

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AND, UNTIL APPROVED, CANNOT BE USED FOR SOLICITATION OF THE PLAN OF REORGANIZATION OF GEO. V. HAMILTON, INC. UNDER CHAPTER 11 OF THE BANKRUPTCY CODE.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:

GEO. V. HAMILTON, INC.,

Debtor.

Chapter 11

Case No. 15-23704-GLT

Document No. ____

**DISCLOSURE STATEMENT WITH RESPECT TO THE
PLAN OF REORGANIZATION OF GEO. V. HAMILTON, INC.
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

Dated: March 31, 2017

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Geo. V. Hamilton, Inc., the debtor and debtor-in-possession in the above-captioned Chapter 11 Case, submits this Disclosure Statement in connection with the *Plan of Reorganization of Geo. V. Hamilton, Inc. Under Chapter 11 of the Bankruptcy Code*, dated March 31, 2017 (as the same may be amended or modified, the “Plan”), to be distributed to all holders of Claims and Interests in accordance with section 1125(b) of the Bankruptcy Code, and Rules 2002, 3016, and 3017 of the Federal Rules of Bankruptcy Procedure. Capitalized terms used but not defined in this Disclosure Statement have the meanings ascribed to them in the Plan.

The Debtor is an insulation contractor and distributor based in McKees Rocks, Pennsylvania, that was founded approximately seventy (70) years ago. The Debtor’s customers are located primarily in Pennsylvania, Ohio, and West Virginia. For a time during its history, the Debtor distributed or installed an asbestos-containing insulation product. The Debtor did not itself manufacture asbestos or asbestos-containing products. Over the last thirty (30) years, the Debtor has been named in a number of asbestos-related personal injury and wrongful death cases. The purpose of the Plan is to channel those Asbestos Claims to the Asbestos Trust. The Asbestos Trust will assume liability for the Asbestos Claims and use the assets conveyed to the Asbestos Trust to resolve the Asbestos Claims and, if eligible, compensate the holders of the Asbestos Claims. The Debtor believes that the Plan provides the best way to value and pay Asbestos Claims in a fair and efficient manner and allow the continuation of the Debtor’s ongoing business, including the employment of approximately 200 people.

Please read this Disclosure Statement, the Plan, the exhibits, other supporting materials, and any appropriate ballot carefully and follow the instructions set forth below to vote on the Plan. The Debtor believes that the Plan provides the best method of maximizing the recoveries for the holders of Claims against the Debtor. Therefore, the Debtor recommends that all creditors who are entitled to vote should vote to accept the Plan.

SUMMARY OF THE PLAN

The following is a summary of the principal terms of the Plan. The Plan contemplates the formation of an Asbestos Trust to administer the assets to be contributed to the Asbestos Trust, to determine the amounts of Asbestos Claims through the use of the Asbestos Trust Distribution Procedures, and to make Distributions to holders of Asbestos Claims. The Debtor will make Distributions to holders of certain other Claims. The details of the Plan, the treatment of creditors, and the means for funding and implementing the Plan are more fully described in other sections of this Disclosure Statement and in the Plan.

All Claims against and/or Interests in the Debtor, other than Administrative Expense Claims and Priority Tax Claims, are classified for all purposes, including voting and Distribution, under the Plan. A summary of the classification of these Claims and Interests, the proposed treatment of each Class of Claims or Interests, and the voting status of each Class of Claims or Interests follows:

CLASS	TREATMENT	STATUS	ENTITLED TO VOTE?
<p>Unclassified: Administrative Expense Claims</p> <p>There are no known Administrative Expense Claims asserted against the Debtor other than Professional fees, DIP Claims, and those Administrative Expense Claims that are being paid in the ordinary course of business.</p> <p>Estimated Recovery: 100%</p>	<p>Except to the extent that an Administrative Expense Claim already has been paid during the Chapter 11 Case or the holder of an Allowed Administrative Expense Claim agrees to a less favorable treatment, each holder of an Allowed Administrative Expense Claim against the Debtor shall receive, in full and complete settlement, release, and discharge of such Claim, Cash equal to the unpaid amount of such Allowed Administrative Expense Claim on the latest of (i) the Effective Date or as soon thereafter as reasonably practicable; (ii) the first Business Day that is at least thirty (30) days after the date on which such Administrative Expense Claim becomes Allowed; (iii) the date on which such Administrative Expense Claim becomes due and payable in the ordinary course of the Debtor’s business in accordance with the terms and conditions of any agreements or understandings governing, or other documents relating to, such Allowed Administrative Expense Claim; and (iv) such other date as may be agreed to by such holder and the Debtor or the Reorganized Debtor.</p>	Unimpaired	No
<p>Unclassified: Professional Fees</p> <p>(Unpaid Professional fees incurred during the Chapter 11 Case of approximately \$[●] million.)</p> <p>Estimated Recovery: 100%</p>	<p>Each Professional requesting compensation pursuant to section 327, 328, 330, 331, 363, 503(b), or 1103 of the Bankruptcy Code for services rendered in connection with the Chapter 11 Case before the Effective Date shall be paid by the Reorganized Debtor, in Cash, in such amounts as are Allowed by the Bankruptcy Court (i) upon the first Business Day that is at least thirty (30) days after the date upon which the order relating to any such Allowed Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Claim and the Debtor, or, on or after the Effective Date, the Reorganized Debtor.</p>	Unimpaired	No

CLASS	TREATMENT	STATUS	ENTITLED TO VOTE?
<p>Unclassified: DIP Claims</p> <p>(Unpaid DIP Claims of approximately \$3.9 million)</p> <p>Estimated Recovery: 100%</p>	<p>On the Effective Date, except to the extent that the holder of a DIP Claim agrees to a less favorable treatment, in exchange for the full and complete settlement, release, and discharge of such Claim, each holder of a DIP Claim shall receive an amount of Cash equal to the Allowed amount of such Claim, and all commitments under the DIP Credit Agreement shall terminate.</p>	<p>Unimpaired</p>	<p>No</p>
<p>Unclassified: Priority Tax Claims</p> <p>There are no known Priority Tax Claims asserted against the Debtor.</p> <p>Estimated Recovery: 100%</p>	<p>Except to the extent that the holder of an Allowed Priority Tax Claim has been paid by the Debtor prior to the Effective Date or agrees to a less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive, in full and complete settlement, release, and discharge of such Claim, either of the following, at the sole and absolute discretion of the Reorganized Debtor: (a) Cash in an amount equal to the unpaid portion of such Allowed Priority Tax Claim, on the latest of (i) the Effective Date, (ii) the date such Priority Tax Claim becomes an Allowed Claim, or as soon thereafter as is practicable, and (iii) the date such Allowed Priority Tax Claim becomes due and payable under applicable non-bankruptcy law; or (b) regular installment payments in Cash (i) of a total value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claim; and (ii) over a period ending not later than five (5) years after the Effective Date.</p>	<p>Unimpaired</p>	<p>No</p>

CLASS	TREATMENT	STATUS	ENTITLED TO VOTE?
<p>Class 1: Priority Non-Tax Claims</p> <p>There are no known Priority Non-Tax Claims asserted against the Debtor.</p> <p>Estimated Recovery: 100%</p>	<p>Except to the extent that the holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, each holder of an Allowed Priority Non-Tax Claim shall receive, in full and complete settlement, release, and discharge of, and in exchange for, such Claim, Cash in an amount equal to the Allowed amount of such Claim on the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter.</p>	<p>Unimpaired</p>	<p>No</p>
<p>Class 2: Secured Claims</p> <p>Allowed Secured Claims asserted against the Debtor are unknown.</p> <p>Estimated Recovery: 100%</p>	<p>Except to the extent that the holder of an Allowed Secured Claim agrees to a less favorable treatment, on the Effective Date or as soon thereafter as practicable, each holder of an Allowed Secured Claim shall receive, at the option of the Debtor or the Reorganized Debtor, and in full and complete settlement, release, and discharge of, and in exchange for, such Claim (i) payment in full in Cash, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) other treatment rendering such Claim Unimpaired.</p>	<p>Unimpaired</p>	<p>No</p>

CLASS	TREATMENT	STATUS	ENTITLED TO VOTE?
<p>Class 3: General Unsecured Claims</p> <p>Allowed General Unsecured Claims asserted against the Debtor are estimated to total approximately \$[390,000].</p> <p>Estimated Recovery: 100%</p>	<p>Except to the extent that the holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, each holder of an Allowed General Unsecured Claim shall receive, in full and complete settlement, release, and discharge of, and in exchange for, such Claim, Cash in an amount equal to the Allowed amount of such Claim paid in two installments as follows: (i) fifty percent (50%) of the Allowed amount of such Claim shall be paid on the later of (a) the Effective Date and (b) the date on which such Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter; and (ii) fifty percent (50%) of the Allowed amount of such Claim shall be paid on the date that is one year after the Effective Date.</p>	<p>Impaired</p>	<p>Yes</p>
<p>Class 4: Asbestos Claims</p> <p>Class 4 includes approximately 1,400 asserted Asbestos Claims, most of which have not been liquidated.</p> <p>Estimated Recovery: Unknown</p>	<p>On the Effective Date, all liability for Asbestos Claims against the Debtor shall automatically, and without further act, deed, or court order, be channeled exclusively to, and assumed by, the Asbestos Trust in accordance with, and to the extent set forth in the Plan, the Plan Documents, and the Confirmation Order. Each Asbestos Claim shall be resolved in accordance with the terms, provisions, and procedures set forth in the Asbestos Trust Documents. The Asbestos Trust shall be funded in accordance with the Plan. The sole recourse of the holder of an Asbestos Claim on account of such Asbestos Claim shall be to the Asbestos Trust and each such holder shall have no right whatsoever at any time to assert its Asbestos Claim against any Asbestos Protected Party.</p>	<p>Impaired</p>	<p>Yes</p>
<p>Class 5: Interests</p> <p>Estimated Recovery: 0%</p>	<p>On the Effective Date, all Interests of any kind, including treasury stock, shall be deemed void, cancelled, and of no further force and effect.</p>	<p>Impaired</p>	<p>No</p>

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I. INTRODUCTION TO THE DISCLOSURE STATEMENT AND THE PLAN

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. It allows a debtor to remain in operation and work out its financial difficulties. In a chapter 11 bankruptcy case, the debtor continues to manage its affairs as a debtor-in-possession and as a fiduciary to the creditors of its estate.

Formulation and confirmation of a plan of reorganization are the principal goals of a chapter 11 case. A plan is the vehicle for satisfying claims against a debtor. After a plan has been filed, the holders of claims that will be impaired are permitted to vote to accept or reject the plan. In connection with filing a proposed plan, section 1125 of the Bankruptcy Code requires the plan proponent to prepare a disclosure statement containing adequate information of such kind, and in such detail, as to enable a hypothetical reasonable investor to make an informed judgment about the plan.

This Disclosure Statement sets forth certain information regarding the Debtor's pre-petition history, significant events occurring during this Chapter 11 Case, and the Debtor's proposed reorganization. This Disclosure Statement also describes the Plan, certain effects of confirmation of the Plan, and the manner in which Distributions will be made under the Plan. Finally, this Disclosure Statement discusses the confirmation process and the procedures that holders of Claims or Interests in Impaired Classes must follow to object to confirmation of the Plan.

Chapter 11 does not require that each holder of a Claim against the Debtor vote in favor of the Plan in order for the Bankruptcy Court to confirm the Plan. At a minimum, however, the Bankruptcy Code requires that the Plan be accepted by at least one Class of Claims Impaired under the Plan. In order for a Class of Claims to accept the Plan, a majority in number and at least two-thirds in amount of those Claims that vote must vote in favor of the Plan. Additionally, to satisfy the requirements of section 524(g) of the Bankruptcy Code, 75% in number and at least two-thirds in amount of the Claims in Class 4 (Asbestos Claims) that vote must vote to accept the Plan.

Even though a holder of a Claim may choose either not to vote or to vote against the Plan, the holder will be bound by the terms and treatment set forth in the Plan if the Plan is confirmed by the Bankruptcy Court. Creditors who fail to vote will not be counted in determining acceptance or rejection of the Plan.

Confirmation of a chapter 11 plan by a bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any person or entity acquiring property under the plan, and any creditor of or equity security holder in the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan, or (ii) receives or retains any property under the plan. Subject to certain limited exceptions and other than as provided in the plan itself or the confirmation order, confirmation orders often limit the rights of creditors against a debtor with respect to any debt that arose prior to the date of confirmation of the plan and substitute therefor the obligations specified under the confirmed plan and terminate all rights and interests of equity security holders.

For a description of the Plan and various risk and other factors pertaining to the Plan as it relates to holders of Claims against and Interests in the Debtor, please see Articles V-VIII and X of this Disclosure Statement.

This Disclosure Statement contains summaries of certain provisions of the Plan, certain statutory provisions, certain documents related to the Plan, certain events in this Chapter 11 Case, and certain financial information. Although the Debtor believes that the Plan and related document summaries are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents or statutory provisions. Factual information contained in this Disclosure Statement has been taken from the Debtor's records or provided by the Debtor's officers, except where otherwise specifically noted, and the financial information contained in this Disclosure Statement has not been the subject of a certified audit. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein. Creditors are directed to the Plan and to such documents for the full and complete statements of such terms and provisions.

The Plan itself and the documents referred to therein control the actual treatment of Claims against and Interests in the Debtor under the Plan. The Plan will, upon occurrence of the Effective Date, be binding upon all holders of Claims against and Interests in the Debtor, the Estate, and other parties in interest. In the event of any conflict between this Disclosure Statement and the Plan or any other operative document, the terms of the Plan or such other operative document will control.

The statements contained in this Disclosure Statement are made as of the date hereof unless another date is specified. The delivery of this Disclosure Statement shall not, under any circumstances, create an implication that there has been no change in the facts set forth in this Disclosure Statement since the date hereof.

Nothing contained in this Disclosure Statement shall be deemed to be conclusive advice on the tax or other legal effects of the reorganization as to holders of Allowed Claims. You should consult your personal counsel or tax advisor on any questions or concerns respecting tax, securities, or other legal consequences of the Plan.

II. THE HISTORY OF THE DEBTOR AND ITS BUSINESS

The Debtor is a Pennsylvania corporation formed in 1947. For the entirety of its existence, the Debtor has been based in McKees Rocks, Pennsylvania.

For seventy years, the Debtor has distributed insulation products and been engaged as an insulation contractor for industrial and commercial facilities. Over time, the Debtor became increasingly involved as an insulation contractor in steel mills, power plants, and similar facilities. Over the past several years, the Debtor expanded its operations to serve the natural gas industry and quickly became a leading provider of thermal insulation for natural gas installations.

Currently, the Debtor provides its customers, located primarily in Pennsylvania, Ohio, and West Virginia, with services ranging from thermal insulation specification design, material sales, fabrication, and installation. The Debtor employs approximately 200 employees

(approximately 85% of whom are represented by the Asbestos Workers Local No. 2). Owing largely to the Debtor's partnership with its union work force, the Debtor maintains its hard-earned reputation for top-quality, cost-efficient performance that is unsurpassed in its market. Throughout its history, the Debtor has retained its status as a regional leader in the distribution of thermal insulation products for industry and business.

Prior to the Petition Date, the Debtor financed its operations and maintained cash flow through a revolving line of credit (the "Pre-Petition Facility") with The Huntington National Bank ("Huntington Bank"). The level of debt drawn under the Pre-Petition Facility fluctuated from month to month, but there always was a significant balance that enabled the Debtor to meet its operating costs, payroll, benefit plan contributions, and other financial obligations. As of the Petition Date, the principal amount drawn under the Pre-Petition Facility was approximately \$2.9 million. The Debtor granted Huntington Bank first priority liens on and security interests in substantially all of the Debtor's assets and the proceeds thereof to secure the Pre-Petition Facility. The Debtor also has trade debt consisting of, among other things, amounts owed to utilities and suppliers of goods and services. The Debtor did not have any other significant debt obligations as of the Petition Date. All of the Interests in the Debtor are held by four individuals, three of which also serve as directors and officers of the Debtor, and a decedent's estate.

During its history, the Debtor distributed or installed an asbestos-containing insulation product. As a result, for the past thirty years, the Debtor has been a defendant in litigation in multiple jurisdictions in which claimants seek money damages for personal injury and wrongful death as a result of alleged exposure to asbestos-containing products distributed or sold by the Debtor. These suits have been filed primarily in state courts in western Pennsylvania, West Virginia, and eastern Ohio, with a relatively small number of filings in other venues. As of the Petition Date, the Debtor estimated that there were approximately 2,000 Asbestos Claims outstanding against the Debtor and only approximately \$8 million of insurance settlement proceeds available to the Debtor to resolve Asbestos Claims. The volume of Asbestos Claims filed against the Debtor since 2005 coupled with the rapidly decreasing pool of available insurance settlement proceeds produced a threat to the Debtor's continued viability, despite its longstanding record of operational success. Accordingly, after years of defending the Asbestos Claims in the tort system, the Debtor determined that it was in the best interests of the Debtor and its creditors for the Debtor to commence this Chapter 11 Case to facilitate an orderly process for a fair and efficient resolution and payment of the Asbestos Claims.

III. PURPOSE OF THIS CHAPTER 11 CASE

The Debtor filed this Chapter 11 Case for the purpose of resolving all existing and future Asbestos Claims pursuant to section 524(g) of the Bankruptcy Code. To resolve the Asbestos Claims, the Debtor is seeking confirmation of the Plan, which provides for the establishment of an asbestos personal injury trust into which certain assets of the Debtor, including but not limited to settlement proceeds and insurance rights, will be transferred. The Asbestos Trust will assume liability for all Asbestos Claims and use its assets to resolve the Asbestos Claims and, if eligible, compensate the holders of the Asbestos Claims. By establishing procedures to govern trust distributions, the Asbestos Trust will be able to value and pay Asbestos Claims in a fair and efficient manner.

In conjunction with the establishment of the Asbestos Trust, the Debtor is seeking the issuance of a channeling injunction, which will enjoin any entity that holds or asserts, or that may in the future hold or assert, an Asbestos Claim from taking any action for the purpose of directly or indirectly recovering on such Asbestos Claim from the Debtor and the other Asbestos Protected Parties. Accordingly, if the Plan is confirmed, the sole recourse of any current or future holder of an Asbestos Claim on account of such Asbestos Claim will be against the Asbestos Trust.

IV. THE CHAPTER 11 CASE

On the Petition Date, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Debtor continues in the management and operation of its business and property as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this Chapter 11 Case.

A. First Day Motions and Orders

In the weeks and months following the Petition Date, the Debtor retained the law firm of Reed Smith LLP as its bankruptcy counsel and stabilized its business operations through various operational first day motions and orders. These orders allowed the Debtor to pay its employees and critical vendors, maintain insurance programs, and continue using its cash management system. The Debtor also filed its schedules of assets and liabilities and statement of financial affairs and a bar date was set for filing claims.

B. Debtor-in-Possession Financing

Prior to the Petition Date, the Debtor approached its pre-petition lender, Huntington Bank, seeking debtor-in-possession financing on terms similar to the Pre-Petition Facility. Huntington Bank expressed interest, and, thereafter, the parties and their respective counsel engaged in negotiations related to a debtor-in-possession credit facility. Huntington Bank agreed to provide post-petition credit to the Debtor on terms similar to the Pre-Petition Facility. Indeed, with the exception of minor concessions from the Debtor to provide additional credit protections to Huntington Bank, the debtor-in-possession financing provides for the continuation of the same lending/banking relationship between Huntington Bank and the Debtor that existed prior to the Petition Date.

On November 20, 2015, the Bankruptcy Court entered a final order authorizing the Debtor to obtain post-petition financing from Huntington Bank. See Doc. No. 134. Pursuant to the order, and as of the Petition Date, the Pre-Petition Facility converted to a DIP facility (the “DIP Facility”) in an amount not to exceed \$4,500,000 on the terms set forth in the applicable loan documents. The outstanding loans and other obligations under the DIP Facility bear interest at the rate of Huntington Bank’s prime rate plus 2% per annum. The initial term of the DIP Facility was for the period commencing from the closing and ending on the earliest of the following: (i) the effective date of a confirmed plan of reorganization; (ii) the date on which any order approving the DIP Facility is vacated; and (iii) December 31, 2016. By amendments to the

DIP Facility dated as of November 22, 2016, and February 23, 2017, the term of the DIP Facility was extended from December 31, 2016, through and including June 30, 2017.

C. Formation of the Committee

On October 23, 2015, the Office of the United States Trustee for Region 3 appointed the Committee pursuant to section 1102(a)(1) of the Bankruptcy Code. See Doc. No. 73. The Committee engaged the law firm of Caplin & Drysdale, Chartered as its counsel. See Doc. No. 198.

D. Appointment of the Future Claimants' Representative

On December 23, 2015, the Future Claimants' Representative was appointed as the legal representative of persons who might subsequently assert future asbestos-related demands against the Debtor *nunc pro tunc* as of November 30, 2015. See Doc. No. 199. The Future Claimants' Representative engaged the law firm of Sherrard, German & Kelly, P.C. as his counsel. See Doc. No. 209.

E. Retention of Other Professionals

On March 9, 2016, the Bankruptcy Court entered an order approving the retention of Gilbert LLP as the joint special insurance counsel to the Committee and the Future Claimants' Representative *nunc pro tunc* as of February 3, 2016. See Doc. No. 342. The scope of services provided by Gilbert LLP included, among other things, advising the Committee and the Future Claimants' Representative on steps to be taken to preserve insurance coverage and maximize any insurance recoveries and assisting the Committee and the Future Claimants' Representative with any insurance-related matters arising in connection with the formulation of a plan of reorganization.

On March 9, 2016, the Bankruptcy Court entered an order approving the retention of Gleason & Associates ("Gleason") as the joint financial advisor to the Committee and the Future Claimants' Representative *nunc pro tunc* as of February 3, 2016. See Doc. No. 341. The primary purposes of Gleason's retention were to assist the Committee and the Future Claimants' Representative in performing due diligence with respect to the Debtor and to provide the Committee and the Future Claimants' Representative an independent opinion of the fair market value of the total equity of the Debtor.

On May 31, 2016, the Bankruptcy Court entered an order approving the retention of BDO Consulting (the "BDO"), a division of BDO USA, LLC, as the Debtor's valuation expert *nunc pro tunc* as of April 15, 2016. See Doc. No. 502. The primary purpose of BDO's retention was to provide the Debtor with an independent opinion of the fair market value of the total equity of the Debtor.

On August 31, 2016, the Bankruptcy Court entered an order approving the retention of R.M. Fields, L.P., for the purpose of providing insurance-related professional services to the Committee and the Future Claimants' Representative. See Doc. No. 673. More specifically, R.M. Fields, L.P. was retained as an "insurance archaeologist" to search for and locate any lost

policies and currently unknown insurance coverage that potentially could be used as a funding source for the Asbestos Trust.

On September 8, 2016, the Bankruptcy Court entered orders approving the retention of Schneider Downs & Co., Inc. (“Schneider Downs”) and Jeff Cornish as financial consultants to the Debtor. See Doc. Nos. 647 and 648. The retention of Schneider Downs and Jeff Cornish was necessary: (1) to assist the Debtor in developing processes and information reporting systems that allow the Debtor to provide accurate financial reporting and projections to the Committee and the Future Claimants’ Representative; and (2) to assist the Debtor in developing financial projections for 2017 and to explore possibilities for exit financing.

F. Discovery and Due Diligence

On February 18, 2016, the Committee and the Future Claimants’ Representative served upon the Debtor joint requests (the “Requests”) for production of documents pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure. The Debtor completed its rolling document production responsive to the Requests on May 26, 2016. The production included an extensive amount of documents and other information that is relevant to the Committee’s and the Future Claimants’ Representative’s evaluation of the Plan. In addition to the production of documents, Gleason conducted a two-day site visit at the Debtor’s facility in May 2016.

During the discovery and due diligence phase of this Chapter 11 Case, the Debtor, the Committee, and the Future Claimants’ Representative met in person on two separate occasions in April and October 2016 to discuss a variety of issues relating to the Debtor’s restructuring, including, without limitation, the Debtor’s discovery responses, insurance settlement agreements, the Debtor’s historical financial performance, and the Debtor’s financial projections. Following the second meeting in October 2016, the Committee sent additional information and document requests to the Debtor, which the Debtor answered on November 7, 2016.

G. Non-Residential Real Property Leases

The Debtor is party to five nonresidential real property leases (the “Leases”). The Leases include the Debtor’s primary office space and its construction and storage facilities in Pennsylvania, Ohio, and West Virginia. The Leases are critical to the Debtor’s ability to generate revenue and to the continued operation of the Debtor’s business. Pending its decision to assume or reject each Lease, the Debtor has performed and intends to continue performing all of its undisputed obligations arising from and after the Petition Date, in a timely fashion, including the payment of postpetition rent obligations. To maintain maximum flexibility with respect to the Leases, the Court entered orders, with the consent of the affected counterparties to the Leases, extending the time for the Debtor to assume or reject the Leases through and including June 30, 2017. See Doc. Nos. 257, 426, and 853.

H. Approval of Disclosure Statement and Solicitation Process

The Bankruptcy Court, at the Debtor’s request, has entered an order approving this Disclosure Statement as containing adequate information to solicit votes on the Plan. The Bankruptcy Court also has approved the form of notice of and established the date for the hearing on confirmation of the Plan.

V. TREATMENT OF HOLDERS OF CLAIMS AND INTERESTS UNDER THE PLAN

A. Summary of Classification and Treatment of Claims and Interests

Section 1123 of the Bankruptcy Code provides that a chapter 11 plan must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1123 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Expense Claims, DIP Claims, and Priority Tax Claims, which, pursuant to section 1123(a)(1) of the Bankruptcy Code, need not be and have not been classified). The Debtor also is required, under section 1122 of the Bankruptcy Code, to classify Claims against, and Interests in, the Debtor, into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized in the table at the beginning of this Disclosure Statement and more fully below. The Debtor believes that the consideration provided under the Plan to holders of Claims and Interests reflects an appropriate resolution of their Claims and Interests. The Bankruptcy Court must find, however, that a number of statutory tests are met before the Plan may be confirmed. Many of these tests are designed to protect the interests of holders of Claims or Interests who will be bound by the provisions of the Plan if it is confirmed.

B. Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified and are excluded from the Classes established in Section 3 of the Plan. The treatment accorded to Administrative Expense Claims and Priority Tax Claims is set forth in Section 2 of the Plan and summarized below.

1. Administrative Expense Claims

To confirm the Plan, Allowed Administrative Expense Claims must be paid in full on the Effective Date or in a manner otherwise agreeable to the holders of those Administrative Expense Claims. Administrative expenses are the actual and necessary costs and expenses of the Chapter 11 Case, including postpetition salaries and other benefits earned by employees, officers and directors, amounts owed to vendors providing goods and services during the Chapter 11 Case, any indebtedness or obligations incurred or assumed by the Debtor during the Chapter 11 Case, and all other debts incurred by the Debtor after the Petition Date in the ordinary course of its business.

Consistent with the requirements of the Bankruptcy Code, the Plan generally provides for Allowed Administrative Expense Claims (other than Professional Claims and DIP Claims as discussed below) to be paid in full on the latest of (i) the Effective Date or as soon thereafter as reasonably practicable; (ii) the first Business Day that is at least thirty (30) days after the date on which such Administrative Expense Claim becomes Allowed; (iii) the date on which such Administrative Expense Claim becomes due and payable in the ordinary course of the Debtor's business in accordance with the terms and conditions of any agreements or understandings governing, or other documents relating to, such Allowed Administrative Expense Claim; and

(iv) such other date as may be agreed to by such holder and the Debtor or the Reorganized Debtor, except with regard to Administrative Expense Claims incurred in the ordinary course of business, which may be paid by the Debtor or the Reorganized Debtor, as applicable, in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions

The holder of an Administrative Expense Claim, other than (a) Professional Claims discussed below, (b) a liability incurred and payable in the ordinary course of business by the Debtor after the Petition Date, (c) an Administrative Expense Claim that has been Allowed on or before the Effective Date, or (d) a DIP Claim, must file and serve on the Reorganized Debtor a request for payment of such Administrative Expense Claim pursuant to section 503(a) of the Bankruptcy Code so that it is received no later than the Administrative Expense Claim Bar Date. An Administrative Expense Claim, with respect to which a request for payment has been properly and timely filed will become an Allowed Administrative Expense Claim if no objection to such request is filed with the Bankruptcy Court and served on the Debtor and the requesting party on or before the ninetieth (90th) day after the Effective Date, as the same may be modified or extended from time to time by order of the Bankruptcy Court. If an objection is timely filed, the Administrative Expense Claim shall become an Allowed Administrative Expense Claim only to the extent Allowed by a Final Order or as such Claim is settled, compromised, or otherwise resolved.

2. Professional Fees

Administrative expenses include the actual, reasonable, and necessary fees and expenses of the Professionals retained by the Debtor and certain other parties in the Chapter 11 Case. Each Professional requesting compensation pursuant to section 327, 328, 330, 331, 363, 503(b), or 1103 of the Bankruptcy Code for services rendered in connection with the Chapter 11 Case before the Effective Date shall (a) file with the Bankruptcy Court, and serve on the Reorganized Debtor, an application for allowance of final compensation and reimbursement of expenses in the Chapter 11 Case on or before the date that is forty-five (45) days after the Effective Date, and (b) after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and the Bankruptcy Rules and any prior orders of the Bankruptcy Court in the Chapter 11 Case, be paid by the Reorganized Debtor, in Cash, in such amounts as are Allowed by the Bankruptcy Court (i) upon the first Business Day that is at least thirty (30) days after the date upon which the order relating to any such Allowed Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Claim and the Debtor, or, on or after the Effective Date, the Reorganized Debtor.

3. DIP Claims

Administrative expenses also include the claims of Huntington Bank under the DIP Credit Agreement. On the Effective Date, except to the extent that the holder of a DIP Claim agrees to a less favorable treatment, in exchange for the full and complete settlement, release, and discharge of such Claim, each holder of a DIP Claim shall receive an amount of Cash equal to the Allowed amount of such Claim, and all commitments under the DIP Credit Agreement shall terminate. Any DIP Undrawn Letter of Credit will be (a) cancelled and replaced with a

new letter of credit to be issued pursuant to the Exit Credit Agreement, (b) secured by the Reorganized Debtor on the Effective Date through a cash deposit with the issuer of the DIP Undrawn Letter of Credit in an amount equal to 105% of the amount of the DIP Undrawn Letter of Credit, or (c) otherwise treated in a manner acceptable to the issuer thereof. Upon treatment of each DIP Undrawn Letter of Credit in accordance with the preceding sentence, any DIP Claim corresponding to such DIP Undrawn Letter of Credit shall be deemed satisfied in full. Upon the indefeasible payment or satisfaction in full in Cash of the DIP Claims in accordance with the terms of this Plan, on the Effective Date, all liens and security interests granted to secure such obligations (except any cash collateral posted by the Reorganized Debtor under this section) shall be terminated and of no further force and effect.

4. Priority Tax Claims

Priority Tax Claims are essentially the unsecured Claims of federal and state governmental authorities for the kinds of taxes specified in section 507(a)(8) of the Bankruptcy Code, such as certain income taxes, property taxes, excise taxes, and employment and withholding taxes. These unsecured Claims are given a statutory priority in right of payment. Except to the extent that the holder of an Allowed Priority Tax Claim has been paid by the Debtor prior to the Effective Date or agrees to a less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive, in full and complete settlement, release, and discharge of such Claim, either of the following, at the sole and absolute discretion of the Reorganized Debtor: (a) Cash in an amount equal to the unpaid portion of such Allowed Priority Tax Claim, on the latest of (i) the Effective Date, (ii) the date such Priority Tax Claim becomes an Allowed Claim, or as soon thereafter as is practicable, and (iii) the date such Allowed Priority Tax Claim becomes due and payable under applicable non-bankruptcy law; or (b) regular installment payments in Cash (i) of a total value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claim; and (ii) over a period ending not later than five (5) years after the Effective Date.

C. **Classified Claims and Interests**

The proposed treatment of all other Allowed Claims and Interests is set forth in Section 4 of the Plan and summarized below.

1. Class 1—Priority Non-Tax Claims

a. Classification. Class 1 consists of all Priority Non-Tax Claims. A Priority Non-Tax Claim is a Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code that is not an Administrative Expense Claim or a Priority Tax Claim. The Debtor does not believe that any Priority Non-Tax Claims exist.

b. Treatment. Except to the extent that the holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, each holder of an Allowed Priority Non-Tax Claim shall receive, in full and complete settlement, release, and discharge of, and in exchange for, such Claim, Cash in an amount equal to the Allowed amount of such Claim on the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter.

c. Impairment and Voting. Class 1 is Unimpaired. Holders of Priority Non-Tax Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, accordingly, are not entitled to vote to accept or reject the Plan.

2. Class 2—Secured Claims

a. Classification. Class 2 consists of all Secured Claims. A Secured Claim is a Claim against the Debtor that is secured by a valid, perfected, and enforceable Lien on, or security interest in, property of the Debtor, or that has the benefit of rights of setoff under section 553 of the Bankruptcy Code, but only to the extent of the value of the holder's interest in the Debtor's interest in such property, or to the extent of the amount subject to setoff, the value of which shall be determined as provided in section 506 of the Bankruptcy Code. Based on the liabilities listed in the Schedules and the Proofs of Claim filed in this Chapter 11 Case that have not been withdrawn or disallowed, the Debtor estimates that the Allowed Claims in Class 2 (Secured Claims) total approximately \$[●].

b. Treatment. Except to the extent that the holder of an Allowed Secured Claim agrees to a less favorable treatment, on the Effective Date or as soon thereafter as practicable, each holder of an Allowed Secured Claim shall receive, at the option of the Debtor or the Reorganized Debtor, and in full and complete settlement, release, and discharge of, and in exchange for, such Claim (i) payment in full in Cash, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) other treatment rendering such Claim Unimpaired.

c. Impairment and Voting. Class 2 is Unimpaired. Holders of Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, accordingly, are not entitled to vote to accept or reject the Plan.

3. Class 3—General Unsecured Claims

a. Classification. Class 3 consists of all General Unsecured Claims. A General Unsecured Claim is a Claim against the Debtor that is not secured by a valid and enforceable Lien against property of the Debtor and that is not an Administrative Expense Claim, a DIP Claim, a Priority Tax Claim, a Priority Non-Tax Claim, or an Asbestos Claim. Based on the liabilities listed in the Schedules and the Proofs of Claim filed in this Chapter 11 Case that have not been withdrawn or disallowed, the Debtor estimates that the Allowed Claims in Class 3 (General Unsecured Claims) total approximately \$[390,000.00].

b. Treatment. Except to the extent that the holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, each holder of an Allowed General Unsecured Claim shall receive, in full and complete settlement, release, and discharge of, and in exchange for, such Claim, Cash in an amount equal to the Allowed amount of such Claim paid in two installments as follows: (i) fifty percent (50%) of the Allowed amount of such Claim shall be paid on the later of (a) the Effective Date and (b) the date on which such Claim becomes Allowed, or, in each case, as soon as reasonably practicable thereafter; and (ii) fifty percent (50%) of the Allowed amount of such Claim shall be paid on the date that is one year after the Effective Date.

c. Impairment and Voting. Class 3 is Impaired. Each holder of a General Unsecured Claim shall be entitled to vote to accept or reject the Plan. Whether the requisite votes in favor of the Plan from holders of General Unsecured Claims have been attained shall be determined in accordance with section 1126 of the Bankruptcy Code.

4. Class 4—Asbestos Claims

a. Classification. Class 4 consists of all Asbestos Claims. Asbestos Claims consist of each of the following: (a) GVH Asbestos Claims; (b) Derivative Liability Asbestos Claims; (c) Indirect Asbestos Claims; (d) and Demands.

b. Treatment. On the Effective Date, all liability for Asbestos Claims against the Debtor shall automatically, and without further act, deed, or court order, be channeled exclusively to, and assumed by, the Asbestos Trust in accordance with, and to the extent set forth in the Plan, the Plan Documents, and the Confirmation Order. Each Asbestos Claim shall be resolved in accordance with the terms, provisions, and procedures set forth in the Asbestos Trust Documents. The sole recourse of the holder of an Asbestos Claim on account of such Asbestos Claim shall be to the Asbestos Trust and each such holder shall have no right whatsoever at any time to assert its Asbestos Claim against any Asbestos Protected Party.

c. Impairment and Voting. Class 4 is Impaired. Each holder of an Asbestos Claim shall be entitled to vote to accept or reject the Plan. Whether the requisite votes in favor of the Plan from holders of Asbestos Claims have been attained shall be determined in accordance with sections 524(g) and 1126 of the Bankruptcy Code.

5. Class 5—Interests

a. Classification. Class 5 consists of all Interests. An Interest is any right, title, and ownership interest in the Debtor, including, without limitation, treasury stock. All of the outstanding Interests in the Debtor currently are held by four individuals and a decedent's estate.

b. Treatment. On the Effective Date, all Interests of any kind shall be deemed void, cancelled, and of no further force and effect.

c. Impairment and Voting. Class 5 is Impaired. Holders of Interests are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, accordingly, are not entitled to vote to accept or reject the Plan.

VI. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Funding the Asbestos Trust

On and after the Effective Date, the Debtor will transfer the Asbestos Trust Assets to the Asbestos Trust. The Asbestos Trust Assets shall include, without limitation:

1. all Cash held in the Geo. V. Hamilton, Inc. § 468B Qualified Settlement Fund, which, as of the date of this Disclosure Statement, held approximately \$3,100,000.00;

2. all Cash held in the Debtor's accounts with KeyBank, which, as of the date of this Disclosure Statement, held approximately \$4,400,000.00;
3. the shares of stock of Covanta Holding Corporation and UNUM Group held by the Debtor, which as of the date of this Disclosure Statement are valued at approximately \$300,000.00, or the proceeds thereof;
4. the Asbestos Trust Shares, which are described more fully below;
5. the right to receive, on or before March 1 after the close of the fiscal year during which the Asbestos Trust Shares were fully redeemed and continuing annually through and including March 1, 2024, Cash distributions from the Reorganized Debtor in an amount equal to 50% of the Excess Cash Flow from the immediately preceding fiscal year; and
6. the Asbestos Insurance Rights, which are described more fully below.

The Asbestos Trust Shares shall consist of ninety-eight (98) shares of non-voting Class A common stock of the Reorganized Debtor issued to the Asbestos Trust on the Effective Date. The Asbestos Trust Shares shall be redeemable by the Reorganized Debtor for an aggregate redemption price equal to \$3,106,200.00 or \$31,695.92 per share. On or before each March 1 of a fiscal year during which any portion of the Asbestos Trust Shares are outstanding, the Reorganized Debtor shall remit 75% of the Excess Cash Flow from the immediately preceding fiscal year to the Asbestos Trust to be applied as follows: *first*, to pay a 4% dividend on the Asbestos Trust Shares; *second*, to redeem the Asbestos Trust Shares from the Asbestos Trust for the redemption price described above; and, *third*, to the extent that any portion of 75% of the Excess Cash Flow remains after the Asbestos Trust Shares are fully redeemed, 50% of that amount shall be distributed as a Cash distribution. Further, the Reorganized Debtor shall use the proceeds from any life insurance policies under which the Reorganized Debtor is named as the beneficiary to redeem the Asbestos Trust Shares from the Asbestos Trust for the redemption price described above to the extent that any such Asbestos Trust Shares are then outstanding. In the event that the Reorganized Debtor fails to make any payment to the Asbestos Trust as required under this paragraph and such default is not cured by the Reorganized Debtor within thirty (30) days written notice of the default from the Asbestos Trust, the Asbestos Trust Shares shall convert automatically to voting common stock. All Asbestos Trust Shares that have not been redeemed by the Reorganized Debtor pursuant to the terms of the Plan on or before March 1, 2024, shall be cancelled, void, and of no further force and effect.

The Asbestos Insurance Rights relate solely to Asbestos Claims, and include any and all rights, titles, privileges, interests, claims, demands, or entitlements of the Debtor to any insurance coverage, defense, indemnity, proceeds, payments, escrowed funds, initial or supplemental dividends, Causes of Action, and choses in action with respect to any Asbestos Insurance Policy, including all Asbestos Insurance Actions, whether now existing or hereafter arising, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, disputed or undisputed, fixed or contingent, including: (a) any and all rights of the Debtor to pursue or receive payment, reimbursement, or proceeds under any Asbestos Insurance Policy, whether for indemnity, liability, defense costs, or otherwise; (b) any and all rights of the Debtor to pursue or receive payments from any insolvent Asbestos Insurance Entity, whether in receivership,

liquidation, rehabilitation, run-off, or scheme of arrangement, or any other form of proceeding, or from any insolvent insurer's estate; (c) any and all rights of the Debtor to pursue or receive payments with respect to Asbestos Claims from any insurance guaranty association; and (d) any and all rights of the Debtor to pursue or receive payment pursuant to any exception to a workers' compensation exclusion in any Asbestos Insurance Policy. Other than the rights identified in part (d) immediately above, Asbestos Insurance Rights shall not include any rights or obligations under any insurance policy, settlement agreement, or coverage-in-place agreement to which any Asbestos Insurance Entity is a party to the extent, but only to the extent, that such rights or obligations pertain solely to coverage for Workers' Compensation Claims.

Without limiting the foregoing, the Asbestos Insurance Rights include all claims of Debtor against (a) the Pennsylvania Property & Casualty Insurance Guaranty Association arising out of the liquidations of Mission Insurance Company and Mission National Insurance Company, which issued four umbrella liability policies covering a time period from July 1, 1979 to July 1, 1984, and (b) any other insurer, or successor thereof, liable or otherwise responsible relative to any Asbestos Claim.

The Asbestos Trust Assets shall be administered for the benefit of the holders of Asbestos Claims. Details relating to the creation and administration of the Asbestos Trust are set forth in Article VII of this Disclosure Statement.

B. Sources of Consideration for Distributions

The Debtor shall fund Distributions to holders of Allowed Non-Asbestos Claims with: (a) Cash on hand; (b) Cash generated from the Reorganized Debtor's operations; and (c) the proceeds of the Exit Credit Agreement (discussed below).

C. Shareholders' Cash Consideration

On the Effective Date, Rodney E. Gates, Paul S. Heil, and Michael E. Wallace will make a payment to the Reorganized Debtor in the amount of \$250,000.00 each. [Shareholder John D. Anderson passed away in 2016. There is a shareholder agreement providing for the redemption of his shares, which was insured. The Debtor has not determined how it intends to deal with this issue.]

D. Cancellation of DIP Liens

On the Effective Date and concurrently with the applicable Distributions made pursuant to the Plan, all Liens securing the DIP Claims shall be deemed released, and the holder of such DIP Claims shall be authorized and directed, at the sole cost and expense of the Reorganized Debtor, to release any collateral or other property of the Debtor (including any cash collateral) held by such holder, and to take such actions as may be reasonably requested by the Reorganized Debtor to evidence the release of such Liens, including the execution, delivery, and filing or recording of such releases. The filing of the Confirmation Order with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

E. Exit Credit Agreement

The Reorganized Debtor shall enter into the Exit Credit Agreement as of the Effective Date. [Summarize terms of Exit Credit Agreement.]

Confirmation of the Plan shall constitute (a) approval of the Exit Credit Agreement and all transactions contemplated thereby, including any and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtor in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein, and (b) authorization for the Reorganized Debtor to enter into and execute the Exit Credit Agreement and such other documents as may be required or appropriate. On the Effective Date, the Exit Credit Agreement, together with any new promissory notes evidencing the obligations of the Reorganized Debtor, and all other documents, instruments, mortgages, and agreements to be entered into, delivered, or confirmed thereunder, shall become effective, valid, binding, and enforceable in accordance with their terms, and each party thereto shall be bound thereby. The obligations incurred by the Reorganized Debtor pursuant to the Exit Credit Agreement and related documents shall be secured and paid or otherwise satisfied pursuant to, and as set forth in, the Exit Credit Agreement and related documents, including, without limitation, the Shareholders' Guaranties.

F. Corporate Reorganization

1. Mergers

On the Effective Date, the Reorganized Debtor shall consummate the Mergers. As set forth more fully in the GVHE Merger Agreement and the Riverfront Merger Agreement, as of the Effective Date, (i) GVHE and Riverfront will merge with and into the Reorganized Debtor such that the Reorganized Debtor is the surviving company, (ii) each share of GVHE's and Riverfront's stock will no longer be outstanding and will be cancelled automatically and cease to exist, and (iii) each certificate previously representing any such shares and non-certificated shares represented by a book entry shall thereafter represent the right to receive, with respect to each underlying share, one cent per share.

2. Interests in the Reorganized Debtor

On the Effective Date, following the Mergers and cancellation of the Interests, the Reorganized Debtor shall issue new shares of common stock of the Reorganized Debtor as follows: (i) ninety-eight (98) shares of non-voting Class A common stock shall be issued to the Asbestos Trust; and (ii) in consideration of continued employment with the Reorganized Debtor, one (1) share of voting Class B common stock shall be issued to each of the Debtor's Shareholders that remain employed by the Reorganized Debtor.

The Asbestos Trust Shares shall be redeemable by the Reorganized Debtor for an aggregate redemption price equal to \$3,106,200.00 or \$31,695.92 per share. All Asbestos Trust Shares that have not been redeemed by the Reorganized Debtor pursuant to the terms of this Plan on or before March 1, 2024, shall be cancelled, void, and of no further force and effect.

On or before each March 1 of a fiscal year during which any portion of the Asbestos Trust Shares are outstanding, the Reorganized Debtor shall remit 75% of the Excess Cash Flow from the immediately preceding fiscal year to the Asbestos Trust to be applied as follows: *first*, to pay a 4% dividend on the Asbestos Trust Shares; *second*, to redeem the Asbestos Trust Shares from the Asbestos Trust for the redemption price described above; and, *third*, to the extent that any portion of 75% of the Excess Cash Flow remains after the Asbestos Trust Shares are fully redeemed, 50% of that amount shall be distributed to the Asbestos Trust as a Cash distribution.

The Reorganized Debtor shall use the proceeds from any life insurance policies under which the Reorganized Debtor is named as the beneficiary as follows: *first*, to the extent that any such Asbestos Trust Shares are then outstanding, to redeem the Asbestos Trust Shares from the Asbestos Trust for the redemption price described above; and, *second*, only to the extent not used to redeem the Asbestos Trust Shares, to redeem the Class B Shares held by the estate of the deceased individual whose death generated the life insurance proceeds for the redemption price set forth in an agreement between and among the holders of the Class B Shares.

In the event that the Reorganized Debtor fails to make any payment to the Asbestos Trust as required under Section 8.5(b)(3) or (b)(4) of the Plan and such default is not cured by the Reorganized Debtor within thirty (30) days written notice of the default from the Asbestos Trust, the Asbestos Trust Shares shall convert automatically to voting common stock.

3. Management of the Reorganized Debtor

The Reorganized Debtor shall be managed by Michael E. Wallace, Paul S. Heil, and if he does not retire as of the Effective Date, Rodney E. Gates. Except as otherwise set forth in this paragraph, the Reorganized Debtor shall retain the right to set salaries and benefits for employees consistent with market practice. Following the Effective Date, the Reorganized Debtor will eliminate the Debtor's discretionary bonus program in favor of fixed salaries for salaried employees. The salaries for any of the Reorganized Debtor's Shareholders who remain employed by the Reorganized Debtor shall be fixed at \$200,000.00, plus benefits, for three (3) years from the Effective Date.

4. Amended Articles of Incorporation

The articles of incorporation of the Debtor shall be amended and restated as of the Effective Date in substantially the form attached to the Plan Supplement to, among other things, (a) prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code and (b) otherwise effectuate the provisions of the Plan, subject to further amendment of such amended and restated articles of incorporation after the Effective Date as permitted by applicable law.

VII. THE ASBESTOS TRUST

A. Creation of the Asbestos Trust

On the Effective Date, the Asbestos Trust shall be created in accordance with the Plan Documents, the Asbestos Trust Documents, and section 524(g) of the Bankruptcy Code. The Asbestos Trust is intended to constitute a "qualified settlement fund" within the meaning of

section 468B of the Internal Revenue Code and the regulations issued thereunder. The purpose of the Asbestos Trust shall be to assume, liquidate, and resolve all Asbestos Claims (whether existing as of the Effective Date or arising at any time thereafter) and to use the Asbestos Trust Assets to pay holders of Asbestos Claims in accordance with the terms of the Asbestos Trust Documents, the Plan, and the Confirmation Order, and in such a way as to provide reasonable assurance that the Asbestos Trust will value, and be in a financial position to pay, Asbestos Claims in substantially the same manner, and to otherwise comply in all respects with the requirements of section 524(g)(2)(B) of the Bankruptcy Code. The Asbestos Trust shall be governed by, and shall operate pursuant to, the Asbestos Trust Agreement, a copy of which is attached to the Plan as Exhibit A.

B. Transfer of the Asbestos Trust Assets

On the Effective Date, all right, title, and interest in and to the Asbestos Trust Assets, and any proceeds thereof, shall be transferred to, vested in, and assumed by the Asbestos Trust, free and clear of all Claims, Demands, Interests, Encumbrances, and other interests of any Entity without any further action of the Bankruptcy Court or any Entity; provided, however, that to the extent that certain Asbestos Trust Assets, because of their nature or because they will accrue subsequent to the Effective Date, cannot be transferred to, vested in, and assumed by the Asbestos Trust on the Effective Date, such Asbestos Trust Assets shall be transferred to, vested in, and assumed by the Asbestos Trust as soon as practicable after the Effective Date. In accordance with the Trust Agreement, the Asbestos Trust shall be authorized to litigate, settle, sell, or abandon the Asbestos Trust Assets as the Asbestos Trustee deems appropriate.

C. Transfer of Asbestos Claims to the Asbestos Trust

On the Effective Date, all Asbestos Claims shall be transferred and channeled to the Asbestos Trust and shall be satisfied solely by the Asbestos Trust Assets. The Asbestos Trust shall have no liability for any Claims other than Asbestos Claims, and no Claims other than Asbestos Claims shall be transferred and channeled to the Asbestos Trust.

D. Discharge of Liabilities to Holders of Asbestos Claims

The transfer to, vesting in, and assumption by the Asbestos Trust of the Asbestos Trust Assets, on or after the Effective Date, as contemplated by the Plan, shall, among other things, discharge the Debtor from, and satisfy all obligations and liabilities of the other Asbestos Protected Parties for and in respect of, all Asbestos Claims.

E. Indemnification

The Asbestos Trust shall, pursuant to the terms of the Asbestos Trust Agreement, indemnify the Asbestos Protected Parties for any liability or alleged liability arising out of, or resulting from, or attributable to, an Asbestos Claim.

F. Appointment of the Initial Asbestos Trustee

The individual(s) who will serve as the initial Asbestos Trustee of the Asbestos Trust shall be identified by the Debtor, with the consent of the Committee and the Future Claimants'

Representative, in the Plan Supplement. All subsequent Asbestos Trustees shall be appointed in accordance with the terms of the Asbestos Trust Agreement. The Asbestos Trustee shall be entitled to reasonable compensation for serving in such capacity subject to the provisions of the Asbestos Trust Agreement.

G. Appointment of the Future Claimants' Representative

The Future Claimants' Representative shall serve as the representative of holders of Demands pursuant to the terms of the Asbestos Trust Agreement, on and after the Effective Date, and shall have the functions and rights provided in the Asbestos Trust Documents.

H. Appointment of the Asbestos Trust Advisory Committee Members

The initial members of the Asbestos Trust Advisory Committee shall be selected jointly by the Committee and the Future Claimants' Representative and identified by the Debtor in the Plan Supplement. The Asbestos Trust Advisory Committee shall consist of [●] members, who shall serve in a fiduciary capacity representing all holders of Asbestos Claims. Upon termination of the Asbestos Trust, the Asbestos Trust Advisory Committee shall be dissolved, and the Asbestos Trust Advisory Committee shall be released and discharged of and from all further authority, duties, responsibilities, and obligations relating to or arising from or in connection with this Chapter 11 Case, the Plan, or the Asbestos Trust Agreement.

The Asbestos Trust Agreement requires the Trustee to consult with the Asbestos Trust Advisory Committee on the implementation and administration of the Asbestos Trust and on the formation, implementation, and administration of the Asbestos Trust Distribution Procedures.

Each member of the Asbestos Trust Advisory Committee shall serve without compensation, but will be entitled to reimbursement from the Asbestos Trust for all out-of-pocket costs and expenses, including fees and costs associated with employment of professionals and the procurement and maintenance of insurance incurred by the Asbestos Trust Advisory Committee in connection with the performance of its duties. Such reimbursement or direct payment shall be deemed a Trust Expense.

I. Books and Records

On the Effective Date, the Asbestos Records Cooperation Agreement shall become effective, and the Asbestos Records shall be treated in accordance therewith. The Asbestos Records Cooperation Agreement shall establish, among other things, the terms upon which the Reorganized Debtor will make information in its possession reasonably available to the Asbestos Trust and its advisors to assist in the prosecution or settlement of any Asbestos Insurance Actions.

J. Excess Asbestos Trust Assets

Upon dissolution of the Asbestos Trust, after the wind-up of its affairs by the Asbestos Trustee and payment of all the Asbestos Trust's liabilities has been provided for (including, without limitation, the Asbestos Trust Expenses), all Asbestos Trust Assets will be donated to such organization(s) exempt from federal income tax under section 501(c)(3) of the Internal

Revenue Code, which shall be as selected by the Asbestos Trustee in his or her reasonable discretion; provided, however, that (i) if practicable, the activities of the selected tax-exempt organization(s) shall be related to the treatment of, research on, or the relief of the suffering of, individuals with asbestos-related disorders and (ii) the tax-exempt organization(s) shall not bear any relationship to the Reorganized Debtor within the meaning of section 468B(d)(3) of the Internal Revenue Code.

VIII. OTHER ASPECTS OF THE PLAN

A. Distributions to Holders of Non-Asbestos Claims

1. Distributions Generally

Other than with respect to distributions to be made to Asbestos Claims from the Asbestos Trust, the Reorganized Debtor shall make all Distributions required to be made under the Plan as provided under Section 5 of the Plan. All distributions to be made on account of Asbestos Claims shall be made in accordance with the terms of the Asbestos Trust Documents, including the Asbestos Trust Distribution Procedures.

2. Timing and Conditions of Distributions

a. Distribution Record Date. Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Non-Asbestos Claims that are transferred pursuant to Bankruptcy Rule 3001 prior to the Distribution Record Date shall be treated as the holders of such Non-Asbestos Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Distribution Record Date. The Debtor or the Reorganized Debtor shall have no obligation to recognize any transfer of any Non-Asbestos Claim occurring on or after the Distribution Record Date.

b. Date of Distributions. Except as otherwise provided herein, any and all Distributions and deliveries to be made hereunder on account of Allowed Non-Asbestos Claims or Interests shall be made on the Effective Date, as soon thereafter as is practicable, or as otherwise determined in accordance with the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

c. Distributions After the Effective Date. Distributions made after the Effective Date to holders of Disputed Non-Asbestos Claims that are not Allowed Non-Asbestos Claims as of the Effective Date, but which later become Allowed Non-Asbestos Claims, shall be deemed to have been made on the Effective Date. No interest shall accrue or be payable on such Distributions.

3. Delivery of Distributions

Subject to Bankruptcy Rule 9010, all Distributions to any holder of an Allowed Non-Asbestos Claim shall be made at the address of such holder as set forth on the Schedules filed

with the Bankruptcy Court or on the books and records of the Debtor or its agents, unless the Debtor has been notified in writing of a change of address. In the event that any Distribution to any holder is returned as undeliverable, then no further Distributions to such holder shall be made unless and until the Reorganized Debtor is notified of such holder's then-current address, at which time all missed Distributions shall be made to such holder without interest; provided, however, that such Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the date that is six (6) months after the Effective Date. After such date, all unclaimed property or interest in property shall revert to the Reorganized Debtor, and the Non-Asbestos Claim of any other holder to such property or interest in property shall be discharged and forever barred notwithstanding any applicable federal or state escheat or abandoned or unclaimed property laws to the contrary. Nothing in the Plan shall require the Debtor or the Reorganized Debtor to attempt to locate any holder of an Allowed Non-Asbestos Claim.

Checks issued by the Reorganized Debtor in respect of Distributions on Allowed Non-Asbestos Claims shall be null and void if not presented for payment within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be made in writing to the Reorganized Debtor by the holder of the Allowed Non-Asbestos Claim to whom such check originally was issued on or before thirty (30) days after the expiration of the sixty (60) day period following the date of issuance of such check. After expiration of the thirty (30) day period, all funds held on account of such void check shall, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan or become property of the Reorganized Debtor, and the Non-Asbestos Claim of any holder to such Distributions shall be discharged and forever barred.

4. Procedures for Resolving Disputed Non-Asbestos Claims

a. Disputed Claims. One of the key concepts under the Bankruptcy Code is that only Claims that are "Allowed" may receive distributions under a chapter 11 plan. This term is used throughout the Plan and this Disclosure Statement. In general, an "Allowed" Claim simply means that the Debtor agrees, or in the event of a dispute, that the Bankruptcy Court determines, that the Claim, and the amount thereof, is in fact a valid obligation of the debtor. A Disputed Claim is any Non-Asbestos Claim that is neither Allowed nor Disallowed.

The term "Allowed" does not apply to Claims held by holders of Claims in Class 4 (Asbestos Claims). All Asbestos Claims will be determined and paid by the Asbestos Trust in accordance with the Asbestos Trust Documents, including the Asbestos Trust Distribution Procedures. After the Effective Date, all Asbestos Claims must be submitted solely to the Asbestos Trust for resolution, which shall be in accordance with the Asbestos Trust Distribution Procedures, and only the Asbestos Trust will have the right to object to and/or pay Asbestos Claims.

b. Objections to Non-Asbestos Claims. The Debtor or the Reorganized Debtor, as the case may be, shall be entitled to object to Non-Asbestos Claims. Any objections to Non-Asbestos Claims shall be filed and served on or before (a) the ninetieth (90th) day following the later of (i) the Effective Date and (ii) the date that a Proof of Claim is filed or amended or a Non-Asbestos Claim is otherwise asserted or amended in writing by or on

behalf of a holder of such Non-Asbestos Claim, or (b) such later date as may be fixed by the Bankruptcy Court.

c. Estimation of Non-Asbestos Claims. The Debtor or the Reorganized Debtor, as the case may be, may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Non-Asbestos Claim pursuant to section 502(c) of the Bankruptcy Code (so long as the Bankruptcy Court has not already overruled an objection to such Disputed Non-Asbestos Claim filed by the Debtor), and the Bankruptcy Court will retain jurisdiction to estimate any Non-Asbestos Claim at any time, including, without limitation, during the pendency of litigation concerning any objection to any Non-Asbestos Claim or of any appeal relating thereto. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Non-Asbestos Claim, the amount so estimated shall constitute either the Allowed amount of such Non-Asbestos Claim or a maximum limitation on the amount of such Non-Asbestos Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Non-Asbestos Claim, the Debtor or the Reorganized Debtor, as the case may be, may pursue supplementary proceedings to object to the allowance of such Non-Asbestos Claim. Non-Asbestos Claims may be estimated and subsequently compromised, settled, withdrawn, or otherwise resolved by any mechanism approved by the Bankruptcy Court. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another.

d. No Distributions Pending Allowance. Notwithstanding any other provision hereof, if a Non-Asbestos Claim or any portion of a Non-Asbestos Claim is Disputed, no payment or Distribution shall be made on account of the Disputed portion of such Non-Asbestos Claim unless and until such Claim becomes an Allowed Claim.

e. Distributions After Allowance. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Non-Asbestos Claim becomes a Final Order, the Reorganized Debtor shall provide to the holder of such Non-Asbestos Claim the Distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Non-Asbestos Claim unless required under applicable bankruptcy law.

B. Treatment of Executory Contracts and Unexpired Leases

1. General Treatment

Subject to approval of the Bankruptcy Court, section 365 of the Bankruptcy Code allows a debtor to assume or reject its Executory Contracts and Unexpired Leases.

Effective as of the Effective Date, all Executory Contracts and Unexpired Leases to which the Debtor is a party will be assumed, except for any Executory Contract or Unexpired Lease that (a) has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (b) is specifically designated as an Executory Contract or Unexpired Lease to be rejected on a schedule of contracts and leases filed with the Plan Supplement, (c) is the subject of a separate assumption or rejection motion filed by the Debtor under section 365 of the Bankruptcy Code before the Confirmation Date, or (d) is the subject of a pending objection

regarding assumption, cure, “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) or other issues related to assumption of the contract or lease. The Confirmation Order shall constitute the Bankruptcy Court’s approval of all the contracts and leases assumed hereby.

2. Determination of Cure Disputes and Deemed Consent

Generally, if there has been a default under an executory contract or unexpired lease (other than a default specified in section 365(b)(2) of the Bankruptcy Code), the debtor can assume the contract or lease only if the debtor cures the default.

No later than thirty (30) days prior to the Confirmation Hearing, the Debtor shall serve a notice on parties to Executory Contracts or Unexpired Leases to be assumed reflecting the Debtor’s intention to assume the contract or lease in connection with this Plan and, where applicable, setting forth the proposed cure amount (if any). The proposed cure amount for any Executory Contract or Unexpired Lease not listed on the schedule shall be \$0.00.

To the extent that an objection to assumption, cure, “adequate assurance of future performance,” or other issues related to assumption of the contract or lease is filed within fifteen (15) days of service of notice of intent to assume or reject, and properly served on the Debtor with respect to the assumption of any contract or lease, the Debtor shall have until the Confirmation Hearing to: (a) resolve such objection, which resolution shall not require approval of the Bankruptcy Court; (b) schedule a hearing before the Bankruptcy Court to resolve the dispute; or (c) determine to reject the Executory Contract or Unexpired Lease, and provide notice thereof to the applicable non-Debtor party or parties. Following resolution of a Cure Dispute by Final Order of the Bankruptcy Court, the contract or lease shall be deemed assumed as of the Effective Date; provided, however, that the Debtor reserves the right to reject any such contract or lease following entry of a Final Order of the Bankruptcy Court resolving any such Cure Dispute, by filing a notice indicating such rejection within three (3) business days of the entry of such Final Order.

3. Payment of Cure and Effect of Assumption of Contracts and Leases

Subject to resolution of any Cure Dispute, any monetary amounts by which any Executory Contract and Unexpired Lease to be assumed hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtor on the Effective Date or as soon thereafter as reasonably practicable.

To the extent that an objection was not timely filed and properly served on the Debtor with respect to the assumption of a contract or lease, then the counterparty to such contract or lease shall be deemed to have assented to (a) the Cure amount proposed by the Debtor and (b) the assumption of the applicable Executory Contract or Unexpired Lease, notwithstanding any provision of such contract or lease that (i) prohibits, restricts, or conditions the transfer or assignment of such contract or (ii) terminates or permits the termination of a contract as a result of any direct or indirect transfer or assignment of the rights of the Debtor under such contract, and shall forever be barred and enjoined from asserting such objection against the Debtor or terminating or modifying such contract on account of transactions contemplated by the Plan.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure, whether monetary or nonmonetary. Any proofs of claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court or any other entity.

4. Rejection Claims

In the event that the rejection of an Executory Contract or Unexpired Lease by the Debtor pursuant to the Plan results in damages to the other party or parties to such Executory Contract or Unexpired Lease, a Claim for damages, if not evidenced by a timely Proof of Claim, shall be forever barred and shall not be enforceable against the Debtor or the Reorganized Debtor, or their respective properties or interests in property, unless a Proof of Claim is filed with the Bankruptcy Court and served upon counsel for the Debtor and the Reorganized Debtor no later than thirty (30) days after (a) the date of entry of an order by the Bankruptcy Court approving such rejection, or (b) the date of the filing of a notice by the Debtor after the Confirmation Date indicating such rejection in accordance with Section 7.2 of the Plan. The Confirmation Order shall constitute the Bankruptcy Court's approval of the rejection of all the contracts and leases identified on the schedule of rejected contracts in the Plan Supplement.

5. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease by the Debtor on any exhibit, schedule, or other annex to the Plan or in the Plan Supplement, nor anything contained in the Plan, constitutes an admission by the Debtor that any such contract or lease is or is not in fact an Executory Contract or Unexpired Lease or that the Debtor or the Reorganized Debtor have any liability thereunder. Nothing in the Plan will waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, Causes of Action, or other rights of the Debtor and the Reorganized Debtor under any executory or non-executory contract or any unexpired or expired lease. Nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor or the Reorganized Debtor under any executory or non-executory contract or any unexpired or expired lease.

C. Effect of Confirmation

1. Vesting of Assets

On the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of the Estate (except the Asbestos Trust Assets, which are being transferred to the Asbestos Trust) shall vest in the Reorganized Debtor free and clear of all Claims, Liens, Encumbrances, charges, and other interests, except as provided in the Plan, the Plan Documents, or the Confirmation Order. From and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided herein. Without limiting the generality of the foregoing, the Reorganized Debtor may, without application to, or

approval by, the Bankruptcy Court, pay Professional fees and expenses that the Reorganized Debtor incurs after the Effective Date in the ordinary course of business.

2. Binding Effect

Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Interest in, the Debtor, and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan.

3. Retention of Causes of Action/Reservation of Rights

Except as otherwise provided in the Plan, including Section 10.6 of the Plan, pursuant to section 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall retain and may enforce, sue on, settle, compromise, otherwise resolve, discontinue, abandon, or dismiss (or decline to do any of the foregoing) any and all claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, accruing to or that are property of the Debtor or its Estate against any Entity without the approval of the Bankruptcy Court, including, without limitation: (i) any and all claims against any Entity, to the extent such Entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtor, the Reorganized Debtor, their officers, directors, or Representatives; (ii) all defenses and counterclaims to all Claims asserted against the Debtor or the Estate, including, without limitation, setoff, recoupment, and any rights under section 502(d) of the Bankruptcy Code; and (iii) turnover of any property of the Estate. The Reorganized Debtor or its successor(s) may pursue such retained claims, rights, Causes of Action, suits, and proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtor or its successor(s) that hold such rights.

Notwithstanding anything in Section 9.3(b) of the Plan to the contrary, on the Effective Date, all claims, defenses, rights, Causes of Action, suits, and proceedings of the Debtor and the Reorganized Debtor relating to Asbestos Claims, including the Asbestos Insurance Rights as they exist on the Effective Date, shall be transferred and assigned to the Asbestos Trust. Except as otherwise provided in Section 9.3(b) of the Plan, pursuant to section 1123(b) of the Bankruptcy Code, the Asbestos Trust shall retain and may enforce such Claims, defenses, rights, Causes of Action, suits, and proceedings, including the Asbestos Insurance Rights, and shall retain and may enforce all defenses and counterclaims to all Claims or Demands asserted against the Asbestos Trust with respect to Asbestos Claims, including, but not limited to, setoff, recoupment, and any rights under section 502(d) of the Bankruptcy Code; provided, however, that no such Claims, defenses, rights, Causes of Action, suits, proceedings, or counterclaims may be asserted against any Asbestos Protected Party. The Asbestos Trust shall be deemed to be the appointed Estate representative to, and may, pursue, litigate, compromise, and settle any rights, Claims, Causes of Action, suits, and proceedings transferred to it, as appropriate, in accordance with its and its beneficiaries' best interests. Nothing in Section 9.3(b) of the Plan, however, shall be deemed to be a transfer by the Debtor or the Reorganized Debtor of any claims, rights, Causes of Action, suits, proceedings, or defenses relating to assumed Executory Contracts or Unexpired Leases or which otherwise are required by the Reorganized Debtor to conduct its business in the ordinary course subsequent to the Effective Date.

4. Dissolution of Committees

On the Effective Date, the Committee, and any other committee appointed in the Chapter 11 Case, shall be dissolved automatically, whereupon its members, Professionals, and agents shall be released from any further duties and responsibilities in the Chapter 11 Case and under the Bankruptcy Code, except with respect to applications for compensation by Professionals or reimbursement of expenses incurred as a member of an official committee and any motions or other actions seeking enforcement or implementation of the provisions of the Plan or the Confirmation Order or pending appeals of any other order entered in the Chapter 11 Case.

5. Continuation of Future Claimants' Representative

From and after the Effective Date, the Future Claimants' Representative shall continue to serve as provided in the Plan and the Asbestos Trust Agreement, to perform the functions specified and required therein. The Future Claimants' Representative also may, at his discretion, participate in any (a) appeal of the Confirmation Order, (b) hearing on a claim for compensation or reimbursement of a Professional, or (c) adversary proceeding pending on the Effective Date in which the Future Claimants' Representative is a party.

6. Insurance Neutrality

Notwithstanding anything to the contrary in the Plan, in any of the Plan Documents, or in the Confirmation Order, nothing in the Plan, the Plan Documents, or the Confirmation Order (including any other provision that purports to be preemptory or supervening) will in any way operate to, or have the effect of, impairing a Non-Settling Asbestos Insurance Entity's legal, equitable, or contractual rights under an Asbestos Insurance Policy in any respect. Subject to the foregoing, the rights of Non-Settling Asbestos Insurance Entities will be determined according to the terms of the Asbestos Insurance Policies, as applicable.

D. Releases, Injunctions, and Discharges

As of the Effective Date, the rights provided in the Plan will be in exchange for and in complete satisfaction, settlement, and discharge of, all Claims or Demands against the Debtor, the Reorganized Debtor, or any of their respective assets and properties. As protection for the Debtor, the Reorganized Debtor, and the other Asbestos Protected Parties, the following discharges, injunctions, releases, and exculpations will become effective as of the Effective Date.

1. Discharge of the Debtor

Pursuant to section 1141(d)(1)(A) of the Bankruptcy Code, except as specifically provided to the contrary in the Plan or the Confirmation Order, confirmation of the Plan shall discharge the Debtor and the Reorganized Debtor from any and all Claims or Demands of any nature whatsoever, including, without limitation, all Claims, Demands, and liabilities that arose before the Effective Date and all debts of the kind specified in sections 502(g), 502(h), and 502(i) of the Bankruptcy Code, whether or not: (a) a Proof of Claim based on such Claim or Demand was filed under section 501 of the Bankruptcy Code, or such Claim or Demand was listed on the Schedules; (b) such Claim or Demand is or was Allowed under section 502 of the Bankruptcy Code; or (c) the holder of such Claim or Demand has voted on or accepted the Plan.

As of the Effective Date, the rights provided in the Plan shall be in exchange for and in complete satisfaction, settlement, and discharge of all Claims and Demands against the Debtor or the Reorganized Debtor or any of their respective assets and properties.

2. Discharge Injunction

To give effect to the discharge discussed above, the following discharge injunction will be issued as of the Effective Date.

All Entities who have held, hold, or may hold Claims or Demands are permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceeding of any kind against the Reorganized Debtor with respect to such Claim or Demand; (b) enforcing, attaching, collecting, or recovering by any manner or means of any judgment, award, decree, or order against the Reorganized Debtor with respect to such Claim or Demand; (c) creating, perfecting, or enforcing any Encumbrance of any kind against the Reorganized Debtor or against the property or interests in property of the Reorganized Debtor with respect to such Claim or Demand; and (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due to the Reorganized Debtor or against the property or interests in property of the Reorganized Debtor, with respect to such Claim or Demand.

3. Exculpation

None of the Exculpated Parties shall have or incur any liability to any holder of a Claim or Interest, including, without limitation, the Asbestos Claims, for any act or omission in connection with, related to, or arising out of: (a) the Chapter 11 Case; (b) pursuit of confirmation of the Plan; (c) consummation of the Plan or administration of the Plan or the property to be distributed under the Plan or the Asbestos Trust Distribution Procedures; (d) the Plan; (e) the negotiation, formulation, and preparation of the Plan; or (f) any of the terms and/or settlements and compromises reflected in the Plan; except for willful misconduct or gross negligence as determined by a Final Order.

The Exculpated Parties consist of: (a) the Debtor; (b) the Reorganized Debtor; (c) the Committee; (d) the Future Claimants' Representative; (e) each of the other Asbestos Protected Parties; (f) the Asbestos Trustee; and (g) any current or former Representative of the foregoing.

4. Asbestos Channeling Injunction

The following Asbestos Channeling Injunction shall be issued as of the Effective Date as a supplement to the discharge injunction.

a. **Terms of the Asbestos Channeling Injunction.** *Pursuant to the Confirmation Order and section 524(g) of the Bankruptcy Code, and subject to Section 10.4(b) of the Plan, the sole recourse of any holder of an Asbestos Claim on account of such Asbestos Claim or part thereof will be against the Asbestos Trust. Each such holder will be enjoined from taking legal action directed against the Debtor, the Reorganized Debtor, or any other Asbestos Protected Party described above, or their respective property, for the purpose of*

directly or indirectly collecting, recovering, or receiving payment or recovery with respect to such Asbestos Claim.

b. **Parties Covered by the Asbestos Channeling Injunction.**

Pursuant to the Asbestos Channeling Injunction and the Plan, the following Entities will be “Asbestos Protected Parties” protected by the scope of the Asbestos Channeling Injunction: (i) the Debtor, the Reorganized Debtor, and each Related Party; (ii) each Asbestos Insurance Protected Party, which are ACE Property & Casualty Insurance Company, American Guarantee and Liability Insurance Company, American States Insurance Company, Federal Insurance Company, Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Fire Insurance Company, Highlands Insurance Company, National Union Fire Insurance Company, Pennsylvania Manufacturers’ Association Insurance Company, Steadfast Insurance Company, The American Insurance Company, Twin City Fire Insurance Company, Zurich American Insurance Company, and each other Entity that, by virtue of its relationship to an aforementioned Asbestos Insurance Protected Party, is required by the terms of an insurance settlement agreement with the Debtor to receive the benefit of the Asbestos Channeling Injunction; and (iii) any current or former Representative or Shareholder of any of the above solely in their capacity as such.

5. **Limitations of the Asbestos Channeling Injunction**

Notwithstanding anything to the contrary set forth above, the Asbestos Channeling Injunction shall not enjoin:

(i) the rights of Entities to the treatment accorded to them under Sections 3 and 4 of the Plan, as applicable, including the rights of Entities with Asbestos Claims to assert such Claims or Demands against the Asbestos Trust in accordance with the Asbestos Trust Distribution Procedures;

(ii) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Asbestos Trust Expenses against the Asbestos Trust; and

(iii) the rights of Entities to assert any Claim, debt, obligation, or liability for payment against an Asbestos Insurance Entity that is not an Asbestos Protected Party unless otherwise enjoined by order of the Bankruptcy Court or estopped by provisions of the Plan.

6. **Release of Directors and Officers**

In addition to the protections afforded to former or current officers of the Debtor as Asbestos Protected Parties, the acceptance of any Distribution by a holder of a Claim, and, with respect to Asbestos Claims, the acceptance of payment from the Asbestos Trust by a holder of an Asbestos Claim, will constitute a waiver and release of any and all causes of action that such holder did commence or could have commenced against any former or current officer or director of the Debtor (serving in such capacity) that is based upon, attributable to, or arising from any acts or omissions of such officer or director occurring prior to the Effective Date, to the fullest extent permitted under applicable law (as now in effect or subsequently extended), except for willful misconduct or gross negligence as determined by a Final Order.

7. Waiver of Avoidance Actions

Section 10.6 of the Plan provides that the Debtor will release all Avoidance Actions that include, among other things, actions related to preferential transfers, fraudulent conveyances, and similar Claims owned by the Debtor solely as the result of its status as a debtor-in-possession.

8. Terms of Injunction and Automatic Stay

All of the injunctions and/or stays arising under or entered during the Chapter 11 Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the injunctions set forth in Section 10 of the Plan become effective, and shall continue to remain in full force and effect thereafter as and to the extent provided by the Plan, the Confirmation Order, or by their own terms. Each of the injunctions contained in the Plan or the Confirmation Order shall become effective on the Effective Date and shall continue in effect at all times thereafter unless otherwise provided by the Plan or the Confirmation Order. All actions of the type or nature of those to be enjoined by such injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date. Additionally, on and after the Confirmation Date, the Reorganized Debtor may seek such further orders as it may deem necessary or appropriate to preserve the status quo during the time between the Confirmation Date and the Effective Date.

E. Miscellaneous Provisions

The Plan contains provisions relating to corporate actions, delivery of Distributions, manner of paying Distributions, conditions precedent to confirmation and consummation of the Plan, retention of jurisdiction by the Bankruptcy Court, modifications of the Plan, revocation or withdrawal of the Plan, payment of statutory fees, substantial consummation, compliance with tax requirements, compromise of controversies, governing law, and timing. For more information regarding these items, see the Plan attached hereto as **Exhibit A**.

IX. ALTERNATIVES TO THE PLAN

If the Plan is not confirmed and consummated, the alternatives to the Plan include either (a) a dismissal of the Chapter 11 Case, (b) liquidation of the Debtor under chapter 7 of the Bankruptcy Code, or (c) an alternative plan of reorganization or liquidation in accordance with the requirements of chapter 11 of the Bankruptcy Code.

A. Dismissal of the Chapter 11 Case

If no plan can be confirmed, the Debtor could elect to dismiss this Chapter 11 Case. The Debtor anticipates that such a dismissal would trigger a “race to the courthouse” among holders of Asbestos Claims, eliminating any likelihood of an equality of distribution among similarly-situated holders of Asbestos Claims.

B. Liquidation under Chapter 7 of the Bankruptcy Code

If no plan can be confirmed, the Chapter 11 Case also may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a chapter 7 trustee would be appointed to

liquidate the Debtor's assets and to make distributions in accordance with the priorities established by the Bankruptcy Code. There would be no framework like the Plan for creating a trust which would take responsibility for administering Asbestos Claims through the Asbestos Trust Distribution Procedures and making a distribution to them from assets of the Asbestos Trust. Bankruptcy courts are not permitted to determine Asbestos Claims, so instead all such claims would have to be determined in another forum. The Debtor believes that liquidation under chapter 7 would also result in smaller distributions being made to creditors than those provided for in the Plan because, among other things, in a chapter 7 case, the Estate would bear the costs of the chapter 7 trustee's compensation, pursuant to section 326 of the Bankruptcy Code, and the fees of professionals previously unfamiliar with the Chapter 11 Case.

The Bankruptcy Code requires as a condition to confirmation of a plan of reorganization that the Bankruptcy Court find that with respect to an Impaired Class (such as Class 3 (General Unsecured Claims) and Class 4 (Asbestos Claims)) that each holder of a Claim in such Class has accepted the plan or is receiving more than such holder would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code. Attached to this Disclosure Statement as **Exhibit B** is a liquidation analysis for the Debtor (the "Liquidation Analysis"), which compares the liquidation proposal in the Plan with a hypothetical liquidation assuming that (i) a bankruptcy case under chapter 7 of the Bankruptcy Code is commenced immediately, and (ii) the Debtor's assets are liquidated by a court-appointed chapter 7 trustee in an orderly liquidation. The Liquidation Analysis demonstrates that holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (Asbestos Claims) are receiving more under the Plan than they would receive in a chapter 7 liquidation.

The Liquidation Analysis is based upon a number of estimates and assumptions which, while considered reasonable, are inherently beyond the control of the Debtor or any chapter 7 trustee. Accordingly, there can be no assurances that the values reflected in the Liquidation Analysis would be realized if the Debtor were to undergo a chapter 7 liquidation. Instead, actual results could vary materially from those shown here. In addition, any liquidation would necessarily take place in the future under circumstances that presently cannot be predicted. Accordingly, if the remaining unliquidated assets of the Estate were liquidated at a later date by a chapter 7 trustee, the actual liquidation proceeds could be materially lower or higher than the amounts set forth in **Exhibit B**, and no representation or warranty can be made with respect to the actual proceeds that could be received in a chapter 7 liquidation.

C. Alternate Chapter 11 Plan

If the Plan is not confirmed, the Debtor or any other party in interest could attempt to formulate a different chapter 11 plan. However, the Plan has been proposed by the Debtor taking into consideration the competing and conflicting interests held by the holders of the Asbestos Claims and the Debtor's other creditors and the priorities of the Bankruptcy Code and is the result of substantial negotiations.

The Debtor believes that confirmation and implementation of the Plan is preferable to any of the alternatives and should provide greater recoveries than those available in a dismissal of this Chapter 11 Case, a liquidation under chapter 7 of the Bankruptcy Code, or an alternative plan.

X. RISK FACTORS

Holders of Claims against and Interests in the Debtor should read and consider carefully the risk factors set forth below, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or referred to herein by reference), prior to voting to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation.

A. Overall Risks to Recovery by Holders of Claims

The ultimate recoveries under the Plan to holders of Claims (other than holders whose entire Distribution is paid in Cash or holders of Asbestos Claims that will be resolved by the Asbestos Trust) depend upon a number of factors. The factors below (other than the factor entitled "Certain Bankruptcy Considerations") assume that the Plan is confirmed and that the Effective Date occurs on or about June 30, 2017. Prior to voting on the Plan, each holder of a Claim should consider carefully the risk factors specified or referred to below, including the exhibits annexed hereto, as well as all of the information contained in the Plan.

B. Certain Bankruptcy Considerations

Although the Debtor believes that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no guarantee that the Bankruptcy Court will reach the same conclusion, or that the Confirmation Order, if challenged on appeal, will be affirmed. There also can be no assurance that the Plan as proposed will be accepted by the requisite number of holders or amount of Claims, that the Plan will not be modified up to and including the Confirmation Date, or that the Bankruptcy Court will enter an order confirming the Plan containing the findings of fact and conclusions of law that are conditions precedent to confirmation of the Plan. There also can be no assurance that the District Court will accept and affirm or issue the order confirming the Plan, that such acceptance and affirmance or issuance will become a Final Order, and that the Asbestos Channeling Injunction will therefore become valid and enforceable.

If the Plan is not confirmed and consummated, there can be no assurance that the Chapter 11 Case will continue rather than be converted to a liquidation, or that any alternative plan of reorganization would be on terms as favorable to the holders of Claims and Interests as the terms of the Plan. If a liquidation or protracted reorganization were to occur, there is a substantial risk that the value of the Debtor's assets would be substantially eroded to the detriment of all stakeholders.

C. Projected Financial Information

The Debtor's financial projections are dependent upon numerous assumptions, including confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of the Reorganized Debtor, general business and economic conditions, and other matters, many of which are beyond the Debtor's control. Accordingly, there can be no assurance that such assumptions will prove to be valid. In addition, unanticipated and unforeseeable events and/or circumstances occurring subsequent to the preparation of the Debtor's financial

projections may affect the actual financial results of the Reorganized Debtor. Although the Debtor believes that the projections are reasonable and attainable, some or all of the estimates will vary, and variations between the actual financial results and those projected may be material.

D. Appointment of the Asbestos Trustee and/or Members of the Asbestos Trust Advisory Committee for the Asbestos Trust

At the Confirmation Hearing, the Debtor will request that the Bankruptcy Court appoint the individual chosen to serve as the initial Asbestos Trustee of the Asbestos Trust, and certain Persons or Entities chosen to serve as the initial members of the Asbestos Trust Advisory Committee. The Bankruptcy Court, however, may reject or otherwise decline to appoint the individual chosen to serve as the Asbestos Trustee or one or more of the proposed members of the Asbestos Trust Advisory Committee. In that case, one or more alternate Persons or Entities would have to be nominated, potentially resulting in significant delays in the occurrence of the Confirmation Date and the Effective Date. The selection of a different Asbestos Trustee or different Asbestos Trust Advisory Committee members also could materially affect administration of the Asbestos Trust.

E. Distributions Under the Asbestos Trust Distribution Procedures

There can be no certainty as to the precise amounts that will be distributed by the Asbestos Trust in any particular time period or when Asbestos Claims will be paid by the Asbestos Trust. Payments that will be made on Asbestos Claims will be determined under the Asbestos Trust Distribution Procedures and will be based, on the one hand, on estimates of the number, types, and amount of current Asbestos Claims and expected future Demands, and on the other hand, the value of the assets of the Asbestos Trust, the liquidity of the Asbestos Trust, the Asbestos Trust's expected future income and expenses, and other matters that are likely to affect the sufficiency of funds to pay all holders of Asbestos Claims.

The initial payment percentage has been set at [●]% and was developed by comparing the assets of the Asbestos Trust against its projected liability for Asbestos Claims and Asbestos Trust Expenses. The Asbestos Trust's projected liability for Asbestos Claims is based on a number of assumptions, including the assumption that the rate at which the Asbestos Trust approves claims for payment will remain consistent with the rate at which the Debtor previously settled and paid Asbestos Claims. Should any assumption from which the initial payment percentage was developed prove to be materially inaccurate based on the Asbestos Trust's actual experience, the Asbestos Trust may have to adjust the payment percentage upwards or downwards from time to time, pursuant to the provisions of the Asbestos Trust Distribution Procedures and the Asbestos Trust Agreement, to reflect current estimates of the Asbestos Trust's assets and liabilities.

F. The Asbestos Channeling Injunction

The Asbestos Channeling Injunction, which, among other things, bars the assertion of any Asbestos Claims against the Debtor, the Reorganized Debtor, and the other Asbestos Protected Parties, is the cornerstone of the Plan. In 1994, the United States Congress added subsection (g) to section 524 of the Bankruptcy Code in order to confirm the authority of the Bankruptcy Court, subject to the conditions specified therein, to issue injunctions such as the

Asbestos Channeling Injunction with respect to present and future asbestos-related personal injury, wrongful death, and related Claims and Demands. Although the Plan, the Asbestos Trust Agreement, and the Asbestos Trust Distribution Procedures all have been drafted with the intention of complying with section 524(g) of the Bankruptcy Code, and satisfaction of the conditions imposed by section 524(g) is a condition precedent to confirmation of the Plan, there is no guarantee that the validity and enforceability of the Asbestos Channeling Injunction or section 524(g) or the application of the Asbestos Channeling Injunction to Asbestos Claims will not be challenged, either before or after confirmation of the Plan. Although the Debtor believes adequate bases exist for the courts to uphold section 524(g) and the Asbestos Channeling Injunction, there can be no assurance that, in the future, courts might not invalidate all or a portion of section 524(g) or the Asbestos Channeling Injunction.

XI. TAX CONSEQUENCES

HOLDERS OF CLAIMS AND INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE FOLLOWING DISCUSSION SUMMARIZES CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN TO THE DEBTOR, THE REORGANIZED DEBTOR, HOLDERS OF ASBESTOS CLAIMS, AND THE ASBESTOS TRUST. THE FOLLOWING SUMMARY DOES NOT DISCUSS THE FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS WHOSE CLAIMS ARE ENTITLED TO PAYMENT IN FULL IN CASH OR ARE OTHERWISE UNIMPAIRED UNDER THE PLAN OR TO HOLDERS OF INTERESTS OR INTERCOMPANY CLAIMS.

THE FOLLOWING SUMMARY IS BASED ON THE INTERNAL REVENUE CODE OF 1986, (AS AMENDED, THE “INTERNAL REVENUE CODE”), TREASURY REGULATIONS PROMULGATED THEREUNDER, JUDICIAL DECISIONS, AND PUBLISHED ADMINISTRATIVE RULES AND PRONOUNCEMENTS OF THE IRS AS IN EFFECT ON THE DATE HEREOF. CHANGES IN SUCH RULES OR NEW INTERPRETATIONS THEREOF MAY HAVE RETROACTIVE EFFECT AND COULD SIGNIFICANTLY AFFECT THE FEDERAL INCOME TAX CONSEQUENCES DESCRIBED BELOW.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES. THE DEBTOR DOES NOT CURRENTLY INTEND TO SEEK A RULING FROM THE IRS CONCERNING ANY OF THE TAX ASPECTS OF THE PLAN. IN ADDITION, THIS SUMMARY DOES NOT ADDRESS FOREIGN, STATE, OR LOCAL TAX CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF TAXPAYERS (SUCH AS FOREIGN TAXPAYERS, BROKER-DEALERS, BANKS, MUTUAL FUNDS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, THRIFTS, SMALL BUSINESS INVESTMENT COMPANIES, REGULATED INVESTMENT COMPANIES, REAL ESTATE INVESTMENT COMPANIES, TAX-EXEMPT ORGANIZATIONS, TRADERS IN SECURITIES THAT ELECT TO USE A

MARK-TO-MARKET METHOD OF ACCOUNTING FOR THEIR SECURITY HOLDING AND PASS-THROUGH ENTITIES AND INVESTORS IN SUCH ENTITIES).

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE TO THEM UNDER THE PLAN.

A. Tax Consequences to the Debtor

The Debtor currently is treated as a “C” corporation for federal income tax purposes. The Debtor generally should take into account its shares of any taxable income, gain, losses, and deductions, including any cancellation of indebtedness income (“COD”), recognized by the Debtor pursuant to the implementation of the Plan. COD, which is the amount by which discharged indebtedness exceeds the consideration received in exchange therefor, is generally includible in a debtor’s gross income, subject to certain exceptions. For example, a debtor generally does not realize COD if the payment of the discharged indebtedness would have given rise to a deduction. In addition, any COD realized by a debtor in a bankruptcy case generally is excluded from the debtor’s gross income, and the bankrupt debtor must reduce certain tax attributes by the amount of the excluded COD.

B. Treatment of Transfer of Asbestos Trust Assets and Taxation of the Asbestos Trust

It is currently intended that the Asbestos Trust will constitute a “qualified settlement fund” within the meaning of section 468B of the Internal Revenue Code and the Treasury regulations promulgated thereunder. The applicable Treasury regulations provide that to be treated as a qualified settlement fund, a fund, account, or trust must be (i) established pursuant to an order of, or be approved by, a government authority, including a court, and must be subject to the continuing jurisdiction of that government authority, (ii) established to resolve or satisfy one or more contested or uncontested claims that have resulted or may result from an event or a related series of events that has occurred and that has given rise to at least one claim asserting, among other things, liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, or liability arising out of, a tort, breach of contract or violation of law, and (iii) be a trust under applicable state law or have its assets physically segregated from the other assets of the transferor and persons related to the transferor.

A transferor generally is entitled to a current federal income tax deduction for all transfers of cash and other property (other than its own notes) to a qualified settlement fund to the same extent the transferor would have been entitled to a deduction if such amounts had been paid directly to the holder of a claim that will be discharged upon the establishment of the qualified settlement fund. Assuming the Asbestos Trust is treated as a qualified settlement fund, the Debtor intends to claim a current federal income tax deduction for transfers of Cash to the

Asbestos Trust to the same extent that the Debtor would have been entitled to a deduction if such amounts had been paid directly to the holder of an Asbestos Claim. In connection therewith, the Debtor generally will not be entitled to a deduction to the extent that it funds the Asbestos Trust with Cash attributable to amounts not included in its income.

Assuming the Asbestos Trust is treated as a qualified settlement fund, the Asbestos Trust will generally be subject to a separate entity level tax at the maximum rate applicable to trusts and estates, and, in determining the taxable income of the Asbestos Trust, (i) any amounts transferred to the Asbestos Trust to resolve or satisfy a liability for which the Asbestos Trust is established generally will be excluded from the Asbestos Trust's income, and (ii) administrative costs (including state and local taxes) incurred by the Asbestos Trust generally will be deductible.

Assuming the Asbestos Trust is treated as a qualified settlement fund, trade or business expenses generally will not be deductible for federal income tax purposes. In general, the adjusted tax basis of property received (or treated as received for federal income tax purposes) by a qualified settlement fund from a transferor pursuant to the Plan will be the fair market value of such property at the time of receipt.

C. Consequences to Holders of Asbestos Claims

Each Asbestos Claim will be liquidated and satisfied in cash from the Asbestos Trust in accordance with the Asbestos Trust Distribution Procedures. The federal income tax treatment of the receipt of payments from the Asbestos Trust by a holder of such an Asbestos Claim generally will depend upon the nature of the Asbestos Claim. Because the amounts received by a holder of an Asbestos Claim (other than an Indirect Asbestos Claim or an Asbestos Trust Expense) generally will be attributable to, and compensation for, such holder's personal physical injuries or sickness, within the meaning of section 104 of the Internal Revenue Code, any such amounts received by the holder generally should be nontaxable. However, to the extent payments from the Asbestos Trust to a holder of an Asbestos Claim are attributable to medical expense deductions allowed under section 213 of the Internal Revenue Code for a prior taxable year, such payments will be taxable as ordinary income to the recipient. To the extent that the payments from the Asbestos Trust to holders of Asbestos Claims constitute amounts received on account of claims other than personal injury or sickness, such payments generally will be includable in the gross income of such holders.

D. Consequences to Shareholders of GVHE and Riverfront

As a result of the Mergers, each shareholder of GVHE and Riverfront will have a capital loss (or gain) equal to the difference between the shareholder's basis in the stock of GVHE or Riverfront (including the impact of "S" corporation inclusions of income or loss) which they held immediately prior to the applicable Merger and the one cent per share received.

E. Information Reporting and Withholding

In connection with the Plan, the Debtor and the Asbestos Trust shall comply with all applicable withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities, and all Distributions under the Plan shall be subject to those withholding and

reporting requirements. Creditors may be required to provide certain tax information as a condition to receiving Distributions pursuant to the Plan. Notwithstanding any other provision of the Plan, each Person receiving a Distribution pursuant to the Plan will have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of that Distribution.

The federal income tax consequences to any particular holder of a Claim also may be affected by matters not discussed herein. For example, to the extent that a holder of a Claim previously deducted a loss with respect to its Claim, the receipt of money under the Plan may require such holder to recognize income. Furthermore, certain holders of Claims, including foreign persons, life insurance companies, and tax-exempt organizations may be subject to special rules not addressed herein. There also may be state, local, or foreign tax considerations applicable to each holder.

XII. PLAN VOTING INSTRUCTIONS, PROCEDURES AND DEADLINE

Along with this Disclosure Statement, the Debtor has included a copy of the Plan and either an individual and/or master ballot for holders of General Unsecured Claims and Asbestos Claims, all of whom are impaired and entitled to vote for the acceptance or rejection of the Plan. A Claim is impaired if the Plan proposes to modify, alter, or exchange its legal, contractual, or equitable rights.

A. Claim Holders Entitled to Vote

Administrative Expense Claims and Priority Tax Claims have not been classified for purposes of voting or receiving Distributions. Rather, all such Claims are treated separately as unclassified Claims, and the holders thereof are not entitled to vote on the Plan.

Claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Secured Claims) are Unimpaired. Holders of Claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Secured Claims) are conclusively presumed to have accepted the Plan and, accordingly, are not entitled to vote to accept or reject the Plan.

Claims in Class 3 (General Unsecured Claims) and Class 4 (Asbestos Claims) are Impaired. Each holder of a Claim in Class 3 (General Unsecured Claims) or Class 4 (Asbestos Claims) is entitled to vote to accept or reject the Plan.

Interests in Class 5 (Interests) also are Impaired, but because holders of Interests will not receive or retain any property on account of their Interests, they are conclusively presumed to have rejected the Plan and, accordingly, are not entitled to vote to accept or reject the Plan.

B. Summary of Voting Procedures

Most Claims in Class 4 (Asbestos Claims) are unliquidated and, under the Plan, will be liquidated by application of the Asbestos Trust Distribution Procedures. The Debtor, by separate motion, has sought the approval of certain procedures governing the voting by holders of Asbestos Claims. Specifically, the Debtor has proposed that each Asbestos Claim be valued,

solely for voting purposes, [using the scheduled value for each disease category as set forth in the Asbestos Trust Distribution Procedures]. In addition, the Debtor does not have individual addresses for the majority of the holders of Asbestos Claims, most of whom have asserted Claims against the Debtor through their law firms. To avoid unnecessary administrative burden, the Debtor shall send an individual ballot, in the form attached to this Disclosure Statement as **Exhibit E**, a master ballot, in the form attached to this Disclosure Statement as **Exhibit F**, and/or an indirect ballot, in the form attached to this Disclosure Statement as **Exhibit G**, to all holders of Asbestos Claims and/or their counsel.

If at least two-thirds in amount and more than one-half in number of the Allowed Claims in Class 3 (General Unsecured Claims) and at least two-thirds in amount and 75% in number of the Allowed Claims in Class 4 (Asbestos Claims) that voted on the Plan vote to accept the Plan, and such votes are received (and not revoked) by the voting deadline, the Debtor intends to seek confirmation of the Plan promptly. If the requisite acceptances are not received by the voting deadline, the Debtor will evaluate other available options for confirmation of the Plan.

In order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received by Logan & Company, Inc., **no later than 5:00 p.m. (prevailing Eastern Time) on [●], 2017** (the “Ballot Deadline”), at the following address:

Balloting Agent
Geo. V. Hamilton, Inc. Balloting Agent Logan & Company, Inc. 546 Valley Road Upper Montclair, New Jersey 07043 (973) 509-3190

If the instructions on your ballot require you to return the ballot to your attorneys, you must deliver your ballot to them in sufficient time for them to process it and return it to the Logan & Company, Inc. before the Ballot Deadline. If a ballot is damaged or lost, you may contact Logan & Company, Inc. at the number set forth above. Any ballot that is executed and returned but that does not indicate an acceptance or rejection of the Plan will not be counted.

If you are a holder of a Claim entitled to vote on the Plan and did not receive a ballot, received a damaged ballot or lost your ballot, you should contact the Balloting Agent using the contact information set forth above. If you have any questions about this Disclosure Statement, the Plan, or the procedures for voting on the Plan, you should contact: (i) your attorney; or (ii) counsel to the Debtor, Paul M. Singer at psinger@reedsmith.com; or Luke A. Sizemore at lsizemore@reedsmith.com.

If you are the holder of a Claim in Class 3 (General Unsecured Claims), please see the detailed voting instructions accompanying your ballot, attached to this Disclosure Statement as **Exhibit D**.

If you are the holder of a Claim in Class 4 (Asbestos Claims), please see the detailed voting instructions accompanying your individual ballot, master ballot, and/or indirect ballot, attached to this Disclosure Statement as **Exhibit E**, **Exhibit F**, and **Exhibit G**, respectively.

C. Section 1129(b) Cramdown with Respect to Class 5 Interests

Because holders of Interests in Class 5 (Interests) are conclusively presumed to have rejected the Plan and do not vote, the Debtor is requesting that the Bankruptcy Court confirm the Plan notwithstanding the requirements of section 1129(a)(8) of the Bankruptcy Code, which generally requires that each Class of Claims or Interests either accept the Plan or be Unimpaired. Because the Plan does not discriminate unfairly, and is fair and equitable with respect to the treatment of Class 5 (Interests) in accordance with the requirements of section 1129(b), the Debtor believes that the Plan satisfies the requirements for confirmation. The Debtor asserts that the Plan provides for fair and equitable treatment of all Classes of Claims. In a chapter 7 liquidation, the available assets would not be sufficient to pay the Claims against the Debtor in full, and therefore holders of Interests in Class 5 would have no right to recover from these assets. Finally, in accordance with the requirements of section 1129(b)(ii), no holder of an Interest junior to holders of Interests in Class 5 will receive or retain under the plan, on account of such junior Interest, any property under the Plan.

XIII. CONFIRMATION OF THE PLAN

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a plan of reorganization. On [●], 2017, the Bankruptcy Court issued an order setting the hearing on confirmation of the Plan for [●], 2017, at [●] (prevailing Eastern Time), before the Honorable Gregory L. Taddonio, in the United States Bankruptcy Court for the Western District of Pennsylvania, 5414 U.S. Steel Tower, 600 Grant Street, Pittsburgh, PA 15219. Any objections to confirmation of the Plan must be in writing, filed with the Clerk of the Bankruptcy Court, and served on the following so that they are **actually received by no later than [●], 2017**: (i) counsel to the Debtor at Reed Smith LLP, 225 Fifth Avenue, Suite 1200, Pittsburgh, PA 15222, Attention: Paul M. Singer, Esq. and Luke A. Sizemore, Esq.; (ii) counsel to the Official Committee of Unsecured Creditors at Caplin & Drysdale, Chartered, One Thomas Circle, N.W., Suite 1100, Washington, D.C. 20005, Attention: Jeffrey Liesemer, Esq., and Campbell & Levine, LLC, 310 Grant Street, Suite 1700, Pittsburgh, PA 15219, Attention: Douglas A. Campbell, Esq.; (iii) the Future Claimants' Representative at Sherrard, German & Kelly, P.C., 535 Smithfield Street, Suite 300, Pittsburgh, PA 15222, Attention: Gary Philip Nelson, Esq.; and (iv) the Office of the United States Trustee at 1001 Liberty Avenue, Suite 970, Pittsburgh, PA 15222. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned hearing.

B. General Requirements of Section 1129 of the Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in section 1129 of the Bankruptcy Code have been satisfied:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.

2. The Debtor has complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means proscribed by law.
4. Any payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been or will be approved by the Bankruptcy Court.
5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Debtor or a successor to the Debtor under the Plan. The appointment of (or continuance by) such individual to (or in) such position or office is consistent with the interests of creditors and equity security holders and with public policy. The Debtor has disclosed the identity of any insider that will be employed or retained by the Debtor, and the nature of any compensation for such insider.
6. With respect to each Class of Claims or Interests, each holder of an impaired Claim or impaired Interest either has accepted the Plan or will receive or retain under the Plan, on account of such holder's 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 liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. See discussion of "Best Interests Test" below.
7. Each Class of Claims and Interests has either accepted the Plan or is not Impaired under the Plan.
8. Except to the extent that the holder of a particular Claim has agreed to different treatment of such Claim, the Plan provides that Administrative Expense Claims and Priority Claims (other than Priority Tax Claims) will be paid in full on the Effective Date. Priority Tax Claims, if any, will be paid, over a period not exceeding five years after the date of the order for relief, in regular installments of Cash payments, equal to the Allowed amount of such Claims (as of the Effective Date) and in a manner no less favorable than the most favored non-priority unsecured Claim provided for by the Plan, and, with respect to a secured Claim that would otherwise meet the description of an unsecured Claim of a governmental unit under section 507(a)(8) of the Bankruptcy Code, but for the secured status of that Claim, the holder of that Claim will receive on account of that Claim, Cash payments, in the same manner as described in this paragraph.

9. At least one Class of Impaired Claims has accepted the Plan, with the determination of such Class acceptance not including any acceptance of the Plan by any insider holding a Claim in such Class.
10. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. See discussion of “Feasibility” below.

C. Best Interests Test

As described above, the Bankruptcy Code requires that each holder of an Impaired Claim or Interest either (i) accept the Plan; or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. The Liquidation Analysis is attached to this Disclosure Statement as **Exhibit B**. When the results of the liquidation analysis are compared to the distributions expected under the Plan, as set forth in Article V hereof, it is clear that every creditor and interest holder will receive at least as much under the Plan as such creditor or interest holder would receive in a chapter 7 liquidation.

D. Feasibility

The Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization of the debtor. In connection with the development of the Plan, and for purposes of determining whether the Plan satisfies this “feasibility” requirement of section 1129(a)(11) of the Bankruptcy Code, the Debtor’s management has analyzed the ability of the Reorganized Debtor to meet its obligations under the Plan while retaining sufficient liquidity and capital resources to conduct its business after the Effective Date.

The projected pro forma balance sheets and projected financial performance (the “Projections”) for the Reorganized Debtor, which are attached as **Exhibit C** to this Disclosure Statement, should be read in conjunction with Article X.C. above. The Projections were not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants, the practices recognized to be in accordance with Generally Accepted Accounting Principles, or the rules and regulations of the Securities and Exchange Commission regarding projections. Furthermore, the Projections have not been audited by an independent accountant. The Debtor does not intend, and disclaims any obligation, to furnish updated projections to holders of Claims prior to or after the Effective Date.

The Projections were prepared exclusively by the Debtor’s management and are based on, and assume the successful implementation of, the Plan. The Projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions that, though considered reasonable by management at the time made, may prove not to be accurate, and are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the Debtor’s control. The Debtor cannot make any representations as to the Reorganized Debtor’s ability to achieve the results set forth in the

Projections. Some assumptions on which the Projections are based may not materialize, and events and circumstances occurring subsequent to the date on which the Projections were prepared may be different from those assumed or anticipated, and may materially and adversely impact the Reorganized Debtor's future financial performance. The Projections, therefore, cannot be relied upon as a guarantee or other assurance of the Reorganized Debtor's actual future financial performance.

Based on the Projections, the Debtor believes that the Reorganized Debtor will be able to make all payments required pursuant to the Plan and, therefore, that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

XIV. RECOMMENDATION

The Debtor believes that the Plan provides for the highest and most timely recovery available for holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (Asbestos Claims). Therefore, the Debtor recommends that all holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (Asbestos Claims) vote to accept the Plan and urges each of them to evidence such acceptance by returning their ballot so that it will be received by the Clerk of the Bankruptcy Court **on or before 5:00 p.m. (prevailing Eastern Time) on [●]**.

Dated: March 31, 2017

GEO V. HAMILTON, INC.

By: /s/ Michael E. Wallace
Michael E. Wallace
Chief Financial Officer