement. Pursuant to said agreement, the Debtor received a one-time license fee in the sum of \$250,000. Additionally, Broadband agreed to pay the Debtor an annual license/royalty fee equal to one (1%) percent of the gross annual sales price for each product manufactured and/or sold by Broadband, or services provided by Broadband, payable quarterly in arrears commencing thirty

(30) days after close of the first quarter after the start up date. The license was for an initial ten (10) year period commencing on the Closing Date with one (1) automatic twenty-five (25) year extension and renewals. The Court entered an Order on November 17, 2016 (I) Authorizing The Debtor To Enter Into the Exclusive Intellectual Property And Patent Usage And License Agreement With Broadband Technologies Corp. Pursuant To Bankruptcy Code §§ 105 And 363(b)(1), (f) And (m) And Bankruptcy Rules 6004(f)(1) and (h), (II) Granting Related Relief.

IV. THE PLAN

A. Unclassified Claims.

Administrative Expenses. Administrative Expenses are not separately classified for purposes of the Plan and shall be paid from advances made by the Plan Reserve Fund. The Plan Reserve Fund shall be utilized to pay allowed administration expenses.

The Administration Expense Claims include the legal fees and expenses of Debtor's counsel, Platzer, Swergold, Levine, Goldberg, Katz & Jaslow, LLP ("PSL") in the approximate sum of \$140,000.00² and the fees of Lenard Silverman CPA, the accountant for the Debtor, in the approximate sum of \$10,000. The legal fees and expenses remain subject to Bankruptcy Court approval following the filing of a separate application and additional notice to creditors.

Bankruptcy Fees. Any unpaid U.S. Trustee Fees shall be paid from the Plan Reserve Fund, together with any unpaid interest, on the Effective Date. U.S. Trustee Fees shall continue to accrue and be paid (together with any interest) until the earlier of the entry of a final decree closing the bankruptcy case, or dismissal or conversion of the bankruptcy

² This amount is an estimate. PSL's legal fees and expenses shall be subject to approval by the Bankruptcy Court.

case.

B. Classified Claims and Interests

Class 1: Priority Claims

Classification - Class 1 consists of any and all Priority Claims that are Allowed Claims, which are either filed with the Clerk of the Court, or scheduled as undisputed, liquidated and non-contingent. The New York State Taxing Authority and the City of New York Taxing Authority have filed estimated claims. However, the Debtor has now filed returns which reflect no tax due. The Debtor does not believe that there are any Allowed Class 1 Claims. However, to the extent that there are any Allowed Class 1 Claims they will be paid in full on the Effective date from the Plan Reserve Fund.

Treatment – Allowed Class 1 Claims shall be paid 100% from the Plan Reserve Fund on the Effective Date or a reasonable time thereafter.

Voting - The Class 1 Claim is designated as unimpaired under the Plan and are ineligible to vote on the Plan.

Class 2: Unsecured Claims

Classification - Class 2 consists of Unsecured Claims that are Allowed Claims filed with the Clerk of the Court, or scheduled as undisputed, liquidated and non-contingent. The Debtor estimates that the Allowed Class 2 Claims total approximately \$7,000,000.00.

Treatment - Allowed Class 2 Claims shall be given the option to receive either Option 1 or Option 2 from the Reorganized Debtor. Creditors who select Option 1 shall receive five (5) percent of their Allowed Class 2 Claim on the Effective Date. Creditors who select Option 2 shall be given shares of stock in the Reorganized Debtor. Shares shall be issued on a conversion rate such that one dollar of Allowed Class 2 Claims

shall receive one share of stock in the Reorganized Debtor. The Alexandra Fund is the debtor's largest unsecured creditor having previously loaned the Debtor the sum of \$5,000,000. The Alexandra Fund has agreed to vote in favor of the Debtor's Plan and select Option 2. In the event a ballot is cast such that no option is selected, the Plan and the Ballot will state that those creditors shall be deemed to have selected Option 2.

Voting - Class 2 Claims are designated as being impaired under the Plan, and are eligible to vote on the Plan.

Class 3: Equity Interests

Classification - Class 3 consists of the Debtor's Equity Interests. The Debtor had issued 50,465,070 shares prior to the Involuntary Date.

Treatment - Class 3 Equity Interests shall be terminated and lose their Equity Interests in the Debtor as it existed on the Involuntary Date. All existing shares of stock will be cancelled upon the Effective Date. Equity Interests shall not receive any distribution under the Plan.

Voting - Class 3 Equity Interests are designated as being impaired under the Plan, and are deemed to have rejected the Plan.

V. MEANS FOR IMPLEMENTATION OF THE PLAN

Plan Reserve Fund. The Plan shall be implemented with the proceeds from the License Agreement and Additional Funding which will fund the distribution in accordance with the terms of the Plan.

VI. EXECUTORY CONTRACTS

Disposition of Executory Contracts. The Debtor does not believe that it has any

executory contracts. However, to the extent that the Debtor has any executory contracts such contracts shall be deemed rejected as of the Confirmation Date. Creditors subject to a rejected contract shall have 30 days thereafter to file a proof of claim based upon their rejected executory contract. Allowed rejection damage claims shall be treated as Class 2 Unsecured Claims and shall receive Option 1 under the Plan. The Confirmation Order shall be deemed an order under § 365(a) of the Bankruptcy Code rejecting such executory contract or leases of personal property.

VII. CLAIMS AND DISTRIBUTIONS

Timing of Distributions under the Plan. Unless the context otherwise requires, the distributions shall be made by the Disbursing Agent on the Effective Date or as promptly thereafter as administratively practical.

Objection Deadline. The Debtor or Reorganized Debtor (i.e., the Debtor after confirmation) shall have the authority to object to the allowance of any claim filed with the Bankruptcy Court, in whole or in part, by serving and filing an objection to such claim within one hundred and twenty (120) days after the Effective Date or such time as may be extended by order of the Bankruptcy Court.

Prosecution of Objections. After Confirmation, the Reorganized Debtor shall have the sole authority to file, settle, compromise, withdraw or litigate to judgment objections to Disputed Claims.

No Distribution Pending Allowance. Notwithstanding any other provision of the Plan, no distribution shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim are resolved by Final Order.

Distribution after Allowance. The Disbursing Agent shall make an appropriate distribution to the holder of a Disputed Claim when and if the claim becomes allowed, such

claims shall be given the option to select Option 1 or Option 2 under the Plan.

Unclaimed Distributions. In the event that any distribution under the Plan remains unclaimed for a period of ninety (90) days after such distribution has been made (or after such delivery has been attempted) in accordance with the Plan to a holder entitled thereto, such unclaimed distribution shall be deemed forfeited by such holder, whereupon all right, title and interest in and to such unclaimed distribution shall revert to the Debtor or the Reorganized Debtor, as the case may be.

VIII. RELEASES AND DISMISSAL OF ACTIONS AND OTHER CLAIMS

Except as otherwise provided in the Plan, any consideration distributed under the Plan shall be in exchange for and in complete satisfaction and release of all Claims of any nature whatsoever against the Debtor or any of its assets or properties and all Claimants shall be enjoined and precluded from asserting any Claims against the Debtor or the post-confirmation Debtor or its assets and the Debtor and the post-confirmation Debtor shall be released from any and all Claims, including, without limitation, demands and liabilities that arose before the Confirmation Date.

Because of the lack of funding for the periods prior to the Involuntary Date, the Debtor does not believe that it has any Avoidance Actions capable of being pursued on behalf of the Debtor or its estate.

The Debtor's attorneys and accountants shall have no liability for actions or omissions regarding the Plan or the Debtor's operation and administration during the Chapter 11 case that arise out of such entities' relationship with the Debtor on or prior to the Effective Date, other than claims: (i) specifically preserved pursuant to the Plan; (ii) that arise from obligations created under or in connection with the Plan; (iii) constituting rights pursuant to the Plan; provided, however, that the foregoing shall not apply to such entities' fraud, gross negligence, breach of fiduciary duty,

malpractice or willful misconduct nor in anyway shall be construed to act as a release of any such party from Avoidance Actions belonging to the Debtor's estate.

Nothing contained herein or in the Plan shall limit the liability of the Debtor's professionals to the Debtor pursuant to N.Y. Comp. Codes R. & Regs. Tit. 22 section 1220.8 Rule 1.8, Rule 1.8 (h) (1) and any other statutes rules or regulations dealing with professional conduct to which such professionals are subject.

IX. THE POST CONFIRMATION REORGANIZED DEBTOR

The Reorganized Debtor's operations shall continue to be run by Roland Pieper who will serve as the Reorganized Debtor's Chief Executive Officer and President. The business address will remain in New York City. Mr. Pieper has not received compensation during the Chapter 11 case. It is anticipated that post-confirmation, Mr. Pieper and the Alexandra Fund will negotiate a compensation package and possible ownership interest in the Reorganized Debtor for Mr. Pieper. The Reorganized Debtor shall have the following individuals as members of its board of directors post confirmation: Dov Gal and Roland Pieper. During the first year post confirmation, the Reorganized Debtor will utilize outside research and development companies funded by the Alexandra Fund to further structure and refine its intellectual property into the wireless security market, in order to bring its product to the market. Annexed hereto as **Exhibit "B"** is an itemized list of expenditures to be incurred by the Debtor for year 2018.

X. POST-CONFIRMATION PROFESSIONAL FEES

Unless otherwise provided for in the Confirmation Order or other order of the Court, fees and expenses incurred for services rendered to the Debtor by one or more of its respective professionals retained in this Chapter 11 Case (in furtherance of carrying out or

enforcing the terms and conditions of the Plan), including, but not limited to, the attorneys for the Debtor, following the Confirmation Date, shall be paid as provided herein. Fees and expenses of such professionals shall be paid by the Debtor, within thirty (30) days from the date of the invoice (unless the Debtor objects in writing to the invoicing party). If there is a dispute as to any invoice which is not resolved, such dispute shall be submitted to the Bankruptcy Court for determination. The uncontested portion of each invoice shall be paid by the 30th day, as set forth above. The Court shall retain jurisdiction to resolve any disputes with respect to post Confirmation Date fees and expenses.

XI. U.S. TRUSTEE QUARTERLY FEES

All fees payable pursuant to §1930 of Title 28 of the United States Code due and payable through the Effective Date, shall be paid by the Debtor on or before the Effective Date, and amounts due thereafter shall be paid by the Reorganized Debtor in the ordinary course until the entry of a final decree closing the Reorganized Debtor's Chapter 11 Case. Any deadline for filing claims in this Chapter 11 Case shall not apply to fees payable by the Debtor pursuant to §1930 of Title 28 of the United States Code. The Reorganized Debtor shall be responsible for the reporting requirements of the Office of the United States Trustee.

XII. CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THE PLAN

Conditions Precedent to the Effectiveness of the Plan. The following are conditions precedent to the Plan that must be satisfied before the Plan becomes effective:

- (a) The Confirmation Order shall have been entered by the Bankruptcy Court;

(b) There shall not be in effect any (i) Order entered by a U.S. Court, or (ii) order, opinion, ruling or other decision entered by any other court or governmental entity staying, restraining, enjoining or otherwise prohibiting the consummation of the Plan; and

(c) All other actions and documents necessary to implement and effectuate Plan shall have been effected or executed in form and substance reasonably satisfactory to the Debtor and its counsel.

XIII. RETENTION OF BANKRUPTCY COURT JURISDICTION

The Plan provides that the Bankruptcy Court shall retain jurisdiction following confirmation of the Plan: (a) to enforce, implement, interpret or modify the Plan under applicable provisions of the Bankruptcy Code; (b) to allow, disallow, determine, liquidate or classify, any secured or unsecured Claims, including, without limitation, the resolution of any request for payment of any Administrative Expenses, the resolution of any and all objections to the allowance any Claims, and the resolution of any adversary proceeding; (c) to grant or deny any and all applications for allowance of compensation and reimbursement of expenses by the professionals retained during the bankruptcy case; (d) to resolve any motions or applications pending on the Effective Date of the Plan; (e) to enter a final decree closing the bankruptcy case based upon substantial consummation of the Plan; and, (f) to determine such other matters as may be set forth in the Confirmation Order which may arise in connection with the Plan or Confirmation Order.

XIV. BASIC REQUIREMENTS FOR CONFIRMATION OF THE PLAN

While § 1129(a) of the Bankruptcy Code lists a number of findings that need to be made prior to Confirmation, certain requirements are worth highlighting for purposes of the Disclosure Statement:

A. **Acceptance of the Plan.** Bankruptcy Code § 1129(a)(7) requires the Plan to be accepted by all impaired classes of creditors, in this case, Class 2. A Class accepts a Plan when at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims of those who actually vote, cast ballots accepting the Plan.

B. **Best Interests Test.** The Plan is in the "best interests of creditors" under 11 U.S.C. §1129 (a) (7) as may be applicable. The Plan provides a recovery to all classes of creditors, which is greater than the distribution that those creditors would realistically receive if the Property was to be liquidated in foreclosure or under Chapter 7 of the Bankruptcy Code. In view of the foregoing, it is the Debtor's belief that the agreed distributions provide a far greater return than any creditor could reasonably expect to receive outside of Chapter 11. Annexed hereto and incorporated herein as **Exhibit "C"** is a liquidation analysis of the Debtor.

C. **Feasibility of the Plan.** As a prerequisite to confirmation, the Bankruptcy Code §1129(a)(11) requires that the Debtor establish that confirmation of the Plan is not likely to be followed by the need for further financial reorganization or restructuring. In the instant case, pursuant to the Plan Reserve Fund, and accommodations by the Alexandra Fund to fund research and development companies to further structure and refine the Reorganized Debtor's intellectual property into the wireless security market, it is not likely that there will be a need for further financial reorganization or restructuring by the Reorganized Debtor.

XV. TAX CONSEQUENCES

The Debtor has not researched the Federal Income Tax consequence of the Plan to holders of Claims and Equity Interests based upon the Internal Revenue Code. The Debtor has not

requested a ruling from the IRS with respect this matter. Accordingly, no assurance can be given to the interpretation of the IRS. Further, the Federal Income Tax consequences to any particular Creditor or Equity Interest holder may be affected by matters not discussed herein. There also may be state, local or foreign tax consideration applicable to each Creditor or holder of an Equity Interest.

EACH CREDITOR AND HOLDER OF AN EQUITY INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN AND THE FEDERAL AND APPLICABLE STATE, LOCAL AND FOREIGN TAX LAWS.

XVI. SOLICITATION OF ACCEPTANCES

The acceptances of the holders of all classes of impaired Claims are hereby solicited. The Debtor believes that confirmation of the Plan is in the best interest of all Claimants. The Debtor has worked diligently and expeditiously to formulate a Plan that will provide Creditors with an approximate distribution of 5.0% on their allowed claims or, alternatively, shares of stock in the Reorganized Debtor, which is substantially more than they would receive if the case were converted to a liquidation case under Chapter 7 of the Bankruptcy Code. The Debtor believes the Plan is in the best interests of Creditors and strongly urge all Creditors to vote in favor of the Plan.

(1) Where to File Ballots on the Plan

Pursuant to a court order approving this Disclosure Statement, Ballots on the Plan must be filed within a prescribed period of time. All Ballots should be properly completed and forwarded to:

PLATZER, SWERGOLD, LEVINE, GOLDBERG, KATZ & JASLOW, LLP
475 Park Avenue South, 18th Floor
New York, New York 10016
Attn: Teresa Sadutto-Carley, Esq.

Ballots Must Be Received by _____, 2017.

The Debtor believes the Plan should be confirmed.

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Dated: November 20, 2017

Bandwidth Technology Corp.

BY: /s/ Roland Pieper
Roland Pieper
Chief Executive Officer

PLATZER, SWERGOLD, LEVINE,
GOLDBERG, KATZ & JASLOW, LLP
Attorneys for the Debtor

By: /s/ Clifford A. Katz
Clifford A. Katz, Esq.
Member of the Firm
475 Park Avenue South – 18th Floor
New York, New York 10016
Telephone: (212) 593-3000

EXHIBIT "A"

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

BANDWIDTH TECHNOLOGY CORP.,

Case No. 15-11385(SHL)

Debtor.

**DEBTOR'S PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

BANDWIDTH TECHNOLOGY CORP., debtor and debtor-in-possession hereby proposes the following Plan of Reorganization pursuant to §1121(a) of Title 11 of the United States Code:

ARTICLE I

DEFINITIONS AND CONSTRUCTION OF TERMS

Definitions:

For the purposes of this Plan, the following terms shall have the respective meanings herein set forth (such meanings to be equally applicable to the singular and plural forms of the terms defined). Capitalized terms used in this Plan shall at all times refer to the terms as defined in this Article I, except as otherwise indicated.

1.1 "Additional Funding" means the Alexandra Fund and Roland Pieper, jointly, will make their best efforts to provide an amount of additional funding to the Debtor up to the sum of \$50,000.

1.2 "Alexandra Fund" means Alexandra Master Fund Ltd.

1.3 "Allowed Administrative Claim" means all or that portion of an Allowed Claim for any cost or expense of administration in connection with this Chapter 11 case, allowed under

§§503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual, necessary costs and expenses of preserving the Debtor's estate and of operating and conducting the business of the Debtor, all allowances of compensation for legal or other professional services or reimbursement of costs and expenses under §330 and §503 of the Bankruptcy Code or otherwise allowed by the Court.

1.4 "Allowed Claim" means any Claim or a portion of a Claim (a) which is scheduled pursuant to 11 U.S.C. §521(a)(1), other than a Claim scheduled by the Debtor as disputed, contingent or unliquidated; or (b) proof of which has been filed pursuant to 11 U.S.C. §501(a), on or before the Bar Date and with respect to which no objection to the allowance thereof has been interposed within the period of limitation fixed by the Code or by the Court; or (c) to the extent as to which any objection has been resolved by a Final Order in favor of the holder of such Claim.

1.5 "Allowed Priority Claim" means all or that portion of an Allowed Claim entitled to priority under 11 U.S.C. §507(a)(1) through (10).

1.6 "Allowed Unsecured Claim" means any Allowed Claim as it existed on the Filing Date, which is not (a) an Allowed Administrative Claim; (b) an Allowed Priority Claim; or (c) Allowed Secured Claim.

1.7 "Avoidance Actions" means any cause of action assertable under §§510, 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code or state law if made applicable under such Bankruptcy Code sections.

1.8 "Ballot" means the form transmitted to creditors with the Plan and Disclosure Statement on which they may vote to accept or reject the Plan pursuant to Bankruptcy Rule 3018 and §1126 of the Bankruptcy Code.

1.9 "Bankruptcy Rule(s)" means the Federal Rules of Bankruptcy Procedure as applicable to cases under Title 11 of the United States Code and the Local Rules of the Bankruptcy Court, together with all amendments and modifications from time to time made thereto.

1.10 "Bar Date" means the date fixed by order of the Bankruptcy Court by which proofs of claim of various categories must be filed against the Debtor which date had been fixed by the Bankruptcy Court as August 12, 2016.

1.11 "Business Day" means any day other than a Saturday or Sunday or legal holiday as such term is defined in Bankruptcy Rule 9006.

1.12 "Cash" means legal tender of the United States of America or cash equivalents.

1.13 "Chapter 11" means Chapter 11 of the Code.

1.14 "Chapter 11 Case" means this case commenced under Chapter 11 of the Bankruptcy Code by the Debtor on the Filing Date.

1.15 "Claim" means a Claim against the Debtor as defined in 11 U.S.C. §101(5).

1.16 "Claimant" means the holder of a Claim.

1.17 "Code" or "Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §101 et seq. as amended and which amendments are applicable thereto.

1.18 "Confirmation Date" means the date of entry by the Court of an order confirming the Plan in accordance with Chapter 11 of the Code.

1.19 "Confirmation Hearing" means the hearing held by the Court, following notice, to determine whether or not to enter a Confirmation Order.

1.20 "Confirmation Order" means the order entered by the Court confirming the Plan.

1.21 "Contested Claim" means a Claim against the Debtor that is

- (a) listed in the Debtor's schedules of liabilities as disputed, contingent or unliquidated;
- (b) listed in the Debtor's schedules of liabilities as undisputed, not contingent and liquidated and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent the proof of claim exceeds the scheduled amount and which amount is not otherwise agreed to by the Debtor or the classification of such proof of claim deviates from the scheduled classification and which classification is not otherwise agreed to by the Debtor and to which an objection has been made within the objection period set forth in Article IX hereof;
- (c) that is not listed in the Debtor's schedules of liabilities, but as to which a proof of claim has been filed with the Bankruptcy Court and to which an objection has been made within the objection period set forth in Article IX hereof; or
- (d) as to which an objection has been filed.

1.22 "Court" or "Bankruptcy Court" means the bankruptcy court unit of the United States District Court for the Southern District of New York; or such other court having subject matter jurisdiction over this Chapter 11 Case.

1.23 "Creditor" means:

- (a) an entity that has a Claim against the Debtor that arose at the time of or before the Filing Date; or

(b) an entity that has a Claim against the Debtor's estates of the kind specified in §§348(d), 502(f), 502(g), 502(h), 502(i) or 502(j) of the Bankruptcy Code.

1.24 "Debtor" shall mean Bandwidth Technology Corp.

1.25 "Disbursing Agent" shall mean Platzer, Swergold, Levine, Goldberg, Katz & Jaslow, LLP.

1.26 "Disclosure Statement" means the Debtor's Disclosure Statement as approved by the Court as containing adequate information under the Code, as may be amended.

1.27 "Distribution Date" shall mean any date on which a distribution under the Plan is to be made to the holders of Allowed Claims.

1.28 "Effective Date" means the date upon which the Confirmation Order becomes a Final Order and on which date the Plan becomes operative.

1.29 "Equity Interest" means any interest based upon ownership of stock in the Debtor.

1.30 "Executory Contract" means any of the contracts and unexpired leases to which the Debtor is a party or was a party as of the Filing Date and which are executory within the meaning of §365 of the Bankruptcy Code other than unexpired leases of non-residential real property, which are defined separately herein as "Executory Real Property Leases".

1.31 "Executory Leases" means any unexpired leases of non-residential real property leases to which the Debtor is a party or was a party as of the Filing Date and which are executory within the meaning of §365 of the Bankruptcy Code.

1.32 "Filing Date" or "Petition Date" means March 8, 2016, the date the Court entered an Order granting the Debtor's Motion to convert the Chapter 7 bankruptcy case to a case under Chapter 11 of the Code.

1.33 “Final Order” means an order or a judgment as to which (a) the time to appeal or to seek review, rehearing or certiorari has expired and as to which no appeal or petition for review, rehearing or certiorari proceeding is pending or (b) an order or judgment which has been appealed but not stayed pending appeal, or an order or judgment which has been stayed pending appeal but has been affirmed on appeal and as to which affirmation, both the time for further appeal and the stay has expired; provided, however, that no order or judgment shall be deemed not to be a Final Order solely because such order or judgment is subject to the filing of a motion for reconsideration.

1.34 “License Agreement” means the Exclusive Intellectual Property and Patent Usage and License Agreement by and between the Debtor and Broadband Technologies Corp.

1.35 “Plan” means this Plan of Reorganization in its present form or as may hereafter be amended, modified or supplemented from time to time.

1.36 “Plan Reserve Fund” means the proceeds from the License Agreement and Additional Funding.

1.37 “Reorganized Debtor” means Bandwidth Technology Corp. on and after the Confirmation Date.

1.38 “Unclaimed Distribution” shall mean any distribution contemplated under the Plan unclaimed after the 90th day following the Distribution Date. Unclaimed Distributions shall include checks and the funds represented thereby: (a) which have been returned as undeliverable without a proper forwarding address; (b) which have not been paid; and (c) which were not mailed or delivered because of the inability to obtain a proper address.

ARTICLE II

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY CLAIMS

2.1 Allowed Administrative Claims

Except to the extent that any individual or entity entitled to payment of any Allowed Administrative Claim agrees to a different treatment, each holder of an Allowed Administrative Claim shall be paid by the Debtor, in full, in Cash, upon the earlier of the Effective Date or the entry of an order approving such Allowed Administrative Claim if such an order is required, or as soon as practicable thereafter. Administrative claimants include professionals and any other individual or entity seeking reimbursement of fees and expenses pursuant to Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

2.2 Allowed Priority Claims

Except as otherwise provided for herein and except to the extent that any individual or entity entitled to payment of an Allowed Priority Claim agrees to a different treatment, each holder of an Allowed Priority Claim shall be paid by the Debtor the full amount of such Allowed Priority Claim in Cash, on the Effective Date, or as soon as practicable thereafter.

ARTICLE III

CLASSIFICATIONS AND IMPAIRMENT OF CLAIMS AND EQUITY INTERESTS

3.1 Claims shall be bound by the provisions of this Plan and are hereby classified as follows:

- | | |
|---------|--------------------------|
| Class 1 | Allowed Priority Claims |
| Class 2 | Allowed Unsecured Claims |

Class 3 Equity Interests

3.2 The inclusion of a Creditor by name in any class is for purposes of general description only, and includes all persons claiming as assignees, heirs, devisees, transferees or successors in interest in whole or in part, of any kind, of the Creditor named.

3.3 Classes 2 and 3 are impaired Classes under the Plan and Class 1 is an unimpaired Class under the Plan.

ARTICLE IV

**PROVISIONS FOR TREATMENT OF
CLASS 1 ALLOWED PRIORITY CLAIMS**

4.1 The holders of Allowed Priority Claims Class 1 Claims shall not be impaired under this Plan.

**PROVISIONS FOR TREATMENT OF
CLASS 2 ALLOWED UNSECURED CLAIMS**

4.2 In full satisfaction of Allowed Unsecured Claims, each Class 2 Claimant (of an Allowed Unsecured Claim) shall be given the choice to receive either option 1 or option 2 from the Reorganized Debtor as follows:

- (a) Option 1 - Receive five (5%) percent of their Allowed Class 2 Claim on the Effective Date; or
- (b) Option 2 – Receive shares of stock in the Reorganized Debtor. Shares shall be issued on a conversion rate such that one dollar (\$1) of Allowed Class 2 Claims shall receive one share of stock in the Reorganized Debtor. The Alexandra Fund has agreed to vote in favor of the Debtor's Plan and select Option 2.

**PROVISIONS FOR TREATMENT OF
CLASS 3 EQUITY INTERESTS**

4.3 Class 3 Equity Interests shall be terminated and lose their Equity Interests in the Debtor as it existed on the Involuntary Date. All existing shares of stock are cancelled upon the Effective Date. Equity Interests shall not receive any distribution under the Plan. Class 3 Equity Interests are designated as being impaired under the Plan, and are deemed to have rejected the Plan.

ARTICLE V

MEANS FOR EXECUTION

5.1 The Plan shall be implemented by the Plan Reserve Fund, which will fund the distribution in accordance with the terms of the Plan.

ARTICLE VI

POST CONFIRMATION

6.1 Fees and Expenses of Professionals

Unless otherwise provided for in the Confirmation Order or other order of the Court, fees and expenses incurred for services rendered to the Debtor by one or more of its respective professionals retained in this Chapter 11 Case, (in furtherance of carrying out or enforcing the terms and conditions of this Plan) including, but not limited to the attorneys to the Debtor, following the Confirmation Date, shall be paid as provided herein. Fees and expenses of such professionals shall be paid by the Debtor, within thirty (30) days from the date of the invoice (unless the Debtor objects in writing to the invoicing party). If there is a dispute as to any invoice which is not resolved, such dispute shall be submitted to the Bankruptcy Court for determination. The uncontested portion of each invoice shall be paid by the 30th day, as set forth above. The

Court shall retain jurisdiction to resolve any disputes with respect to post Confirmation Date fees and expenses.

6.2 U.S. Trustee Quarterly Fees

All fees payable pursuant to §1930 of Title 28 of the United States Code due and payable through the Effective Date, shall be paid by the Debtor on or before the Effective Date, and amounts due thereafter shall be paid by the Reorganized Debtor in the ordinary course until the entry of a final decree closing the reorganized Debtor's Chapter 11 Case. Any deadline for filing claims in this Chapter 11 Case shall not apply to fees payable by the Debtor pursuant to §1930 of Title 28 of the United States Code. The Reorganized Debtor shall be responsible for the reporting requirements of the Office of the United States Trustee.

ARTICLE VII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 There are no Executory Contracts or Unexpired Leases to be assumed by the Debtor. All Executory Contracts not previously assumed or rejected by the Debtor during the Chapter 11 Case are hereby rejected.

7.2 If the rejection of an Executory Contract by the Debtor results in damages to the other party or parties to such Executory Contract, a Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not become an Allowed Claim unless a proof of claim is filed with the Bankruptcy Court and served upon Debtor's counsel no later than thirty (30) days after the earlier of (1) entry of the Confirmation Order or (2) the entry of an order of the Bankruptcy Court authorizing the rejection of such Executory Contract. All Claims arising out of the rejection of Executory Contracts shall be treated as Class 2 Claims.

ARTICLE VIII

ACCEPTANCE OR REJECTION OF PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS

8.1 Each impaired class of Creditors with Claims against the Debtor's estate shall be entitled to vote separately to accept or reject the Plan.

8.2 A class of Creditors shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3rds) in the aggregate dollar amount, and more than one-half (1/2) in number of holders of the Allowed Claims of such class that have accepted or rejected the Plan.

8.3 In the event that any impaired class of creditors with Allowed Claims against the Debtor's estate shall fail to accept the Plan in accordance with §1129(a)(8) of the Bankruptcy Code, the Debtor reserve the right to request that the Bankruptcy Court confirm the Plan in accordance with §1129(b) of the Bankruptcy Code.

ARTICLE IX

PROCEDURES FOR RESOLVING CONTESTED CLAIMS

9.1 Prior to or after the Confirmation Date, objections to Claims may be made by the Debtor or the Reorganized Debtor. Such objections shall be served upon each holder of each of the Claims to which objections are made and filed with the Bankruptcy Court as soon as practicable, but in no event shall such objections be filed later than one hundred twenty (120) days subsequent to the Confirmation Date unless further extended by Court order on notice to those Creditors whose claims are subject to an objection ("Objection Period"). Any Claims that are not objected to within the Objection Period shall be deemed Allowed Claims.

9.2 Objections to Claims that are pending on the Confirmation Date or filed within the Objection Period may be prosecuted after the Confirmation Date. The Debtor shall have the discretion to litigate to judgment, settle or withdraw objections to Contested Claims.

9.3 Except for the undisputed portion with respect to any Contested Claim, no payments or distributions shall be made with respect to the disputed portion of such Contested Claim unless and until all objections to such disputed portion of such Contested Claim have been determined by a Final Order or the date by which to file objections to Claims has expired and no objection has been filed to a particular Claim. Payments and distributions on the undisputed portion of a Contested Claim shall be made in accordance with the provisions of the Plan with respect to the class of Creditors to which the holder of such an Allowed Claim belongs. Upon resolution of the disputed portion of a Contested Claim, any payments that would have been made prior to the date on which the disputed portion of a Contested Claim became an Allowed Claim shall be made as soon as practicable after the date that the order allowing such amount is a Final Order, if applicable.

9.4 As to any unliquidated Claims existing on the Confirmation Date, the Bankruptcy Court may estimate pursuant to §502(c) of the Code the likely amount of such Claim.

9.5 The disputed portion of all Contested Claims shall be deemed Allowed Claims for purposes of the Debtor to reserve the distribution amount in respect of such disputed portion for distributions under sections 4.1 and 4.2 of this Plan.

ARTICLE X

UNCLAIMED DISTRIBUTIONS

10.1 If any payment distributed under the Plan is not deposited or is unclaimed by a Class 2 Claimant (of an Allowed Unsecured Claim) within 90 days after mailing of such payment,

and if the Debtor or Reorganized Debtor is unable to locate such holder after reasonable inquiries, then and in that event such holder's Claim shall thereupon be deemed expunged as of the due date of such Unclaimed Distribution, and such holder shall not be entitled to any future payments under the Plan and such Unclaimed Distribution shall be forfeited by such holder, whereupon all right, title and interest in and to such Unclaimed Distribution shall revert to the Debtor or the Reorganized Debtor, as the case may be.

ARTICLE XI

AVOIDANCE ACTIONS

11. The pursuit of any Avoidance Actions are hereby waived by the Debtor and its estate.

ARTICLE XII

RELEASES

12.1 **Except as otherwise provided in the Plan, any consideration distributed under the Plan shall be in exchange for and in complete satisfaction and release of all Claims of any nature whatsoever against the Debtor or any of its assets or properties and all Claimants shall be enjoined and precluded from asserting any Claims against the Debtor or the post-confirmation Debtor or its assets and the Debtor and the post-confirmation Debtor shall be released from any and all Claims, including, without limitation, demands and liabilities that arose before the Confirmation Date.**

12.2 The Debtor's attorneys, accountants and/or financial shall have no liability for actions or omissions regarding the Plan or the Debtor's operation and administration during the Chapter 11 case that arise out of such entities' relationship with the Debtor on or prior to the

Effective Date, other than claims: (i) specifically preserved pursuant to this Plan; (ii) that arise from obligations created under or in connection with this Plan; (iii) constituting rights pursuant to the Plan; provided, however, that the foregoing shall not apply to such entities' fraud, gross negligence, breach of fiduciary duty, malpractice or willful misconduct nor in anyway shall be construed to act as a release of any such party from Avoidance Actions belonging to the Debtor's estate.

12.3 Nothing contained in Article XIII of this Plan shall limit the liability of the Debtor's professionals to the Debtor pursuant to N.Y. Comp. Codes R. & Regs. Tit. 22 section 1220.8 Rule 1.8, Rule 1.8 (h) (1) and any other statutes rules or regulations dealing with professional conduct to which such professionals are subject.

12.4 Nothing in the confirmation order or the Plan of Reorganization shall effect a release of any claim by the United States Government or any of its agencies or any state and local authority whatsoever including, without limitation, any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority, nor shall anything in the Confirmation Order or the Plan of Reorganization enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceedings for any liability whatever, including without limitation any claim, suit or action arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state or local authority, nor shall anything in the confirmation Order or the Plan of Reorganization exculpate any party from any liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority.

ARTICLE XIII

INJUNCTION

13.1 Except as otherwise expressly provided in the Plan, all entities who have held, hold or may hold Claims against or Equity Interests in the Debtor shall, as of the Confirmation Date, be enjoined from instituting or continuing any judicial or administrative proceeding or employing any process to interfere with or alter: (1) the consummation or implementation of the Plan; (2) payments or transfers to be made under the Plan; and (3) the collection of any and all assets of any kind or nature pursuant to the Plan.

ARTICLE XIV

EFFECT OF CONFIRMATION

14.1 On the Confirmation Date, title to and possession of any and all property of the estate, real or personal, tangible or intangible, shall be re-vested in the Reorganized Debtor, subject to and except as otherwise provided in the Plan. Except as provided for in this Plan, the Confirmation Order shall be a judicial determination of discharge of the Debtor from all debts that arose before the Confirmation Date and any liability on a Claim that is determined under §502 of the Bankruptcy Code as if such Claim had arisen before the Confirmation Date, whether or not a proof of claim based on any such debt or liability was filed under §501 of the Bankruptcy Code and whether or not a Claim based on such debt or liability is allowed under §502 of the Bankruptcy Code.

14.2 Except as otherwise provided in the Plan, the issuance of the Confirmation Order and the occurrence of the Effective Date shall operate as a discharge, pursuant to §1141(d)(1) of the Bankruptcy Code, effective as of the Effective Date, of any and all debts (as such term is defined in §101 of the Bankruptcy Code) against the Debtor that arose at any time before the

Confirmation Date, including, but not limited to, all principal and interest, whether accrued before, on or after the Filing Date. On the Confirmation Date, as to every discharged debt and Claim, the Claimant that held such debt or Claim shall be permanently precluded from asserting against the Debtor, or against any of the Debtor's assets or properties, any other or further claim based on any document, instrument or act, omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date. Without limiting the generality of the foregoing, on the Effective Date, the Debtor shall be discharged from any debt that arose before the Confirmation Date, in any debt of the kind specified in §§ 502(g), 502(h) or 502(i) of the Bankruptcy Code, to the full extent permitted by § 1141(d)(1)(A) of the Bankruptcy Code. Except as otherwise provided herein, nothing in this Plan shall be deemed to waive, limit or restrict in any way the discharge granted upon confirmation of the Plan and §1141 of the Bankruptcy Code.

14.3 Except as otherwise provided in the Plan, but subject to the occurrence of the Confirmation Date, all persons who have held, hold or may hold Claims, Equity Interests or administrative Claims are enjoined from taking any of the following actions against or affecting the Debtor or the assets of the Debtor with respect to such Claims, Equity Interests or administrative Claims, other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Debtor or the assets of the Debtor;
- (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 or assets of the Debtor;

- (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor or the assets of the Debtor;
- (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due to the Debtor or the assets of the Debtor; and
- (e) proceeding in any manner and any place whatsoever that does not conform to or comply with the provisions of the Plan.

ARTICLE XV

RETENTION OF JURISDICTION

15.1 The Bankruptcy Court shall retain and have exclusive jurisdiction over this Chapter 11 Case and the Plan whether or not an order closing the Chapter 11 Case has been entered including, but not limited to jurisdiction over the following matters:

- (a) to adjudicate all controversies concerning the classification or allowance of any Claims, whether existing at the Confirmation Date or occurring thereafter;
- (b) to determine any and all objections to the allowance of Claims, whether existing at the Confirmation Date or occurring thereafter;
- (c) to determine any and all applications for allowance of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Code or the Plan, whether existing at the Confirmation Date or occurring thereafter;

- (d) to determine any applications pending on the Confirmation Date for the rejection or assumption of executory contracts or unexpired leases or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which the Debtor is a party or with respect to it may be liable, and to hear and determine, and if need be to liquidate, any and all Claims arising therefrom filed before or after the Confirmation Date;
- (e) to determine any and all applications, adversary proceedings and contested or litigated matters that may be pending on the Confirmation Date or filed thereafter;
- (f) to consider any modifications of the Plan, remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;
- (g) to determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan or any provision thereof from and after the Confirmation Date;
- (h) to consider and act on the compromise and settlement of any Claim against or cause of action by and against the Debtor and the Debtor's estates;
- (i) to issue such orders in aid of execution of the Plan or any provision thereof to the extent authorized by §1142 of the Bankruptcy Code;
- (j) to enforce all orders, judgments, injunctions and rulings entered in connection with this Chapter 11 case; and

- (k) to determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

ARTICLE XVI

DOCUMENTS

16.1 The Debtor is hereby authorized to execute any and all documents reasonably necessary to effectuate the terms of the Plan.

ARTICLE XVII

NOTICES

17.1 Whenever it is provided that any notice, demand, request, acceptance, rejection, or any other communication shall be given to or served upon any of the parties by any other, each such communication shall be sent:

If to the Debtor:

Bandwidth Technology Corporation
230 Park Avenue
New York, New York 10169-1000

with a copy to:

PLATZER, SWERGOLD, KARLIN, LEVINE,
GOLDBERG & JASLOW, LLP
475 Park Avenue South - 18th Floor
New York, New York 10016
Attn: Clifford A. Katz, Esq.

17.2 Notice of the entry of the Confirmation Order shall be sufficient if a copy of the notice, without attaching such order, is mailed to all known holders of Claims or Equity Interests, whether or not allowed, to their last known address.

17.3 From and after the Effective Date, notices of appearance and demands for service of process filed with the Court prior to such date shall no longer be effective except as otherwise provided for herein. No further notices, other than notice of entry of the Confirmation Order, shall be required to be sent to any entity unless such entity files a new notice of appearance and demand for service of process dated subsequent to the Effective Date which subsequent notice and demand shall be served upon the Debtor's attorneys.

ARTICLE XVIII

MISCELLANEOUS PROVISIONS

18.1 No payments of fractions of dollars will be made. Whenever any payment of a fraction of a dollar would otherwise be called for, the actual payment may reflect a rounding to the nearest whole dollar (up or down). In addition, no dividend in an amount less than twenty-five (\$25.00) dollars shall be disbursed to any Creditor. If a Creditor does not receive a cash payment because the payment would be less than \$25.00, such Creditor will be entitled to aggregate such amount payable with other amounts payable on subsequent dates in order to receive a cash payment.

18.2 The Plan may be modified or amended by the proponent before or after the Confirmation Date as provided in §1127 of the Bankruptcy Code.

18.3 The Plan shall be deemed substantially consummated upon the payment of all Allowed Administrative Claims and the initial payment to holders of Class 2 Allowed Unsecured Claims.

18.4 Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan. The headings in the Plan are for

convenience of reference only and shall not limit or otherwise affect the provisions of the Plan. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender.

18.5 Words and terms defined in §101 of the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction in §102 of the Bankruptcy Code apply to the construction of the Plan.

18.6 Should any provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Plan.

18.7 Except to the extent that the Bankruptcy Code is applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of New York.

18.8 The rights and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such entity.

18.9 The Debtor reserves the right to modify the treatment of any Allowed Claims at any time after the Confirmation Date upon the consent of the Creditor whose Allowed Claim treatment is being modified, as long as no other Creditors are adversely affected.

18.10 The Debtor reserves the right to revoke or withdraw the Plan prior to Confirmation Date. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any claims 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. On or before substantial consummation of the Plan, the Debtor shall file with Bankruptcy Court

such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

18.11 All fees payable pursuant to §1930 of Title 29 of the United States Code due and payable through the Effective Date shall be paid by the Debtor on or before the Effective Date, and amounts due thereafter shall be paid by the Reorganized Debtor in the ordinary until the entry of a final decree closing the respective Reorganized Plan Debtor's Chapter 11 Case. Any deadline for filing claims in these Chapter 11 Cases shall not apply to fees payable by the Debtor pursuant to §1930 of Title 28 of the United States Code. The Reorganized Debtor shall be responsible for the reporting requirements to the Office of the United States Trustee.

18.12 Within fourteen (14) days following the full administration of the estate, the Debtor shall file, on notice to the United States Trustee, an application and proposed Order for a final decree to close the Chapter 11 case, pursuant to Bankruptcy Rule 3022.

[INTENTIONALLY LEFT BLANK]

Dated: New York, New York
November 20, 2017

BANDWIDTH TECHNOLOGY CORP.

By: /s/ Roland Pieper
Roland Pieper
Chief Executive Officer

PLATZER, SWERGOLD, LEVINE,
GOLDBERG KATZ & JASLOW, LLP
Attorneys for the Debtor

By: /s/ Clifford A. Katz
Clifford A. Katz
Member of the Firm
475 Park Avenue South - 18th Floor
New York, New York 10016
(212) 593-3000

EXHIBIT "B"

Bandwidth Technology Corporation
2018 Expenses

[illegible]

Exhibit “C”

BANDWIDTH TECHNOLOGY CORP. LIQUIDATION ANALYSIS

AS OF NOVEMBER 15, 2017

Assets

Attorney Escrow Account	\$244,000.00
Residual Intellectual Property Rights	\$0.00
Future Lien & Revenues	Unliquidated
Total	\$244,000.00

Liabilities

Chapter 11 Professional Fees & Expenses	\$150,000.00
Other Administrative Expenses	\$ 5,000.00
Taxes (priority and secured)	\$ 0.00
Priority Wage Claims	\$ 0.00

Total Admin, Priority and Wage Claims **\$155,000.00**

Chapter 7 Trustee Fees	\$7,500.00
Chapter 7 Legal Counsel and Fees	\$20,000.00

Total Chapter 7 Fees, Counsel and Expenses **\$27,500.00**

Funds Available for Class 2 Unsecured Creditors	\$61,500.00
(Total Estimated Unsecured Claims \$7M)	
Estimated Distribution to Unsecured Creditors	*1%

***PLEASE NOTE, THE ALEXANDER MASTER FUND LTD. IS THE DEBTOR'S LARGEST UNSECURED CREDITOR AND HAS AGREED TO RECEIVE SHARES IN THE REORGANIZED DEBTOR IN LIEU OF RECEIVING A DISTRIBUTION WITH RESPECT TO ITS CLAIM. UNDER A CHAPTER 7, THE ALEXANDER MASTER FUND LTD. WOULD SHARE IN ANY DISTRIBUTION TO CLASS 2 CLAIMANTS RESULTING IN A SIGNIFICANTLY LOWER DISTRIBUTION TO UNSECURED CREDITORS**