

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

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

UTBIC LIQUIDATION CO., f/k/a  
THE NEW YORK INTERNET CO., INC.

Debtor.

Chapter 11

Case No. 17-10326 (SHL)

**DISCLOSURE STATEMENT FOR PLAN OF LIQUIDATION OF UTBIC  
LIQUIDATION CO. PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

**IMPORTANT DATES**

Date by which Objections to Confirmation  
of the Plan Must be Filed and Served: \_\_\_\_\_, 2018 at 4:00 p.m.

Date by which Ballots Must be Received: \_\_\_\_\_, 2018 at 4:00 p.m.

Hearing on Confirmation of the Plan: \_\_\_\_\_, 2018 at \_\_\_\_\_.m.

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Dated: New York, New York  
March \_\_, 2018

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**PLEASE READ THIS DISCLOSURE STATEMENT CAREFULLY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN, WHICH IS ENCLOSED WITH THIS DISCLOSURE STATEMENT. THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR AND ITS CREDITORS AND PROVIDES THE HIGHEST AND MOST EXPEDITIOUS RECOVERIES TO HOLDERS OF ALLOWED CLAIMS AGAINST THE DEBTOR.**

UTBIC Liquidation Co., (the “Debtor”) submits this disclosure statement (the “Disclosure Statement”) pursuant to § 1125 of the Bankruptcy Code to accompany its *Plan of Liquidation of UTBIC Liquidation Co., Pursuant to Chapter 11 of the Bankruptcy Code* dated March 27, 2018 (the “Plan”), which has been filed with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). A copy of the Plan is annexed as **Exhibit A** hereto.

## **I. PURPOSES AND LIMITATIONS OF DISCLOSURE STATEMENT**

### **A. Purpose of Disclosure Statement**

The purpose of the Disclosure Statement is to set forth information that (i) summarizes the Plan and alternatives to the Plan, (ii) advises holders of Claims and Interests of their rights under the Plan, (iii) assists creditors entitled to vote in making informed decisions as to whether they should vote to accept or reject the Plan, and (iv) assists the Bankruptcy Court in determining whether the Plan complies with the provisions of chapter 11 of the Bankruptcy Code and should be confirmed.

You are urged to read the Disclosure Statement in order to determine what rights you may have to vote on or object to the Plan and before making any decision on any such course of action. Particular attention should be directed to the provisions of the Plan affecting or impairing your rights as they existed before the institution of this case. Please note, however, that this Disclosure Statement cannot tell you everything about your rights. For instance, this Disclosure Statement cannot and does not provide a complete description of the financial status of the Debtor, all of the applicable provisions of the Bankruptcy Code, or other matters that may be deemed significant by creditors and other parties in interest. You are also encouraged to consult with your lawyers and/or advisors as you review and consider the Disclosure Statement and the Plan to enable you to obtain more specific advice on how the Plan will affect you.

### **B. Definitions and Exhibits**

Definitions Unless otherwise defined herein, capitalized terms used in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

Exhibits The following exhibits are annexed hereto and expressly incorporated herein:

Exhibit A: A copy of the Plan

**C. Enclosures**

The following materials are included with this Disclosure Statement:

1. A copy of the Plan;
2. A copy of an order approving the Disclosure Statement (the “Disclosure Statement Order”), which states: (a) the date by which objections to confirmation of the Plan must be served and filed, (b) the date by which all votes with respect to the Plan must be cast, (c) the date of the hearing in the Bankruptcy Court to consider confirmation of the Plan, and (d) other relevant information;
3. A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among other things, the date, time and place of the hearing to consider confirmation of the Plan and the deadline for filing objections to confirmation of the Plan;
4. A ballot (and return envelope) for voting to accept or reject the Plan, unless you are not entitled to vote because you are (i) to receive no Distribution under the Plan and are deemed to reject the Plan or (ii) not impaired under the Plan and are deemed to accept the Plan;
5. A notice of non-voting status if you are not impaired under the Plan and are deemed to accept the Plan or if you are not receiving a Distribution under the Plan and are deemed to reject the Plan, as applicable; and
6. Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification.

**D. Representations and Limitations**

**NO PERSON IS AUTHORIZED IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF VOTES THEREON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ANNEXED HERETO OR INCORPORATED HEREIN BY REFERENCE OR REFERRED TO HEREIN AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTOR.**

**NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU.**

**THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED BY THE DEBTOR IN GOOD FAITH, BASED UPON UNAUDITED INFORMATION AVAILABLE TO THE DEBTOR AS OF THE DATE HEREOF. ALTHOUGH THE DEBTOR HAS**



**USED ITS BEST EFFORTS TO ENSURE THAT SUCH INFORMATION IS ACCURATE, THE INFORMATION CONTAINED HEREIN IS UNAUDITED. THE DEBTOR BELIEVES THAT THIS DISCLOSURE STATEMENT COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY CODE.**

**THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE OF THIS DISCLOSURE STATEMENT AND/OR THE DATE THAT THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WERE COMPILED.**

**THE DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR.**

**THE DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT IS INTENDED AS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ITSELF. EACH CREDITOR AND INTEREST HOLDER IS ENCOURAGED TO READ, CONSIDER AND CAREFULLY ANALYZE THE TERMS AND PROVISIONS OF THE PLAN.**

**THIS DISCLOSURE STATEMENT AND THE PLAN PROVIDE FOR INJUNCTIVE RELIEF AS TO THE DEBTOR. THE PERMANENT INJUNCTIONS SET FORTH IN THE PLAN WILL APPLY TO HOLDERS OF ANY CLAIM, INTEREST, LIEN, ENCUMBERANCE OR DEBT, WHETHER SECURED OR UNSECURED, GRANTED PRIORITY STATUS, INCLUDING PRIORITY TAX (FEDERAL OR STATE), NON-PRIORITY UNSECURED CLAIM OR ANY INTEREST IN THE DEBTOR. CREDITORS AND INTEREST HOLDERS WILL BE BOUND BY THIS INJUNCTIVE RELIEF UNLESS CREDITORS TIMELY FILE OBJECTIONS IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN THE DISCLOSURE STATEMENT ORDER OR HEREIN AND APPEAR AT THE CONFIRMATION HEARING, TO PROSECUTE ANY OBJECTION.**

**E. Important Dates**

The Bankruptcy Court approved this Disclosure Statement by and through the Disclosure Statement Order entered on [\_\_\_\_\_], 2018 after notice and hearing and in accordance with section 1125 of the Bankruptcy Code. The Bankruptcy Court found that the information contained herein is of the kind, and is sufficiently detailed, to enable a hypothetical, reasonable investor typical of the class being solicited to make an informed judgment concerning the Plan. **HOWEVER, THE**

**BANKRUPTCY COURT HAS NOT CONFIRMED THE PLAN, NOR IS THIS DISCLOSURE STATEMENT OR THE DISCLOSURE STATEMENT ORDER TO BE CONSTRUED AS APPROVAL OR ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.**

As stated in the Disclosure Statement Order, the Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan for [\_\_\_\_], 2018 at \_\_\_\_ .m. (the “Confirmation Hearing”). Holders of Claims and Interests and other parties in interest may attend this hearing. Objections to confirmation of the Plan must be filed on or before [\_\_\_\_], 2018 as set forth in the Disclosure Statement Order.

All Ballots with respect to the Plan must be completed in full and signed to be counted in the tabulation of the votes and must be received by Klestadt Winters Jureller Southard & Stevens, LLP (“Voting Agent”) no later than 4:00 p.m. on [\_\_\_\_], 2018.

Completed and signed Ballots should be returned by first class mail to the Voting Agent at the below address in the enclosed self-addressed return envelope, or by overnight mail or hand delivery to:

UTBIC Liquidation Co.,  
c/o Klestadt Winters Jureller Southard & Stevens, LLP  
200 W 41<sup>st</sup> Street, 17<sup>th</sup> Floor  
New York, New York 10036

**F. Solicitation Procedures**

Creditors holding Claims that are impaired have the right to vote to accept or reject the Plan. Generally speaking, a Claim or Interest is impaired if the Plan alters the legal, contractual or equitable rights of the holder of the Claim or Interest. A Class of creditors accepts the Plan when creditors holding two-thirds in amount of such class and more than one-half in number of the Claims in such class who actually cast their ballots vote to accept the Plan.

The Plan contains one (1) Class of Claims and one (1) Class of Interests. The Plan provides that holders of Class 1 Claims are impaired in that the Plan alters the legal, contractual and equitable rights of the holders of such Claims. Holders of Class 2 Interests receive no Distribution under the Plan on account of their equity interests in the Debtor and are therefore deemed to reject the Plan. **Accordingly, votes on the Plan will be solicited from Class 1 only.**

**G. Recommendation**

In the opinion of the Debtor, the treatment of creditors and interest holders under the Plan contemplates a greater recovery than that which is likely to be achieved under any other alternative for the liquidation of the Debtor’s assets under chapter 11 or chapter 7 of the Bankruptcy Code. Accordingly, the Debtor submits that confirmation of the Plan is in the best interests of the Debtor’s creditors and interest holders and recommends that all holders of Claims entitled to vote on the Plan vote to accept the Plan.

## **H. Inquiries**

If you have any questions about the packet of materials that you have received, please contact Klestadt Winters Jureller Southard & Stevens, LLP by telephone at (212) 972-3000 during normal business hours.

## **II. BACKGROUND**

### **A. Organizational Structure**

UTBIC Liquidation Co. is a privately held New York corporation incorporated around 1996. The Debtor was founded by Phillip (“Phillip”) and Erik Koblence (“Erik”) as a boutique colocation and managed services provider. On or about October 2009, both Phillip and Erik decided to expand and founded NYI-NJ (“NYI-NJ”) a wholly independent and separate New Jersey based non-debtor affiliate.

### **B. Nature of the Debtor’s Business**

The Debtor operated as a boutique colocation and managed services provider. It specialized in providing customized solutions for countless leading companies in financial services, technology, healthcare, media, government and law. The Debtor enabled companies to overcome critical business challenges by providing space, power cooling and physical security for servers, storage and networking equipment.

### **C. Circumstances Leading to Filing**

The major factor leading to the Debtor’s bankruptcy was a lawsuit brought by the Debtor’s landlord (the “Landlord Lawsuit”), John Hancock Life & Health Insurance Company and John Hancock Life Insurance Company of New York (collectively, “John Hancock”). In the Landlord Lawsuit, John Hancock alleged that the Debtor was \$1,232,910.02 in arrears, largely due to the accumulation of back electricity charges. The Debtor disputed both the amount of the alleged arrearage and whether it was ever responsible for payment of the electrical charges. John Hancock sought, among other things, to remove the Debtor from its facility located at 100 William Street, Suites 318, 801 and 2100, New York, New York 10038 (the “NYC Facility”), a money judgment against the Debtor for the alleged rent arrears and a money judgment in favor of John Hancock against the Debtor for the costs, expenses and attorneys’ fees incurred by John Hancock.

In the weeks leading up to the Petition Date, both the Debtor and John Hancock had engaged in negotiations seeking to resolve the Landlord Lawsuit. As part of the negotiations with John Hancock, the Debtor received interest from a third party investor who was willing to provide a cash investment in order to help resolve the Landlord Lawsuit. However, the Debtor was unable to conclude the negotiations prior to the scheduled trial date of February 15, 2017, necessitating the filing of this case in order to protect the Debtor’s leasehold interest in the NYC Facility.

In addition to the Landlord Lawsuit, prior to the Petition Date, the Debtor commenced a lawsuit against Jobdiva Incorporated (“Jobdiva”) asserting a breach of contract claim in the amount of \$1,017,803.50 (the “Jobdiva Action”). The loss of the Jobdiva account was a significant blow to the Debtor’s revenues and a major contributing factor to the Debtor’s cash flow issues.

#### **D. The Bankruptcy Case**

On February 14, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code commencing this chapter 11 case (this “Bankruptcy Case”).

Following the Petition Date, the Debtor continued operating its business and managing its property as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

### **III. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE**

#### **A. Retention of Professionals**

On April 12, 2017, the Bankruptcy Court entered an order authorizing the Debtor to retain Klestadt Winters Jureller Southard & Stevens, LLP as bankruptcy counsel *nunc pro tunc* to the Petition Date.

On April 12, 2017, the Bankruptcy Court entered an order authorizing the retention of Poillucci & Kahan, P.C., as financial advisor to the Debtor and the Committee *nunc pro tunc* to the Petition Date.

On April 12, 2017, the Bankruptcy Court entered an order authorizing the retention of Charles E. Boulbol, P.C., as special litigation counsel to the Debtor *nunc pro tunc* to the Petition Date.

#### **B. Schedules of Assets and Liabilities, Statement of Financial Affairs**

On February 28, 2017, the Debtor filed its schedules of assets and liabilities and a statement of financial affairs (collectively the “Schedules”).

#### **C. Bar Date for Filing of Claims Arising Prior to the Petition Date**

On April 5, 2017, the Bankruptcy Court entered an order (the “Bar Date Order”) (i) setting a deadline (the “Bar Date”) for filing proofs of claim against the Debtor and its Estate pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(3); (ii) approving the form of notice of the Bar Date (the “Bar Date Notice”) to be sent to Creditors and parties in interest; and (iii) approving as adequate and sufficient the service of the Bar Date Notice by first class mail and publication of the Bar Date in Crain’s New York. The Bar Date Order fixed May 15, 2017 at

5:00 P.M., or with respect to Governmental Units, August 13, 2017 at 5:00 p.m., as applicable, as the Bar Date by which all Claims against the Debtor which arose prior to the Petition Date, other than those types of Claims specifically accepted, had to be filed.

The Bar Date Notice was served by first class regular mail upon (a) the U.S. Trustee; (b) all persons or entities that requested notice of the proceedings in the Bankruptcy Case; (c) all known creditors of the Debtor, including as set forth on the Debtor's Schedules; (d) all parties to executory contracts and unexpired leases of the Debtor; (e) all required Governmental Units and state and local taxing authorities; and (f) holders of membership interests in the Debtor. Except for the holders of certain specifically excluded Claims, every Creditor was required to file a proof of claim on or before the Bar Date so that the Debtor could ascertain with certainty the total amount of pre-petition Claims outstanding.

In accordance with Federal Rule of Bankruptcy Procedure 3003(c)(2), holders of Claims who failed to comply with the terms of the Bar Date Order are forever barred from (i) filing a proof of claim with respect to such Claim, (ii) asserting such Claims against the Debtor or its Estate and/or property, (iii) voting on any plan filed in this Bankruptcy Case and (iv) participating in any Distribution in the Bankruptcy Case on account of such Claims.

#### **D. Cash Collateral Use**

The Debtor negotiated with HSBC Bank USA, National Association ("HSBC"), its secured lender, holding first priority liens on substantially all of its assets, for authority to use cash collateral and run the Bankruptcy Case. On March 15, 2017, the Court entered an *Interim Stipulation and Order Pursuant to 11 U.S.C. §§ 361, and 363, (I) Authorizing Debtor to Use Cash Collateral, and (II) Granting Adequate Protection to HSBC Bank USA, National Association, (III) Scheduling a Final Hearing and (IV) Granting Related Relief* [Docket No. 24] (the "Interim Cash Collateral Order"). The Interim Cash Collateral Order provided that the Debtor was authorized to use cash collateral in accordance with the budget agreed to by the Debtor and HSBC. On April 4, 2017, the Court entered a *Final Stipulation and Order Pursuant to 11 U.S.C §§ 361, and 363, (I) Authorizing Debtor to Use Cash Collateral, and (II) Granting Adequate Protection to HSBC Bank USA, National Association, and (III) Granting Related Relief* [Docket No. 33].

On May 18, 2017, HSBC consented to extend the deadline for the Debtor's use of cash collateral until June 19, 2017. On June 12, 2017, HSBC transferred its secured claim to NYI Holdings, LLC ("NYI Holdings") [Docket No. 58]. As part of the Debtor's sale of its assets to Cleareon (as defined below), NYI Holdings has waived its secured claim against the Debtor.

#### **E. Lease Extension Motion and Rejection of the NYC Facility Lease**

The Debtor prepared an filed the *Motion Pursuant to 11 U.S.C. §365(d)(4) Seeking an Order to Extend the Deadline to Assume or Reject the NYC Facility Lease by 90 Days* (the "Extension Motion"). On June 19, 2017 the Bankruptcy Court entered an order granting the Extension Motion and extending the Debtor's deadline to assume or reject the NYC Facility Lease.

On October 31, 2017, the Debtor and John Hancock Life & Health Insurance Co., and John Hancock Life Insurance Company of New York (collectively, the “Landlord”), entered into a stipulation and order [Docket No. 100], whereby the NYC Facility Lease was rejected by the Debtor and the Landlord waived any claim for damages resulting from the rejection of the NYC Facility Lease. The Landlord has maintained its claim against the Debtor for any and all arrears outstanding on the NYC Facility Lease as of the Petition Date.

NYI-NY, LLC separately negotiated and entered into a new lease with the Landlord as of October 31, 2017.

#### **F. JobDiva Litigation**

On April 14 2017, JobDiva filed a motion seeking the abstention of the Bankruptcy Court and the remand of the Jobdiva Action back to State Court (the “Remand Motion”). The Debtor filed an objection to the Remand Motion and upon order of the Court submitted supplemental arguments against the Remand Motion.

On September 1, 2017 the Court issued an order denying the Remand Motion. The JobDiva Action is currently proceeding and a motion to dismiss the Jobdiva Action is currently sub judice. Charles E. Boulbol, P.C., as special litigation counsel to the Debtor, is handling all matters relating to the JobDiva Action.

#### **G. Sale of Substantially All Assets to Cleareon**

The Debtor prepared and filed a motion pursuant to §§105(a), 363 and 365 of the Bankruptcy Code and Rules 2002, 6004 and 6006 of the Bankruptcy Rules for entry of an order authorizing the Debtor (i) to sell its exclusive right, power and authority under section 365 of the Bankruptcy Code to determine whether to assume, reject, or assume and assign to one or more designees its interests in the NYC Facility and its customer contracts to Cleareon Fiber Networks, LLC or its designee (“Cleareon”) and (ii) to sell all or substantially all of its assets to Cleareon free and clear of all liens, claims and encumbrances (the “Sale Motion”).

NYI Investors LLC (“NYI Investors”) filed an objection to the Sale Motion on the grounds that Cleareon had not offered enough value for the Debtor’s assets. In response, upon the request of the Debtor, the Court entered an order pursuant to 11 U.S.C. §§105(a) and 363 designating Cleareon a stalking horse bidder, approving a break-up fee and expense reimbursement for Cleareon as the stalking horse bidder, and establishing bid procedures and scheduling an auction (the “Auction”) for the Debtor’s assets (the “Bid Procedures Order”).

Over the course of the Auction, Cleareon and NYI Investors offered competing bids for the Debtor’s assets. Cleareon eventually won the auction offering consideration worth an approximate total of \$2,962,350 for the Debtor’s assets. Additionally, as part of Cleareon’s winning bid, NYI Holdings waived its secured claim against the Debtor.

On June 30, 2017, the Court entered an Order approving the final sale of substantially all of the Debtor's assets to Cleareon [Docket No. 70]. The sale transaction closed on October 31, 2017.

#### **H. NYC Department of Finance Claim Objection and Settlement**

On June 7, 2017, the New York City Department of Finance ("NYC DOF") filed a priority claim in the amount of \$950,775.56 (the "NYC DOF Claim"). On September 5, 2017, the Debtor filed an objection (the "Objection") to the NYC DOF Claim asserting that it should be reduced from \$950,775.56 to \$299,028.36. NYC DOF filed a response to the Objection contesting the Debtor's assertions and the parties entered into negotiations to resolve the dispute.

After significant negotiations, the Objection was settled and the NYC DOF Claim was reduced to a \$208,928.00 priority claim, and a \$547,920.28 general unsecured claim (the "NYC DOF Settlement"). The priority portion of the NYC DOF Settlement is due to be paid in full by June 30, 2018. The Court entered an order approving the NYC DOF Settlement on January 18, 2018 [Docket No. 111].

### **IV. SUMMARY OF THE PLAN OF LIQUIDATION**

#### **A. General Plan Objectives**

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Asset sales, stock sales, and other liquidation efforts, however, can also be conducted during a chapter 11 case or pursuant to a chapter 11 plan. Under chapter 11, a company endeavors to restructure its finances such that it maximizes recovery to its creditors.

Formulation and confirmation of a chapter 11 plan is the primary goal of a debtor in a chapter 11 case. A chapter 11 plan sets forth and governs the treatment and rights to be afforded to creditors and shareholders with respect to their claims against and equity interests in the debtor. According to section 1125 of the Bankruptcy Code, acceptances of a chapter 11 plan may be solicited by the proponent of a plan only after a written disclosure statement has been provided to each creditor or shareholder who is entitled to vote on the plan.

The Plan is a plan of liquidation. In general, a chapter 11 plan of liquidation (i) divides claims and equity interests into separate classes, (ii) specifies the property that each class is to receive under the plan, and (iii) contains other provisions necessary to implement the Plan.

Generally, the Plan establishes a mechanism by which assets of the Debtor's Estate will be distributed to holders of Claims and Interests, in the order set forth in the Plan.

#### **B. Provisions Governing Order and Method for Distributions Under the Plan**

The Plan divides Claims against and Interests in the Debtor into two (2) categories or "Classes" according to the underlying basis and subsequent treatment for each. Claims within the same Class are treated identically.

Administrative Expense Claims, Professional Fee Claims, and Priority Tax Claims are not classified but are treated in the manner set forth in Article 2 of the Plan and summarized below.

**C. Classes of Claims**

The following classes of Claims and Interests are designated pursuant to and in accordance with section 1123(a)(1) of the Bankruptcy Code, which Classes shall be mutually exclusive:

<b>Class</b>	<b>Class Description</b>	<b>Estimated Amount of Allowed Claims in Class</b>	<b>Treatment Under Plan and Estimated Recovery Under Plan</b>
Unclassified	Priority Tax Claims	\$208,928.63	Recovery: 100%
Unclassified	Unpaid Administrative Expense Claims	\$0	Recovery 100%
Unclassified	Unpaid Professional Fee Claims	\$180,000 (estimated)	Recovery 100%
Class 1	General Unsecured Claims	\$ 2,306,773.48	Impaired. Estimated Recovery: 0.5% to 1% or more depending on result in JobDiva Action. Entitled to Vote.
Class 2	Interests	\$0.00	Impaired. Deemed to Reject.

1. Priority Tax Claims

Unless otherwise agreed to by the parties, each holder of an Allowed Priority Tax Claim will receive an amount in Cash equal to the Allowed amount of such Priority Tax Claims as soon as practicable following the later of (a) the Effective Date and (b) the date on which such Priority Tax Claim becomes an Allowed Claim. Priority Tax Claims are not classified under the Plan in accordance with Section 1123(a)(1) of the Code. The NYC DOF Claim as reduced pursuant to the NYC DOF Claim Settlement shall be paid in full on the Effective Date. In the event any Disputed Priority Tax Claims exist on the Effective Date, the Plan Administrator shall hold and maintain Cash in the Disputed Claims Reserve in an amount equal to all outstanding Disputed Priority Tax Claims until such dispute is resolved consensually or by order of the Bankruptcy Court.

2. Administrative Expense Claims



All Allowed Administrative Expense Claims shall be paid in full, in Cash, in such amounts as are incurred in the ordinary course of the liquidation of the Debtor, or in such amounts as may be Allowed by the Bankruptcy Court (a) as soon as practicable following the later of the Effective Date or the date upon which the Court enters a Final Order allowing any such Administrative Expense Claim, or (b) upon such other terms as may exist in accordance with the ordinary course of the Debtor's liquidation or (c) as may be agreed upon between the holder of any such Administrative Expense Claim and the Debtor. In the event there exists any Disputed Administrative Expense Claims on the Effective Date, the Debtor or the Plan Administrator shall at all times hold and maintain Cash in the Disputed Claims Reserve in an amount equal to all outstanding Disputed Administrative Expense Claims.

3. Professional Fee Claims

The Plan Administrator shall pay all Professional Fee Claims as soon as practicable after the later of the Effective Date or a Final Order has awarded such compensation and reimbursement of expenses pursuant to proper application to the Court or such later date as may be agreed upon by the holder of any such Professional Fee Claim and the Debtor. In the event any Disputed Professional Fee Claims exist on the Distribution Date, the Plan Administrator shall hold and maintain Cash in the Disputed Claims Reserve in an amount equal to the pro rata share of all outstanding Disputed Professional Fee Claims until such dispute is resolved consensually or by order of the Bankruptcy Court.

4. Class 1 (General Unsecured Claims)

In full satisfaction of such Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall receive one or more Distributions equal to its *Pro Rata* share of all Remaining Assets after payment of Administrative Expense Claims, Professional Fee Claims and Priority Tax Claims and establishing the Post-Confirmation Reserve and Disputed Claims Reserve. In the event any Disputed General Unsecured Claims exist on a Distribution Date, the Plan Administrator shall hold and maintain Cash in the Disputed Claims Reserve in an amount equal to all outstanding Disputed General Unsecured Claims until such dispute is resolved consensually or by order of the Bankruptcy Court.

The Debtor estimates that holders of Allowed General Unsecured Claims shall receive a Distribution of between 0.5% and 1% or more (depending on result of JobDiva Action) on account of such Allowed General Unsecured Claims. The actual distribution that will be made will be determined based upon Claims that have been Allowed or Disallowed.

5. Class 2 (Interests)

No holder of an Interest shall be entitled to a Distribution under the Plan on account of such Interest. On the Effective Date, all Interests shall be cancelled and extinguished.

**V. MEANS OF IMPLEMENTING THE PLAN**

**A. Appointment of Plan Administrator**

(a) Appointment. On the Effective Date, the Plan Administrator Agreement shall be executed by the Debtor and the Plan Administrator. The Plan Administrator shall be deemed appointed upon execution of the Plan Administrator Agreement. A copy of the proposed form of Plan Administrator Agreement will be filed with the court not later than ten (10) days before the hearing on confirmation of the Plan. The Plan Administrator shall be Eddy Friedfeld.

(b) General Powers, Rights and Responsibilities of Plan Administrator. On the Effective Date, the Plan Administrator shall be the exclusive administrator of the assets of the Debtor's Estate for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The powers, rights and responsibilities of the Plan Administrator shall include the authority and responsibility to: (i) receive, manage, invest, supervise, and protect the Remaining Assets; (ii) pay taxes or other obligations incurred by the Estate; (iii) retain and compensate, without further order of the Bankruptcy Court, the services of professionals to advise and assist in the administration, prosecution and Distribution of the Remaining Assets; (iv) calculate and implement Distributions of the Remaining Assets; (v) prosecute, compromise and settle all Disputed Claims and Causes of Action; (vi) pay Professional Fees of professionals retained in the Bankruptcy Case and Allowed pursuant to any order of the Court, whether such Professional Fees were incurred before or after the Effective Date; (vii) make Distributions in accordance with the provisions of the Plan; and (viii) make payments related to Post-Confirmation Expenses from the Post-Confirmation Reserve in accordance with the provisions of the Plan.

#### **B. Plan Administrator Reports**

The Plan Administrator shall prepare and file with the Court such reports as are required pursuant to Section 5.17 of the Plan, including quarterly reports, beginning with the first full calendar quarter after the Effective Date, regarding the liquidation or other administration of the Remaining Assets, Distributions made by the Plan Administrator, and the status of the prosecution or settlement of any Claims and Causes of Action. The Plan Administrator shall pay fees of the U.S. Trustee as provided in Section 5.17 of the Plan.

#### **C. Fees and Expenses**

Except as otherwise ordered by the Bankruptcy Court or specifically provided for in the Plan, the amount of any fees and expenses incurred by the Plan Administrator on or after the Effective Date (including, without limitation, taxes) and any compensation and expense reimbursement claims (including, without limitation, reasonable fees and expenses of counsel) of the Plan Administrator arising out of the liquidation of the Remaining Assets, the making of Distributions under the Plan, and the performance of any other duties given to it shall be paid from the Post-Confirmation Reserve.

#### **D. Causes of Action**

During the Post-Confirmation Period, the Plan Administrator shall have the authority to assert, prosecute, and settle all Claims and Causes of Action that belong to the Debtor's Estate, and, in connection therewith, shall have the right to assert and enforce all defenses belonging to the Debtor and its Estate, including, without limitation, setoff, recoupment and any rights under

Bankruptcy Code section 502(d).

**E. Employment of Professionals by Plan Administrator**

The Plan Administrator may employ, without further order of the Bankruptcy Court, professionals to assist it in carrying out its duties hereunder and may compensate and reimburse the expenses of those professionals without further order of the Bankruptcy Court; provided, however, that any such compensation and reimbursement may be made only out of the Post-Confirmation Reserve.

**F. Distributions and Establishment of Reserves**

(a) Cash on Hand. As of March 26, 2018, the Debtor has \$340,498.00 on hand, consisting of the remaining proceeds of the sale process.

(b) Post-Confirmation Reserve. On the Effective Date or as soon thereafter as is practicable, the Plan Administrator shall create the Post-Confirmation Reserve prior to making any Distributions. The Post-Confirmation Reserve shall be used to pay the Post-Confirmation Expenses, including, without limitation, costs and expenses of counsel or other advisors retained by the Plan Administrator, the sale of the Remaining Assets and the prosecution of Causes of Action and Claims objections. Any amounts remaining in the Post-Confirmation Reserve after all Post-Confirmation Expenses are paid shall revert to the general Estate and shall be distributed in accordance with the terms of the Plan.

(c) Disputed Claims Reserve. On the Effective Date or as soon thereafter as is practicable, the Plan Administrator shall create the Disputed Claims Reserve in an amount equal to the Distribution amount to which holders of Disputed Claims would have otherwise been entitled but for the dispute; provided, however, that the Plan Administrator shall have no obligation to fund the Disputed Claims Reserve unless and until a Distribution occurs to holders of Allowed Claims. The Assets in the Disputed Claims Reserve shall be held separately from other Assets held by the Debtor, subject to an allocable share of all expenses and obligations of the Estate, on account of Disputed Claims. The Plan Administrator shall remove funds from the Disputed Claims Reserve as Disputed Claims are resolved, which funds shall be distributed as provided in the Plan.

**G. Plan Distributions**

Following the Effective Date, and subject to the establishment and funding of the Post-Confirmation Reserve as set forth above, and as set forth in greater detail in Article 4 of the Plan, Distributions shall be made by the Plan Administrator in accordance with Articles 2 and 4 of the Plan.

**H. Preservation and Abandonment of Records**

The Debtor shall preserve for the benefit of the Plan Administrator all documents and files, including electronic data hosted on remote servers that are necessary to the prosecution of the Causes of Action and Claims resolution process (the "Retained Information"). After the Effective Date, the Plan Administrator shall preserve the Retained Information until the date that is one (1) year following the closing of the Bankruptcy Case. On the Effective Date, the Debtor

shall be permitted to abandon (with or without destruction) any information that is not Retained Information.

**I. Administrative Claims Bar Date**

Persons asserting an Administrative Expense Claim must file a request for payment of such Administrative Expense Claim on or before 5:00 p.m. prevailing Eastern Time on or before the first Business Day after the thirtieth (30th) day after the Effective Date (the “Administrative Expense Claims Bar Date”). No payment or Distributions will be made on account of any Administrative Expense Claim until such Claim becomes an Allowed Claim. Any person asserting an Administrative Expense Claim that fails to file and serve an Administrative Expense Claim on or before the Administrative Expense Claims Bar Date shall be forever barred from asserting any such right to payment as against the Debtor and/or the Estate.

**J. Deadline for Filing Applications Seeking Payment of Professional Fee Claims**

All parties seeking payment of Professional Fee Claims must file with the Bankruptcy Court a final application and/or an application for payment of reasonable fees and expenses under section 503(b) of the Bankruptcy Code, as applicable, on or before the first Business Day after the thirtieth (30th) day after the Effective Date (the “Fee Application Deadline”). Any Professional failing to file and serve such final application or 503(b) motion on or before the Fee Application Deadline shall be forever barred from asserting any such right to payment against the Debtor or the Estate.

**K. Execution of Documents to Effectuate Plan**

From and after the Effective Date, the Debtor and the Plan Administrator shall have the exclusive power and authority to execute any instrument or document to effectuate the provisions of the Plan. Entry of the Confirmation Order shall authorize the Debtor and the Plan Administrator to take, or cause to be taken, all actions necessary or appropriate to consummate and implement the provisions of the Plan.

**L. Disallowance of Claims without Further Order of the Court.**

As of the Effective Date, any Scheduled Claim designated as disputed, contingent or unliquidated in amount and for which a proof of Claim has not been filed by the Creditor by the applicable Bar Date shall be deemed Disallowed and expunged. All Scheduled Claims that correspond to a proof of Claim filed by a particular Creditor by the applicable Bar Date shall be deemed to have been superseded by such later filed proof of Claim, and the Scheduled Claim, regardless of priority, shall be expunged from the Claims register; provided however, that such proofs of Claim shall be subject to objection in accordance with Section 9.10 of the Plan.

**M. Continued Existence of Debtor Until Closing of the Case**

Following the Effective Date, the Debtor shall continue in existence for the purposes of,

among other things, completing the liquidation of its Assets, winding up its affairs and filing appropriate tax returns and shall thereafter be dissolved at the discretion of the Plan Administrator. Upon the entry of an order closing the Bankruptcy Case, the Debtor shall be deemed dissolved for all purposes. No other actions or filings or payments shall be required in furtherance of such dissolution.

**N. Post-Effective Date Reports and Fees**

Following the Effective Date and until the Case is closed, not less than once every one-hundred and eighty (180) days, the Plan Administrator shall be responsible for the filing of all post-Effective Date reports required during such periods with the U.S. Trustee regarding the liquidation or other administration of property subject to the Plan Administrator's control pursuant to the Plan, Distributions made by it, and other matters required to be included in such report, and shall pay from the Debtor's Estate all post-Effective Date fees charged or assessed against the Estate under 28 U.S.C. §1930 during such periods together with applicable interest pursuant to 31 U.S.C. § 3717.

**O. Cancellation of Interests**

On the Effective Date, all existing Interests, shall, without any further action, be cancelled, annulled, and extinguished and any certificates representing such canceled, annulled, and extinguished Interests shall be null and void.

**P. Insurance Preservation**

Nothing in the Plan shall diminish or impair the enforceability of any insurance policies that may cover Claims against the Debtor, its employees, its shareholders or any other Person.

**Q. Preservation of Causes of Action**

Except as otherwise provided in the Plan or in any contract, instrument, release or agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, all Claims or Causes of Action that the Debtor or the Estate may have against any person or entity are preserved, including without limitation any and all Causes of Action the Debtor or the Estate or other appropriate party in interest may assert under sections 502, 510, 522(f), 522(h), 542, 543, 544, 545, 547, 548, 549, 550, 551, 553 and 724(a) of the Bankruptcy Code.

**VI. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

All executory contracts and unexpired leases of the Debtor will be deemed rejected as of the Confirmation Date, unless a particular executory contract or unexpired lease not previously assumed or rejected (i) has previously been assumed or rejected pursuant to order of the Bankruptcy Court or applicable provisions of the Bankruptcy Code, or (ii) has expired or otherwise terminated pursuant to its terms.

Any party to an executory contract or unexpired lease that is rejected in accordance with Section 6.1 of the Plan shall file a proof of Claim for damages from such rejection no later than thirty (30) days after the Effective Date. The failure to timely file a proof of Claim shall be deemed a waiver of any claim in connection with the rejection of such contract or lease.

## **VII. CONDITIONS PRECEDENT**

### **A. Conditions to Confirmation**

The following conditions must be satisfied or waived by the Debtor in accordance with Section 7.3 of the Plan on or before the Confirmation Date:

(a) The Disclosure Statement Order shall have been entered and shall have become a Final Order; and

(b) The Confirmation Order to be entered by the Bankruptcy Court shall be in form and substance reasonably satisfactory to the Debtor and shall contain provisions that, among other things: (i) authorize the implementation of the Plan in accordance with its terms; (ii) approve in all respects the other settlements, transactions, and agreements to be effectuated pursuant to the Plan; (iii) find that the Plan complies with all applicable provisions of the Bankruptcy Code, including that the Plan was proposed in good faith and that the Confirmation Order was not procured by fraud; (iv) order that the Remaining Assets are transferred to the Plan Administrator on the Effective Date, free and clear of all Claims, liens, Encumbrances and interests of any Entity; and (v) order that the Plan Administrator is authorized to take any and all action necessary or appropriate to perform his duties hereunder.

### **B. Conditions to Effective Date**

The Effective Date shall not occur and no obligations under the Plan shall come into existence unless each of the following conditions is met or, alternatively, is waived in accordance with Section 7.3 of the Plan on or before the Effective Date:

(a) The Confirmation Order shall have been entered by the Bankruptcy Court, and no stay of its effectiveness shall have been issued within fourteen (14) days following the entry of the Confirmation Order; and

(b) The Plan Administrator Agreement shall have been entered into.

### **C. Waiver of Conditions**

Each of the conditions precedent in Sections 7.1 and 7.2 of the Plan may be waived or modified without further Court approval, in whole or in part.

## **VIII. INJUNCTIONS; STAYS; RELEASE; EXCULPATIONS**

### **A. General Injunctions**

As set forth in Article 8 of the Plan, the following provisions shall apply and shall be fully set forth in the Confirmation Order.

1. **Injunctions Against Interference with Consummation or Implementation of Plan**

All holders of Claims or Interests shall be enjoined from commencing or continuing any judicial or administrative proceeding or employing any process against the Debtor or the Estate with the intent or effect of interfering with the consummation and implementation of the Plan and the transfers, payments or Distributions to be made hereunder.

2. **Injunction Against Prosecution of Causes of Action**

Except as otherwise specifically provided for by the Plan, as and from the Effective Date, all Persons shall be enjoined from (i) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order; (ii) the creation, perfection or enforcement of any Encumbrance of any kind; (iii) the commencement or continuation of any action, employment of process or act to collect, offset or recover any Claim or Cause of Action satisfied, released or enjoined under the Plan; and/or (iv) the assertion of any right of setoff, counterclaim, exculpation, or subrogation of any kind, in each case against the Debtor or the Estate to the fullest extent authorized or provided by the Bankruptcy Code.

3. **No Bar To Claims Against Third Parties**

Holders of Claims or Interests against the Debtor are not barred or otherwise enjoined by the Plan from pursuing any recovery against Persons that are not the Debtor.

**B. All Distributions Received in Full and Final Satisfaction**

Except as otherwise set forth in the Plan, all payments and all Distributions to be made in accordance with the Plan on account of Claims (including Administrative Expense Claims) shall be received in full and final satisfaction, settlement and release of the Estate's obligations for such Claims as against the Debtor, its property and the Estate.

**C. No Modification of Res Judicata Effect**

No provision of the Plan is intended or shall be construed to modify the *res judicata* effect of any order entered in the Bankruptcy Case, including, without limitation, the Confirmation Order and any order finally determining Professional Fee Claims to any Professional.

**D. Exculpation for Debtor and Estate Professionals**

To the extent permitted by section 1125(e) of the Bankruptcy Code, the Debtor, its shareholders, officers, directors, employees and professionals (including any retained professional firms and individuals within such firms), shall neither have nor incur any liability to any Person for any act taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, administration, funding, confirmation or consummation of the Plan, the Disclosure Statement, or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan, or any act taken or omitted to be taken during the Bankruptcy Case, except for (i) acts or omissions as a result of willful misconduct or gross negligence and (ii) liability for any debt owed to the United States Government, any state, city or municipality arising under (a) the Internal Revenue Code or any state, city or municipal tax code, (b) the environmental laws of the United States or any state, city or municipality, (c) laws regarding the regulation of securities administered by the SEC or (d) any criminal laws of the United States, any state, city or municipality. From and after the Effective Date, a copy of the Confirmation Order and the Plan shall constitute, and may be submitted as, a complete defense to any Claim or liability released pursuant to the Plan.

**E. Exculpation for Plan Administrator and His Professionals**

The Plan Administrator and his employees, attorneys, accountants, financial advisors, representatives and agents, each solely in such capacity, shall not have or incur any liability to any person or entity for any act or omission in connection with, or arising out of, the Plan or the property to be distributed under the Plan; provided however, that the foregoing exculpation shall not apply to acts or omissions in bad faith or as a result of recklessness, willful misconduct or gross negligence.

**IX. PROCEDURES FOR DISTRIBUTIONS UNDER PLAN**

Article 9 of the Plan establishes the procedures and guidelines for Distributions to be made to the terms of the Plan to the holders of Claims, including the timing, procedures and notice provisions related to same. Distributions shall be made by the Plan Administrator as follows.

**A. Payments in U.S. Dollars**

All Cash payments required under the Plan shall be made in U.S. dollars by checks drawn on a domestic bank selected by the Plan Administrator in accordance with the Plan or by wire transfer from a domestic bank, at the option of the Plan Administrator. The Plan Administrator may use the services of a third party to aid in the Distributions required to be made under the Plan.

**B. Distributions Only on Business Days**

Notwithstanding the foregoing provisions, if any Distribution called for under the Plan is due on a day other than a Business Day, such Distribution shall instead be made on the next Business Day.

**C. Unclaimed Distributions**



Unclaimed Distributions (including Distributions made by checks that fail to be cashed or otherwise negotiated within ninety (90) days after the Distribution Date or which Distributions are returned to the Plan Administrator as undeliverable to the addresses specified in the Claims Register, as it shall exist on the date such Distributions are made), shall be canceled (by a stop payment order or otherwise), the Claim(s) relating to such Distribution(s) shall be deemed forfeited and expunged without any further action or order of the Bankruptcy Court, and the holder of such Claim(s) shall be removed from the Distribution schedules and expunged from the Claims register and shall receive no further Distributions under the Plan. Any such Unclaimed Distributions shall, as soon as is practicable, be redistributed pursuant to the provisions of the Plan.

**D. Timing of Distributions on Disputed Claims Subsequently Allowed**

In the event that a Disputed Claim is Allowed, in whole or in part, after the Effective Date, a Distribution shall be made on account of such Allowed Claim on the next Distribution Date that is at least fifteen (15) Business Days after such Claim is Allowed.

**E. No Payment or Distribution of Disputed Claims**

Any contrary provision hereof or of the Plan notwithstanding, no payments or other Distributions shall be made on account of any Disputed Claim, or any portion thereof, unless and until such Claim is Allowed by Final Order of the Bankruptcy Court. For the avoidance of doubt, no portion of any Disputed Claim is entitled to a Distribution. Holders of Disputed Claims shall be bound, obligated and governed in all respects by the Plan's provisions.

**F. Disputed Distribution**

If a dispute arises as to the identity of a holder of an Allowed Claim who is to receive a Distribution, the Plan Administrator may, in lieu of making such Distribution to such holder, hold such amount until the dispute is resolved by Final Order of the Bankruptcy Court or by written agreement among the parties to such dispute.

**G. Transmittal of Payments and Notices**

All Distributions shall be made to the holder of a Claim by regular first-class mail, postage prepaid, in an envelope addressed to such holder at the address listed on its proof of Claim filed with the Claims Agent or Bankruptcy Court or, if no proof of Claim was filed, (i) at the address listed on the Debtor's Schedules, or (ii) at such address that a holder of a Claim provides to the Debtor and the Plan Administrator after the Effective Date in writing and files at least fifteen (15) Business Days prior to a Distribution Date. Neither the Debtor nor the Plan Administrator shall have any duty to ascertain the mailing address of any holder of a Claim other than as set forth herein. The date of payment or delivery shall be deemed to be the date of mailing. Payments made in accordance with the Plan shall be deemed made to the holder regardless of whether such holder actually receives the payment.

**H. Record Date for Distributions**

Except as otherwise provided in a Final Order of the Bankruptcy Court, transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 with appropriate filings made on or before the Effective Date (the "Record Date") shall be treated as the holders of those Claims

for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer(s) may not have expired prior to the Record Date. The Debtor and the Plan Administrator shall have no obligation to recognize any transfer of any Claim occurring after the Record Date. In making a Distribution with respect to any Claim, the Debtor and the Plan Administrator shall be entitled to recognize and deal for all purposes hereunder only with the Person who is listed on the proof of Claim filed with respect to such Claim, on the Debtor's Schedules as the holder thereof, and upon such other evidence or record of transfer or assignment filed as of the Record Date.

#### **I. Claims Administration Responsibility**

(a) Reservation of Rights. Unless a Claim is specifically Allowed prior to or after the Effective Date or under the Plan, the Plan Administrator reserves any and all objections to any and all Claims and motions or requests for the payment of Claims, whether administrative expense, secured or unsecured, including, without limitation, any and all objections to the validity or amount of any and all alleged Administrative Expense Claims, Priority Tax Claims, or Non-Tax Priority Claims, liens and security interests, whether under the Bankruptcy Code, other applicable law or contract. The failure to object to any Claim prior to the Effective Date shall be without prejudice to the Plan Administrator's rights to contest or otherwise defend against such Claim in the Bankruptcy Court when and if such Claim is sought to be enforced by the holder of the Claim.

(b) Objections to Claims. The Plan Administrator may dispute, object to, compromise or otherwise resolve all Claims. Unless otherwise provided in the Plan or ordered by the Bankruptcy Court, all objections to Claims shall be filed and served no later than the Claims Objection Bar Date, which is one hundred twenty (120) days after the Effective Date, provided that the Plan Administrator may request (and the Bankruptcy Court may grant) an extension of time by filing a motion with the Bankruptcy Court.

(c) Filing Objections. An objection to a Claim shall be deemed properly served on the claimant if the Debtor or Plan Administrator causes service of any such objection to be effected in accordance with Rule 3007 of the Bankruptcy Rules by mailing or otherwise delivering the objection and a notice of hearing thereon to the claimant at the address set forth on such claimant's proof of Claim at least thirty (30) days prior to the hearing thereon.

(d) Determination of Claims. Except as otherwise agreed by the Debtor, any Claim as to which a proof of Claim or motion or request for payment was timely filed in the Bankruptcy Case may be determined and liquidated after the Effective Date pursuant to (i) a Final Order of the Bankruptcy Court, or (ii) applicable non-bankruptcy law. Any Claim determined to be an Allowed Claim after the Effective Date pursuant to this Section shall be treated as an Allowed Claim in accordance with this Plan.

#### **J. Disputed Claims.**

(a) Except to the extent the Court determines that a lesser amount is adequate, the Plan Administrator shall, on each Distribution Date, deposit in the Disputed Claims Reserve Cash

equal to the Distributions that would have been made to holders of Disputed Claims if such Claims were Allowed Claims in their full amounts or such lower amount as to which the holder of such Claim has agreed in writing or, in the case where any such Claim is unliquidated and/or contingent, the greater of (i) \$1, and (ii) such other amount as is reserved by order of the Bankruptcy Court made upon motion of the holder of such Claim.

(b) For purposes of effectuating the provisions of Section 9.10 of the Plan and the Distributions to holders of Allowed Claims, the Court, on or prior to the Effective Date, or thereafter upon the request of any holder of a Claim or the Plan Administrator, may liquidate the amount of Disputed Claims pursuant to section 502(c) of the Bankruptcy Code, in which event the amounts so fixed or liquidated shall be deemed to be the aggregate amounts of the Disputed Claims pursuant to section 502(c) of the Bankruptcy Code for purposes of Distribution under the Plan and for purposes of the Disputed Claims Reserve.

(c) When a Disputed Claim becomes an Allowed Claim, there shall be distributed to the holder of such Allowed Claim, in accordance with the provisions of the Plan (but in no event later than the next succeeding Distribution Date), Cash in the amount of all Distributions to which such holder would have been entitled if such holder's Claim were Allowed on the Effective Date, to the extent of available Cash to make such Distribution.

(d) In no event shall any holder of any Disputed Claim be entitled to receive (under the Plan or otherwise) any Cash payment which is greater than the amount reserved, if any, for such Disputed Claim pursuant to Section 9.10 of the Plan. In no event shall the Debtor or the Plan Administrator have any responsibility or liability for any loss to or of any amount reserved under the Plan unless such loss is the result of that party's fraud, willful misconduct, or gross negligence. In no event may any Creditor whose Disputed Claim is subsequently Allowed, pursue or recover from any other Creditor any funds received as Distributions under the Plan.

(e) To the extent that a Disputed Claim ultimately becomes an Allowed Claim and is entitled to a Distribution in an amount less than the amount reserved for such Disputed Claim, then on the next succeeding Distribution Date, the Plan Administrator shall make, in accordance with the terms of the Plan, a Distribution of the excess amount reserved for such Disputed Claim in accordance with the Plan.

(f) The Disputed Claims Reserve shall be treated as a disputed ownership fund, within the meaning of Treasury Regulation section 1.468B-9, for all purposes associated with taxation.

(g) Except as expressly set forth in the Plan, or otherwise agreed to in writing or ordered by the Court, the Plan Administrator shall not have any duty to fund the Disputed Claims Reserve.

(h) The Plan Administrator shall pay, or cause to be paid, out of the funds held in the Disputed Claims Reserve, any tax imposed by any federal, state, or local taxing authority on the income generated by the funds or property held in the Disputed Claims Reserve. The Plan Administrator shall file, or cause to be filed, any tax or information return related to the Disputed Claims Reserve that is required by any federal, state, or local taxing authority.

**K. No Payments of Fractional Cents or Distributions of Less Than Thirty-Five (\$35) Dollars**

(a) Any contrary provision hereof or of the Plan notwithstanding, for purposes of administrative convenience, no payment of fractional cents shall be made pursuant to the Plan. Whenever any payment of a fraction of a cent under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding of such fraction to the nearest whole penny (up or down), with halfpennies or less being rounded down and fractions in excess of half of a penny being rounded up.

(b) Any contrary provision hereof or of the Plan notwithstanding, for purposes of administrative convenience, no Distribution of less than Thirty Five Dollars (\$35) shall be made pursuant to the Plan. Whenever any Distribution of less than Thirty Five Dollars (\$35) under the Plan would otherwise be required, such funds will be retained by the Plan Administrator for the account of the recipient until such time that successive Distributions aggregate to Thirty Five (\$35) Dollars, at which time such payment shall be made, and if successive Distributions do not ever reach Thirty Five (\$35) in the aggregate, then such Distributions shall be returned to the Unsecured Creditor Fund.

#### **L. Setoff and Recoupment**

Except as otherwise provided in the Plan, the Plan Administrator may, but shall not be required to, set off against, or recoup from, any Claim and the Distributions to be made pursuant to the Plan in respect thereof, any Claims, defenses or Causes of Action of any nature whatsoever that the Debtor may have, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any right of setoff or recoupment against the holder of any Claim.

#### **M. Payment of Taxes on Distributions Received Pursuant to the Plan**

(a) Any contrary provision hereof or of the Plan notwithstanding, as a precondition to payment of any Distribution to a Creditor under the Plan, unless included on the official proof of Claim form filed by such Creditor in this Bankruptcy Case, each Creditor shall provide a valid tax identification or social security number (the "Tax Information") for purposes of tax reporting by the Debtor. All Entities that receive Distributions under the Plan shall be responsible for reporting and paying, as applicable, any taxes on account of their Distributions.

(b) At such time as the Debtor or Plan Administrator believes that Distributions to a particular Class of Claims is likely, the Debtor or Plan Administrator shall request Tax Information in writing from the Creditors (the "Tax Information Request"). Any Creditor who fails to respond to a Tax Information Request within ninety (90) days from the date posted on the Tax Information Request shall forfeit all Distributions such Creditor may otherwise be entitled to under the Plan, and such forfeited funds will revert to the Unsecured Creditor Fund to be disbursed in accordance with the terms and priorities established in the Plan.

#### **N. Compliance With Tax Withholding and Reporting Requirements**

With respect to all Distributions made under the Plan, the Debtor and Plan Administrator will comply with all withholding and reporting requirements of any federal, state, local or foreign taxing authority.

**X. PLAN INTERPRETATION, CONFIRMATION AND VOTING**

**A. Procedures Regarding Objections to Designation of Classes as Impaired or Unimpaired**

In the event the designation of the treatment of a Class as impaired or unimpaired is objected to, the Bankruptcy Court shall determine the objection and voting shall be permitted or disregarded in accordance with the determination of the Bankruptcy Court.

**B. Withdrawal and Modification of Plan**

The Plan may be withdrawn or modified by the Debtor at any time prior to the Confirmation Date. The Debtor may modify the Plan in any manner consistent with section 1127 of the Bankruptcy Code prior to substantial consummation thereof. Upon request by the Debtor, the Plan may be modified after substantial consummation with the approval of the Bankruptcy Court, provided that such modification does not affect the essential economic treatment of any Person that objects in writing to such modification.

**C. Governing Law**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or the Plan, the laws of the State of New York applicable to contracts executed in such State by residents thereof and to be performed entirely within such State shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan.

**D. Voting of Claims**

Each holder of a Claim as of the Record Date in Class 1 shall be entitled to vote to accept or reject the Plan. The Disclosure Statement Order shall govern the manner and procedures for casting of Ballots with the Voting Agent.

**E. Acceptance by Impaired Class**

Consistent with section 1126(c) of the Bankruptcy Code, and except as provided for in section 1126(e) of the Bankruptcy Code, a Class of creditors shall have accepted the Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims of such Class that have timely and properly voted to accept or reject the Plan.

**F. Presumed Rejections of Plan**

Class 2 is presumed to have rejected the Plan but may elect to accept the Plan.

## **XI. RETENTION OF JURISDICTION BY BANKRUPTCY COURT**

From the Confirmation Date until entry of a final decree closing the Debtor's Bankruptcy Case (pursuant to 11 U.S.C. §350 and Bankruptcy Rule 3022), the Bankruptcy Court shall retain such jurisdiction as is legally permissible over the Bankruptcy Case for the following purposes:

(a) to hear and determine any and all objections to the allowance of any Claim or Administrative Expense Claim, or any controversy as to the classification of Claims or any matters which may directly, indirectly or contingently affect the obligations of the Debtor to any Creditors, holders of Claims, or other parties in interest;

(b) to hear and determine any and all applications for compensation and reimbursement of expenses by Professionals;

(c) to hear and determine any and all pending motions for the assumption or rejection of executory contracts and unexpired leases, and to fix any Claims resulting therefrom;

(d) to adjudicate through final judgment such contested matters and adversary proceedings as may be pending or subsequently initiated in the Bankruptcy Court, including, but not limited to, Causes of Action brought by the Plan Administrator;

(e) to enforce and interpret the provisions of the Plan, the Disclosure Statement Order, the Confirmation Order and any other order of the Bankruptcy Court in the Bankruptcy Case;

(f) to issue any injunction or other relief appropriate to implement the intent of the Plan, and to enter such further orders enforcing any injunctions or other relief issued under the Plan or pursuant to the Confirmation Order;

(g) to modify the Plan pursuant to section 1127 of the Bankruptcy Code and the applicable Bankruptcy Rules;

(h) to correct any defect, cure any omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purposes and the intent of the Plan;

(i) to interpret and determine such other matters as the Confirmation Order may provide for or as may be authorized under the Bankruptcy Code;

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

## **XII. CERTAIN TAX CONSEQUENCES OF THE PLAN**

### **A. General**

**PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO FEDERAL INCOME TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION**

**CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER FEDERAL INCOME TAX LAW. SUCH DESCRIPTION IS WRITTEN IN CONNECTION WITH THE CONFIRMATION OF THE PLAN AND MAY BE VIEWED AS A MARKETING DOCUMENT BY THE INTERNAL REVENUE SERVICE. THIS DESCRIPTION IS LIMITED TO THE SPECIFIC FEDERAL INCOME TAX MATTERS DESCRIBED HEREIN. IT IS POSSIBLE THAT ADDITIONAL ISSUES MAY EXIST THAT COULD AFFECT THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN OR OTHER FEDERAL INCOME TAX MATTERS DISCUSSED HEREIN AND THIS DISCUSSION DOES NOT CONSIDER OR PROVIDE ANY CONCLUSIONS WITH RESPECT TO ANY SUCH ADDITIONAL ISSUES. EACH TAXPAYER IS STRONGLY URGED TO SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM SUCH TAXPAYER'S INDEPENDENT TAX ADVISOR.**

**THE DESCRIPTION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN PROVIDED BELOW IS SOLELY FOR THE PURPOSE OF COMPLIANCE WITH SECTION 1125(a) OF THE BANKRUPTCY CODE. THE DESCRIPTION IS BASED ON THE INTERNAL REVENUE CODE TREASURY REGULATIONS, JUDICIAL DECISIONS AND ADMINISTRATIVE DETERMINATIONS, ALL AS IN EFFECT ON THE DATE OF THIS DISCLOSURE STATEMENT. CHANGES IN ANY OF THESE AUTHORITIES OR IN THEIR INTERPRETATION MAY HAVE RETROACTIVE EFFECT, WHICH MAY CAUSE THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO DIFFER MATERIALLY FROM THE CONSEQUENCES DESCRIBED BELOW. EXCEPT AS PROVIDED BELOW, NO RULING HAS BEEN REQUESTED FROM THE IRS AND NO LEGAL OPINION HAS BEEN REQUESTED FROM COUNSEL CONCERNING ANY TAX CONSEQUENCE OF THE PLAN, AND NO TAX OPINION OR ADVICE IS GIVEN BY THIS DISCLOSURE STATEMENT.**

This description does not cover all aspects of federal income taxation that may be relevant to the Debtor or holders of Claims or Interests. For example, the description does not address issues of special concern to certain types of taxpayers, such as dealers in securities, life insurance companies, financial institutions, tax exempt organizations and foreign taxpayers, nor is it intended to address all of the possible federal income tax consequences to holders of Claims and Interests in the Debtor. This description also does not discuss the possible state tax or non-U.S. tax consequences that might apply to the Debtor or to holders of Claims or Interests.

**B. Tax Consequences of Payment of Allowed Claims Pursuant to Plan Generally**

The federal income tax consequences of the implementation of the Plan to the holders of Allowed Claims will depend, among other things, on the consideration to be received by the holder, whether the holder reports income on the accrual or cash method, whether the holder's Claim is Allowed or Disputed on the Effective Date, and whether the holder has taken a bad debt deduction or a worthless security deduction with respect to its Claim.

(i) Recognition of Gain or Loss

In general, a holder of an Allowed Claim or Interest should recognize gain or loss equal to the amount realized under the Plan in respect of its Claim less the holder's tax basis in the Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Allowed Claim and the holder, the length of time the holder held the Claim and whether the Claim was acquired at a market discount. If the holder realizes a capital loss, the holder's deduction of the loss may be subject to limitation. The holder's tax basis for any property received under the Plan generally will equal the amount realized.

(ii) Bad Debt or Worthless Security Deduction

A holder who receives in respect of an Allowed Claim an amount less than the holder's tax basis in the Claim may be entitled in the year of receipt (or in an earlier or later year) to a bad debt deduction in some amount under section 166(a) of the Internal Revenue Code. The rules governing the character, timing and amount of bad debt deductions place considerable emphasis on the facts and circumstances of the holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of Allowed Claims, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

**XIII. CONFIRMATION OF PLAN – REQUIREMENTS**

In order for the Plan to be confirmed, the Bankruptcy Code requires, among other things, that the Plan be proposed in good faith, that the plan proponent disclose specified information concerning payments made or promised to insiders, and that the Plan comply with the applicable provisions of chapter 11 of the Bankruptcy Code. Section 1129(a) of the Bankruptcy Code also requires that at least one Class of Claims has accepted the Plan, that Confirmation of the Plan is not likely to be followed by the need for further financial reorganization, and that the Plan be fair and equitable with respect to each Class of Claims or Interests which is impaired under the Plan. The Bankruptcy Court can confirm the Plan if it finds that all of the requirements of section 1129(a) have been met. The Debtor believes that the Plan meets all of these required elements. With respect to the so-called "feasibility" test (i.e., that the Plan is not likely to be followed by the need for further financial reorganization), the Plan provides for an orderly liquidation of the Debtor's assets and the Debtor believes that it will be able to consummate the Plan fully.

**A. Absolute Priority Rule**

To satisfy the absolute priority rule, the Plan must provide that the holder of any Claim or Interest that is junior to the Claims of the dissenting Class will not receive or retain under the Plan on account of such junior Claim or interest any property unless the Claims of the dissenting Class are paid in full.

The Debtor believes that the Plan satisfies the absolute priority rule. The Debtor further believes that all non-accepting impaired Classes will receive or retain payment or Distribution, as the case may be, on account of their Claims or Interests, sufficient to permit full satisfaction of such Claims before junior Classes receive or retain any property on account of such junior



Claims.

**B. Best Interest of Creditors Test**

Under the best interest of creditors test, the Plan is confirmable if, with respect to each impaired Class of Claims or Interests, each holder of an Allowed Claim or Allowed Interest in such Class has either (i) accepted the Plan, or (ii) receives or retains under the Plan, on account of its Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtor were to be liquidated under chapter 7 of the Bankruptcy Code.

To determine what the holders of each Class of Claims or Interests would receive if the Debtor were to be liquidated under chapter 7 of the Bankruptcy Code, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtor's assets in a chapter 7 liquidation case. The amount that would be available for satisfaction of the Allowed Claims and Interests of the Debtor would consist of the proceeds resulting from the disposition of the assets of the Debtor augmented by the cash held by the Debtor at the time of the commencement of the chapter 7 case. Such amounts would be reduced by the costs and expenses of the liquidation and by such additional Administrative Expense Claims and other priority Claims that might result from the chapter 7 case.

Here, the Debtor's major assets have been liquidated as of the date of this Disclosure Statement. The Debtor believes that a conversion of the Bankruptcy Case to chapter 7 would simply duplicate an orderly plan process, and that Creditors would be harmed by the delay and expense that would result.

To determine if the Plan, as proposed, is in the best interests of Creditors and holders of Interests, the present value of the Distribution likely to be made to each class in a liquidating case are compared with the present value of the Distribution to each impaired Class provided for by the Plan.

In applying the best interest test, it is possible that Claims in a chapter 7 case may not be classified in the same manner as provided for by the Plan. Priorities and order of Distribution of estate assets are established by the applicable provisions of chapter 7. Under those provisions, each class of Claims is paid in a descending order of priority. No junior classes of Claims are paid until all senior classes have received payment in full. In the event that available assets are insufficient to pay all members of such class in full, then each member of the class shares on a pro rata basis.

The Debtor believes that the primary advantage of the Plan over a chapter 7 liquidation is that Creditors will likely receive more under the Plan than they would in a chapter 7 case and receive their Distributions earlier. Costs would increase by the amount of the additional administrative expenses likely to be incurred in such a chapter 7 case, including the costs of time-consuming investigations and discovery. The process of other Claims resolution will proceed without the necessity for additional investigation by a chapter 7 trustee and its separate and new professionals, and the Plan offers the opportunity to avoid additional administrative

costs and the resulting delay which would result from a chapter 7 liquidation. The Debtor therefore believes that the Plan will result in lower total administrative costs, and higher recoveries for Creditors than would the liquidation of the Debtor's assets under chapter 7 of the Bankruptcy Code.

Thus, the Debtor believes the Plan satisfies the "best interests of creditors test", and, indeed, that the Plan is in the best interests of Creditors.

#### **XIV. PROCEDURES FOR VOTING ON PLAN**

As noted above, pursuant to the Bankruptcy Code, a plan groups various Claims and Interests into classes, each consisting of parties having similar legal rights in relation to a debtor. Each class may then be treated as either "impaired" or "unimpaired" under a plan. There are three ways in which a plan may leave a claim or interest "unimpaired." First, a plan may not propose to alter the legal, equitable or contractual rights of the holder of the claim or interest. Second, all defaults (excluding those covered by section 365(b)(2) of the Bankruptcy Code) may be cured and the original terms of the obligation reinstated. Third, a plan may provide for the payment in full of the obligation to the holder of the claim or interest. If a class is unimpaired, then it is presumed to vote in favor of a plan.

An impaired class that would receive nothing under a plan is presumed to have rejected such a plan.

An impaired class that is proposed to receive any Distribution (whether in Cash, securities or other property) has the right to vote, as a class, to accept or reject the plan. A class of Creditors accepts a plan if more than one-half (1/2) of the ballots that are timely received from members of such class, representing at least two-thirds (2/3) of the dollar amount of Claims for which ballots are timely received, vote in favor of such plan. Section 1126(e) of the Bankruptcy Code provides that a Creditor's vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that the Creditor's vote either to accept or reject a plan was not solicited or cast in good faith or in compliance with the Bankruptcy Code. A plan under which any class of Claims is impaired may be confirmed by the Bankruptcy Court only if it has been accepted by at least one such class.

Each holder of an Allowed Claim in an impaired Class which retains or receives property under the Plan shall be entitled to vote separately to accept or reject the Plan and shall indicate such vote on a duly executed and delivered Ballot as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court.

Holders of Claims in the impaired Classes entitled to vote will receive, together with this Disclosure Statement, a Ballot to be used in voting to accept or reject the Plan. Voting instructions will accompany the Ballot.

Each Creditor should first carefully review this Disclosure Statement and the Plan. The Creditor should then complete the portions of the Ballot indicating the Class or Classes in which

the Creditor's Claim falls and the total dollar amount of the Claim. If the Creditor's Claim falls into more than one Class, then the Creditor should list each Class and state the dollar amount of the Claim which belongs in each Class. It is critical that the Class(es) and amounts(s) of the Claim be correctly stated on the Ballot so that the Creditor's vote can be properly counted.

Next, the Creditor should mark in the space provided on the Ballot whether the Creditor wishes to accept or to reject the Plan. Please be sure to fill in the name of the Creditor for whom the Ballot is being filed. Finally, the Ballot must be signed by the Creditor, or by an officer, partner, or other authorized agent of the Creditor. Please note that the Debtor reserves the right to object to the allowance, designation of Class and/or allowable amount of any Claim set forth in a Ballot for purposes of voting and/or Distribution under the Plan.

Completed and signed Ballots should be returned by first class mail to the Voting Agent at the below address in the enclosed self-addressed return envelope:

UTBIC Liquidation Co.,  
c/o Klestadt Winters Jureller Southard & Stevens, LLP  
200 W 41s Street, 17<sup>th</sup> Floor  
New York, New York 10036

Completed and signed Ballots may also be returned by overnight mail or hand delivery to the address above.

Completed Ballots should be returned as soon as possible, and in any event so that they are RECEIVED NO LATER THAN [\_\_\_\_], 2018 AT 4:00 P.M. ANY BALLOTS WHICH ARE RECEIVED BY THE VOTING AGENT AFTER [\_\_\_\_], 2018 AT 4:00 P.M. SHALL NOT BE COUNTED IN DETERMINING ACCEPTANCE OR REJECTION OF THE PLAN.

## **XV. CONFIRMATION HEARING**

The Confirmation Hearing will be held by the Honorable Sean H. Lane, United States Bankruptcy Judge, on [\_\_\_\_], 2018 at \_\_\_\_ .m., in the United States Bankruptcy Court, Southern District Of New York, Courtroom 623, One Bowling Green, New York, New York 10004. At that hearing, the Bankruptcy Court will decide whether the Plan should be confirmed and will hear and decide any and all objections to the Plan. Any Creditor, or other party in interest who wishes to object to Confirmation of the Plan, or to the classification of Claims and Interests provided in the Plan, must, not later than 4:00 p.m. on [\_\_\_\_], 2018, file an objection with the Clerk's Office, United States Bankruptcy Court, Southern District Of New York, One Bowling Green, New York, New York 10004, and serve a copy of the objection on the following persons:

(a) counsel to the Debtor:

KLESTADT WINTERS JURELLER

SOUTHARD & STEVENS, LLP  
200 West 41<sup>st</sup> Street, 17th Floor  
New York, New York 10036  
Attn: Tracy L. Klestadt, Esq.  
Christopher Reilly, Esq.

Any objections to the Plan which are not filed and served by the above date may not be considered by the Bankruptcy Court. Any person or entity who files an objection to Confirmation of the Plan or to the classification of Claims and Interests provided in the Plan must also attend the Confirmation Hearing, either in person or through counsel.

If the Plan is confirmed, its provisions will bind the Estate and any and all entities, including all holders of Claims and Interests, whether or not the Claim or Interest of such claimant or interest holder is impaired under the Plan and whether or not the claimant or interest holder has, either individually or by a Class, voted to accept the Plan.

**XVI. RECOMMENDATION**

The Debtor believes that the Plan provides for the fair and equitable treatment of the Debtor's Creditors and therefore recommends that Creditors vote to accept the Plan.

Dated: New York, New York  
March 27, 2018

UTBIC LIQUIDATION CO.,f/k/a THE NEW  
YORK INTERNET COMPANY, INC.

By: /s/ Eddy W. Friedfeld  
Eddy W. Friedfeld  
Responsible Officer

KLESTADT WINTERS JURELLER  
SOUTHARD & STEVENS, LLP

By: /s/ Tracy L. Klestadt  
Tracy L. Klestadt  
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*Attorneys for the Debtor and Debtor-in-  
Possession*

