

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:)
) Chapter 11
GULF CHEMICAL & METALLURGICAL)
CORPORATION, a Texas corporation, *et al.*,¹) Case No. 16-22192-JAD & 16-22195-JAD
) (Jointly Administered under
Debtors.) Case No. 16-22192-JAD)
))
) Docket No. _____

**DISCLOSURE STATEMENT WITH RESPECT TO THE PLAN OF LIQUIDATION
FOR BMC LIQUIDATION COMPANY (F/K/A BEAR METALLURGICAL COMPANY)**

October 26, 2016

Sean D. Malloy (Ohio 0073157) (admitted *pro hac vice*)
Michael J. Kaczka (Ohio 0076548) (admitted *pro hac vice*)
Joshua A. Gadharf (Michigan P76860) (admitted *pro hac vice*)
Maria G. Carr (Ohio 0092412) (admitted *pro hac vice*)
McDONALD HOPKINS LLC
600 Superior Avenue, East, Suite 2100
Cleveland, OH 44114
Telephone: (216) 348-5400
Facsimile: (216) 348-5474
E-mail: smalloy@mcdonaldhopkins.com
mkaczka@mcdonaldhopkins.com
jgadharf@mcdonaldhopkins.com
mcarr@mcdonaldhopkins.com

-and-

William E. Kelleher, Jr. (Pa. I.D. No. 30747)
Thomas D. Maxson (Pa. I.D. No. 63207)
Helen S. Ward (Pa. I.D. No. 204088)
COHEN & GRIGSBY, P.C.
625 Liberty Avenue, 5th Floor
Pittsburgh, PA 15222
Telephone: (412) 297-4900
Facsimile: (412) 209-0672
Email: wkelleher@cohenlaw.com
tmaxson@cohenlaw.com
hward@cohenlaw.com

COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Gulf Chemical & Metallurgical Corporation, a Texas corporation (3600) and BMC Liquidation Company, f/k/a Bear Metallurgical Company, a Delaware corporation (1238).



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I. INTRODUCTION AND NARRATIVE DESCRIPTION OF THE PLAN

This disclosure statement (the “Disclosure Statement”) is being submitted pursuant to section 1125 of the Bankruptcy Code, for use in the solicitation of votes on the Plan of Liquidation for BMC Liquidation Company (f/k/a Bear Metallurgical Company), dated October 26, 2016 (the “Plan”). The Plan is being proposed by BMC Liquidation Company (f/k/a Bear Metallurgical Company) (“Bear”) and was filed with the United States Bankruptcy Court for the Western District of Pennsylvania (the “Bankruptcy Court”). A copy of the Plan is attached as Appendix A to this Disclosure Statement.

This Disclosure Statement sets forth certain information regarding Bear’s prepetition operating and financial history, the need to seek chapter 11 protection, significant events that have occurred during the Bear Chapter 11 Case, and the anticipated process for liquidation of Bear’s remaining assets and distribution of Bear’s assets to Bear’s creditors and interest holders. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the process for obtaining Bankruptcy Court approval of the Plan and the procedures that Holders of Claims and Interests who are entitled to vote on the Plan must follow for their votes to be counted.

Under the Plan, certain Cash generated during the Bear Chapter 11 Case and the liquidation of any remaining assets will be distributed to creditors and interest holders in accordance with the priority scheme of the Bankruptcy Code by the Plan Administrator (appointed pursuant to the Plan).

BEAR RECOMMENDS ACCEPTANCE OF THE PLAN AND URGES PARTIES ENTITLED TO VOTE ON THE PLAN TO VOTE TO ACCEPT IT.

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

A. General Structure of the Plan

The following overview is a general summary only, which is qualified in its entirety by, and should be read in conjunction with, the Plan itself and the more detailed discussions and information appearing elsewhere in this Disclosure Statement.

The Plan provides for the payment in full of the Face Amount of all Allowed Claims, with all remaining Cash distributed to Gulf, the sole Holder of equity interests in Bear. Specifically, on the later of the Effective Date of the Plan (or the date when such a Claim becomes Allowed), all Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, Allowed DIP Claims, Allowed Secured Claims, and Allowed General Unsecured Claims, will be paid in full. Also on the Effective Date, the following two claims reserves will be established and funded: (a) the Administrative Claims Reserve, funded in an amount equal to estimated Administrative Claims that were incurred by Bear after the Petition

Date, but which have yet to be Allowed as of the Effective Date; and (b) the Disputed Claims Reserve, in an amount equal to the Face Amount of all Disputed Claims. Once the Effective Date occurs, after distributions have been made to Holders of Allowed Claims, and the Administrative Claims Reserve and the Disputed Claims Reserve have been established and funded, all remaining Cash will be distributed to Gulf in the manner set forth below.

B. Summary of Treatment of Claims and Interests under the Plan

1. Overview of Treatment

As contemplated by the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified under the Plan. Administrative Claims and Priority Tax Claims will be paid in full on the later of the Effective Date of the Plan or when such Claims become Allowed. However, Bear does not believe there will be any Administrative Claims or Priority Tax Claims.

Bear projects that it will have approximately \$8,295,000 in Cash as of December 13, 2016. Bear believes that this amount of Cash will be sufficient to satisfy all Allowed Administrative Claims and Allowed Priority Tax Claims, if any, in addition to Allowed Class 1 Other Priority Claims, Allowed Class 2 DIP Claims, Allowed Class 3 Secured Claims, and Allowed Class 4 General Unsecured Claims. Furthermore, Bear believes that this amount of Cash will be sufficient to: (a) fund the Administrative Claims Reserve and the Disputed Claims Reserve; and (b) make an initial distribution to Gulf, the sole Holder of Class 5 Interests.

The table below summarizes the classification and treatment of Claims and Interests under the Plan. For each class of Claims and Interests, estimated percentage recoveries are also set forth below. Estimated percentage recoveries have been calculated based upon a number of assumptions, including the amount of Claims in a particular Class.

2. Classification and Treatment of Claims Against and Interests in Bear

Description and Amount of Claims or Interests	Summary of Treatment
<p>Class 1 Other Priority Claims</p> <p>Class 1 consists of all Claims, other than Administrative Claims or Priority Tax Claims, that are entitled to priority in payment pursuant to sections 507(a) and 507(b) of the Bankruptcy Code.</p> <p>Estimated Claims Pool: \$203,124.66</p> <p>Expected Recovery: 100%</p>	<p>Class 1 is Unimpaired by the Plan.</p> <p>Each Holder of an Allowed Class 1 Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.</p> <p>Each Holder of an Allowed Other Priority Claim will receive Cash equal to the amount of such Other Priority Claim on the later of the Effective Date or when such Claim becomes Allowed.</p>

<p>Class 2 DIP Claims</p> <p>Class 2 consists of the DIP Claim held by Comilog.</p> <p>Estimated Claims Pool: \$300,000, plus accrued interest, fees, and costs as permitted by the DIP Order.</p> <p>Expected Recovery: 100%</p>	<p>Class 2 is Unimpaired by the Plan.</p> <p>Comilog, the sole Holder of a Class 2 DIP Claim, is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.</p> <p>Subject to the terms of the Committee Settlement Agreement, Comilog will receive, as soon as practicable after the Effective Date, Cash equal to the amount of such Allowed DIP Claim. In accordance with the Committee Settlement Agreement, Bear will pay directly to Comilog eighty percent (80%) of any distributions made on account of the Allowed DIP Claim and will deposit the remaining twenty percent (20%) of such distributions into a trust account to be established jointly by Gulf and the Committee for the Creditor Recovery Pool.</p>
<p>Class 3 Secured Claims</p> <p>Class 3 consists of Claims that are Secured Claims.</p> <p>Estimated Claims Pool: \$0</p> <p>Expected Recovery: 100%</p>	<p>Class 3 is Unimpaired by the Plan.</p> <p>Each Holder of an Allowed Class 3 Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.</p> <p>Each Holder of an Allowed Secured Claim will receive, as soon as practicable after the later of the Effective Date or the date when such Claim becomes Allowed, at the option of Bear: (x) the net proceeds of the sale of the property securing such Allowed Secured Claim, up to the Allowed amount of such Allowed Secured Claim; or (y) the return of property securing such Allowed Secured Claim; or (z) Cash equal to the value of the property securing such Allowed Secured Claim, up to the value of the Allowed Secured Claim; <i>provided, however</i>, if a Final Order has been entered prior to the Effective Date providing for treatment and distributions on account of an Allowed Secured Claim, the Allowed Secured Claim will be treated as set forth in such Final Order.</p>

<p>Class 4 General Unsecured Claims</p> <p>Class 4 consists of any Claim that is not an Administrative Claim, Professional Fee Claim, Priority Tax Claim, Other Priority Claim, DIP Claim, or Secured Claim.</p> <p>Estimated Claims Pool: \$355,713.06</p> <p>Expected Recovery: 100%</p>	<p>Class 4 is Unimpaired by the Plan.</p> <p>Each Holder of an Allowed Class 4 Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.</p> <p>Each Holder of an Allowed General Unsecured Secured Claim will receive, as soon as practicable after the later of the Effective Date or the date when such Claim becomes Allowed Cash equal to the amount of such General Unsecured Claim.</p>
<p>Class 5 Interests</p> <p>Class 5 consists of all Interests in Bear.</p> <p>Expected Recovery: N/A</p>	<p>Class 5 is Impaired by the Plan.</p> <p>Gulf, the sole Holder of a Class 5 Interest is entitled to vote to accept or reject the Plan.</p> <p>Subject to the terms of the Committee Settlement Agreement, Gulf will receive a distribution after the Face Amount of all Allowed Claims have been paid in full. In accordance with the Committee Settlement Agreement, to the extent Gulf owes Comilog any amounts pursuant to loans made by Comilog to Gulf in accordance with the DIP Order, the Plan Administrator will, in an amount not to exceed such loans to Gulf: (a) pay eighty percent (80%) of any distributions made on account of the Allowed Interests directly to Comilog and (b) deposit the remaining twenty percent (20%) of such distributions into a trust account to be established jointly by Gulf and the Committee for the Creditor Recovery Pool.</p> <p>In the event the amount available for distributions to Gulf exceeds the amount owed by Gulf to Comilog, the Plan Administrator will pay 100% of the remaining distributions directly to Gulf.</p> <p>Upon payment of such distributions, the Interests shall be deemed cancelled, null, and void.</p>

II. DISCLAIMER

On November [], 2016, after notice and a hearing, the Bankruptcy Court entered an order conditionally approving this Disclosure Statement (the “Conditional Approval Order”) for solicitation purposes only. **CONDITIONAL APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN OR THE ADEQUACY OF THIS DISCLOSURE STATEMENT. BEAR BELIEVES THAT IT HAS PREPARED THIS DISCLOSURE STATEMENT IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.**

The Conditional Approval Order sets forth deadlines for voting to accept or reject the Plan and procedures to be followed to object to confirmation of the Plan and/or to the adequacy of this Disclosure Statement. A Ballot for the acceptance or rejection of the Plan is enclosed with each Disclosure Statement submitted to a Holder entitled to vote to accept or reject the Plan. The Ballot includes certain instructions for voting and the record date for voting purposes. **THE BANKRUPTCY COURT HAS SCHEDULED A HEARING ON DECEMBER 13, 2016, AT 11:00 A.M. (PREVAILING EASTERN TIME) TO CONSIDER WHETHER TO CONFIRM THE PLAN AND APPROVE THE DISCLOSURE STATEMENT.**

This Disclosure Statement describes certain aspects of the Plan, Bear’s operations, and other related matters. **FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN, AND ANY EXHIBITS, APPENDICES, AND SCHEDULES THERETO IN THEIR ENTIRETY. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.**

This Disclosure Statement does not constitute an offer to exchange or sell, or the solicitation of an offer to exchange or buy, any securities that may be deemed to be offered hereby with respect to any creditor that is not an “accredited investor” as defined in Regulation D under the Securities Act. In any state or other jurisdiction (domestic or foreign) in which any securities that may be deemed to be offered hereby are required to be qualified for offering in such jurisdiction, no offer is hereby being made to, and the receipt of Ballots will not be accepted from, residents of such jurisdiction unless and until such requirements, in the sole and final determination of Bear, have been fully satisfied. Until such time, any Ballot submitted with respect to any such creditor will be deemed null and void and will not constitute a rejection or acceptance for purposes of determining whether requisite votes for acceptance of the Plan have been received.

NO PERSON IS AUTHORIZED BY BEAR, IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN, TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THIS DISCLOSURE STATEMENT OR THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS, APPENDICES, AND/OR SCHEDULES ATTACHED HERETO OR INCORPORATED BY REFERENCE OR REFERRED TO HEREIN, AND, IF GIVEN OR

MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY BEAR.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY CREDITOR OR INTEREST HOLDER DESIRING ANY SUCH ADVICE OR ANY OTHER ADVICE SHOULD CONSULT WITH ITS OWN ADVISORS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE INFORMATION REGARDING THE HISTORY, BUSINESS, AND OPERATIONS OF BEAR IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN BUT, AS TO CONTESTED MATTERS AND ADVERSARY PROCEEDINGS, IS NOT TO BE CONSTRUED AS AN ADMISSION OR A STIPULATION BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR TO REJECT THE PLAN, AND NOTHING STATED HEREIN WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING BEAR OR ANY OTHER PARTY, OR BE DEEMED A REPRESENTATION OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON BEAR OR HOLDERS OF CLAIMS OR INTERESTS. CERTAIN OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, BY NATURE, ARE FORWARD LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD CAREFULLY READ AND CONSIDER THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY, INCLUDING ARTICLE VII, "RISK FACTORS TO BE CONSIDERED," OF THIS DISCLOSURE STATEMENT, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Disclosure Statement contains forward looking statements. You should understand that the factors described below, in addition to those discussed elsewhere in this Disclosure Statement, could materially affect the amount of assets available for distributions to creditors. Results could differ materially from those expressed in such forward looking statements.

III. HISTORY AND STRUCTURE OF BEAR AND OVERVIEW OF THE PLAN

A. Historical Overview

Based in Butler, Pennsylvania, Bear was a toll conversion company that converted molybdenum and vanadium oxides into ferromolybdenum and ferrovanadium, which have different uses than the oxide forms of the metals, allowing access to larger markets. Bear's profitability was driven by volume, which is in turn affected by the market prices of the metals. As of the Petition Date, Bear employed approximately 28 people.

B. Existing Organizational Structure

Bear is a Delaware corporation and a wholly-owned subsidiary of Debtor Gulf Chemical & Metallurgical Corporation ("Gulf," and together with Bear, the "Debtors"). The Debtors are indirectly majority owned by non-debtor Eramet, a mining and metallurgical company headquartered in France. The Debtors operate within Eramet's manganese group of companies. The Debtors are distinct businesses, with separate employees, creditors, and processes; however, the Debtors did business with each other prior to the sale of Bear's Assets and in some respects, shared certain services, systems, and resources with each other, and worked with each other and the other entities in the manganese group. As of the Petition Date, Gulf was one of Bear's largest customers. On or about October 10, 2016, Bear formally changed its name to BMC Liquidation Company.

C. Events Leading to Chapter 11

The Debtors faced a number of challenges in the years prior to the Petition Date. Most importantly, the market prices of molybdenum and vanadium steadily declined. Molybdenum, which traded at more than \$15 per pound at the start of 2011, dropped below \$5 per pound in 2015 and was trading at approximately \$7 per pound as of the Petition Date. The price of ferrovanadium dropped from \$15 per pound in 2011 to less than \$6 per pound in 2015. Nickel prices have also markedly declined. As a result, Gulf had been unprofitable for several years prior to the Petition Date. The pricing of metals also changes the value proposition for refineries in determining whether to recycle or landfill spent catalyst, which can affect volumes at Gulf. For Bear, the volume of vanadium pentoxide and molybdenum trioxide available for conversion from Gulf and other parties was affected by metals pricing. Accordingly, Bear's financial situation was threatened by such events.

In addition to the fundamental macroeconomic problem of metals pricing, Gulf faced environmental challenges that contributed to its deteriorating financial condition. The combination of metals pricing and environmental costs made it impossible for Gulf to remain profitable, which also affected Bear by reducing the volumes available for conversion.

Gulf's parent, Comilog Holding ("Comilog"), which had made unsecured loans to Gulf in the aggregate of approximately \$130 million as of the Petition Date, made it clear to Gulf that it could not continue indefinitely to loan money to an unprofitable company. In late 2015 and early 2016, Rothschild Global Financial Advisory ("Rothschild") was retained to explore transactions for the sale of the Debtors' businesses. Since that time, Rothschild and the Debtors engaged in a thorough prepetition marketing process. Informed by that process, the Debtors

determined that it was in the best interests of the Debtors and their estates and creditors to sell their assets through a chapter 11 process.

IV. THE ACTIVITIES IN THE BEAR CHAPTER 11 CASE

A. The Chapter 11 Case

On June 14, 2016, the Debtors filed voluntary petitions for relief under the Bankruptcy Code in the Bankruptcy Court. At that time, all actions and proceedings against the Debtors and all acts to obtain property from the Debtors were stayed pursuant to section 362 of the Bankruptcy Code. Bear has continued to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' Chapter 11 Cases are being jointly administered in the Bankruptcy Court.

As part of their bankruptcy cases, the Debtors sought and received various forms of relief from the Bankruptcy Court. A summary of such relief sought and granted, along with other material activities in the Debtor's Chapter 11 Cases, is set forth below.

B. Chapter 11 Relief

1. First Day and Similar Relief

On the Petition Date, the Debtors filed "first day" motions with the Bankruptcy Court seeking certain relief to continue uninterrupted operations. The requested relief included, among other things, authority to obtain a debtor in possession loan from Comilog, authority to continue paying wages and ordinary course employee benefits (including prepetition amounts), and authority to continue to use the Debtors' bank accounts and centralized cash management system. This relief was granted, although authority to obtain a debtor in possession loan on a final basis was deferred to a later hearing, as is typical. On September 13, 2016, the Bankruptcy Court entered an order authorizing the Debtors to obtain a debtor in possession loan on a final basis. Shortly after the filing of the Chapter 11 Cases, the Debtors also requested authority to provide adequate assurance of performance to utilities and to pay interim compensation to professionals. This relief was also granted.

2. The Debtors' Professional Advisors

The Debtors have been advised by: McDonald Hopkins LLC and Cohen & Grigsby, P.C., as legal counsel; Stoneleigh Group Holdings, LLC, as financial advisor; and Rothschild & Cie, as investment banker.

3. Appointment of the Committee

The Office of the United States Trustee appointed a three-member Committee on June 30, 2016. The members of the Committee are: United Metallurgical Inc., GDF Suez Energy Resources NA, Inc., and Formosa Plastics Corp. The Committee has been advised by: Lowenstein Sandler LLP and Fox Rothschild LLP, as legal counsel; and Province, Inc., as financial advisor.

4. Debtor in Possession Financing

As described above, the Debtors received Bankruptcy Court approval to obtain a debtor in possession loan from Comilog. As of the date of this Disclosure Statement, Comilog has made an aggregate of \$300,000 in debtor in possession loans to Bear. Bear does not anticipate requesting any further debtor in possession loans from Comilog.

5. Bar Dates

The Bankruptcy Court established December 12, 2016, as the deadline for persons, including governmental units, to file proofs of Claim. Except as otherwise provided in the Plan or an order of the Bankruptcy Court, Holders of Administrative Claims that first arose or accrued after the Petition Date, must File a request for payment of an Administrative Claim within thirty (30) days after the Effective Date.

6. Exclusivity

During the Chapter 11 Cases, the Debtors filed a motion seeking to extend their exclusive periods to file and elicit acceptances of a plan. After a hearing, the Bankruptcy Court entered an order (i) extending the Debtors' exclusive period to file a chapter 11 plan(s) to January 10, 2017, and (ii) extending the Debtors' exclusive period to solicit acceptances for such plan(s) to March 13, 2017. As evidenced by this Disclosure Statement and the Plan, Bear filed its Plan prior to the termination of the exclusivity period. As of the date of this Disclosure Statement, Gulf has not filed a chapter 11 plan and is continuing to evaluate its alternatives.

7. The Committee Settlement Agreement

During the Chapter 11 Cases, on August 29, 2016, the Debtors, the Committee, and Comilog entered into the Committee Settlement Agreement. The Committee Settlement Agreement resolved many of the issues in dispute among the parties relating to the Debtors' request for the use of postpetition debtor in possession financing (the "DIP Financing") and other issues related to the claims of the Debtors' parent company and allowed the Debtors and the Committee to continue to focus their ultimate time and efforts on the Debtors' sale processes. Among other aspects of the Settlement Agreement, the parties agreed to: (a) the entry of a final order approving the DIP Financing and corresponding budget; (b) the establishment of a pool of assets available to pay non-insider holders of allowed claims; (c) the subordination of Comilog's unsecured claims to other unsecured claims against the Debtors; (d) a release of claims and causes of action against Comilog and its affiliates and their officers and directors; and (e) the waiver of claims and causes of action arising under chapter 5 of the Bankruptcy Code against non-insiders and Comilog and its affiliates. Following a hearing on notice to all parties in interest, no objections were filed in connection with the approval of the Committee Settlement Agreement. On September 13, 2016, the Bankruptcy Court entered an order approving the Committee Settlement Agreement. Such order has become a Final Order.

8. Overview of the Sale of Substantially all of Bear's Assets and Bear's Current Business Operations

As referenced above, Bear entered chapter 11 with a plan to sell substantially all of its Assets as a going concern. During the Chapter 11 Cases, the Bankruptcy Court authorized the Debtors to: (a) establish a timeline and procedures for the sale of substantially all of the Debtors' assets; (b) provide bidding protections for a "stalking horse" buyer for Bear's Assets; and (c) after an opportunity for bids to be submitted and an auction, authority to sell assets.

In advance of the auction, the Debtors, together with Rothschild and their other advisors, marketed the Debtors' assets to obtain the highest and best purchase price. SiderAlloys North America, LLC ("SiderAlloys") acted as the stalking horse buyer of Bear's Assets. Prior to the bidding deadline, in addition to SiderAlloys, several parties submitted qualified bids for Bear's Assets. On September 8, 2016, Bear conducted an auction. At the auction, after consultation with the Committee and Comilog, Bear concluded that Yilmaden Holding Inc. ("Yilmaden") had made the highest and best bid for Bear's Assets, with a purchase price of \$7,925,000. On September 13, 2016, the Bankruptcy Court entered an order approving the Sale, which closed on October 4, 2016. Pursuant to the Asset Purchase Agreement, Evergreen Metallurgical, LLC ("Evergreen"), the purchasing entity created by Yilmaden, purchased substantially all of Bear's Assets other than, among other things, Bear's Cash and Cash Equivalents (as defined in the Asset Purchase Agreement) and all trade accounts receivable and other rights to payment from Bear customers for services performed and invoiced prior to the Closing Date (as defined in the Asset Purchase Agreement). The Asset Purchase Agreement also required Bear to change its corporate name.

After the closing of the Sale, Bear and the Committee discussed and determined that the best way to administer Bear's assets and provide distributions would be through a liquidating Plan. The Plan contemplates the liquidation of Bear and the distribution of the proceeds of the liquidation to Holders of Allowed Claims and Interests in Bear. Most of Bear's operations and Assets have already been liquidated and converted to Cash by virtue of the Sale. However, Bear continues to exist as a corporate entity in order to meet its obligations under the Transition Services Agreement with Evergreen. It is anticipated that the Transition Services Agreement will terminate no later than January 2, 2017. After termination of the Transition Services Agreement, Bear will have no remaining operations.

V. VOTING INSTRUCTIONS AND PROCEDURES AND CONFIRMATION HEARING

BEAR BELIEVES THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AND INTERESTS AND THUS STRONGLY RECOMMENDS THAT THE HOLDER OF INTERESTS VOTE TO ACCEPT THE PLAN.

A. Notice to Holders of Claims

This Disclosure Statement will be transmitted to Gulf, the sole Holder of Interests, who is entitled to vote on the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, Holders of

Claims in Classes 1, 2, 3, and 4, who are unimpaired under the Plan, are conclusively deemed to have accepted the Plan and are not entitled to vote on the Plan. The Holder of Interests in Class 5 will be the only Holder of Claims or Interests that will vote on the Plan. The purpose of this Disclosure Statement is to provide adequate information with respect to the Plan.

ALL HOLDERS OF CLAIMS OR INTERESTS ENTITLED TO VOTE ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS APPENDICES CAREFULLY AND IN THEIR ENTIRETY BEFORE DECIDING TO VOTE EITHER TO ACCEPT OR TO REJECT THE PLAN. This Disclosure Statement contains important information about the Plan and considerations pertinent to acceptance or rejection of the Plan.

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

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES AND ASSUMPTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. This Disclosure Statement does not reflect any events that may occur subsequent to the date hereof and that may have a material impact on the information contained in this Disclosure Statement. Bear does not intend to update the estimated recoveries on Allowed Claims set forth in this Disclosure Statement; thus, they will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the estimates. Further, Bear does not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement will not under any circumstance imply that the information herein is correct or complete as of any time subsequent to the date hereof.

B. Solicitation Package

In soliciting votes for the Plan, Bear will send a copy of the Plan, this Disclosure Statement, and a Ballot to all Holders entitled to vote to accept or to reject the Plan.

C. Voting Procedures and Ballots and Voting Deadline

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot. Please complete and sign your original Ballot and return it in the envelope provided to the Claims and Noticing Agent. **THE VOTING DEADLINE IS DECEMBER 6, 2016, AT 5:00 P.M. (PREVAILING PACIFIC TIME).**

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE

VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN THE VOTING DEADLINE AT THE ADDRESS ABOVE.

If you have any questions about (i) the procedure for voting your Claim or with respect to the packet of materials that you have received or (ii) or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any appendices or exhibits to such documents, please contact:

BMC Liquidation Company Ballot Processing Center
c/o Kurtzman Carson Consultants
2335 Alaska Ave.
El Segundo, CA 90245

D. Confirmation Hearing and Deadline for Objections to Confirmation and/or to the Adequacy of this Disclosure Statement

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan.

The Court has scheduled a Confirmation Hearing for **December 13, 2016, at 11:00 a.m. (prevailing Eastern time)**. Notice of the Confirmation Hearing will be provided to Holders of Claims and Interests or their representatives (the “Confirmation Notice”) as set forth in the Conditional Approval Order. Objections to Confirmation or to the adequacy of this Disclosure Statement must be Filed with the Bankruptcy Court by **December 6, 2016, at 5:00 p.m. (prevailing Eastern time)**, and are governed by Bankruptcy Rules 3020(b) and 9014 and the local rules of the Bankruptcy Court. **UNLESS AN OBJECTION TO CONFIRMATION OR TO THE ADEQUACY OF THE DISCLOSURE STATEMENT IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

VI. SUMMARY OF THE PLAN OF REORGANIZATION

The primary objective of the Plan is to maximize recovery to creditors and Interest Holders by efficiently liquidating Bear’s remaining Assets and distributing the proceeds to creditors and the Interest Holder.

This Disclosure Statement includes summaries of the material provisions contained in the Plan and in documents referred to therein. 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, and reference is made 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 Bear under the Plan and will, upon the Effective Date, be binding upon all Holders of Claims against and Interests in Bear and its Estate and other parties in interest. In the event of any conflict between this Disclosure Statement, on the one hand, and the Plan or any other operative document, on the other hand, the terms of the Plan or such other operative document are controlling.

A. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business for the benefit of itself, its creditors and interest holders. Controlled and planned liquidations are also possible under chapter 11. A primary goal of chapter 11, whether in reorganization or liquidation, is to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a plan is the principal objective of a chapter 11 case. A plan sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a 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.

B. Overview of the Plan

Bear believes that the Plan provides the best and most prompt possible recovery to Holders of Claims against and Interests in Bear. The Plan is divided into ten Articles. It is important that Holders of Claims and Interests review not only the Plan, but also the Plan's Exhibits, in their entirety.

1. Defined Terms and Rules of Interpretation

Article I and Exhibit A of the Plan define various terms used in the Plan, and Article I also provides rules for interpretation of the Plan and computation of time, and makes clear that any exhibits, schedules, and/or supplements are incorporated into and a part of the Plan.

2. Classification of Claims and Interests and Treatment of Claims and Interests

Article II of the Plan classifies Claims against and Interests in Bear. Administrative Claims and Priority Tax Claims are unclassified. There are four unimpaired Classes of Claims that are deemed to have accepted the Plan: Class 1 – Other Priority Claims, Class 2 – DIP Claims, Class 3 – Secured Claims, and Class 4 – General Unsecured Claims. Only Gulf, the sole Holder of Class 5 Interests, the only Impaired Class, is entitled to vote on the Plan.

Article II of the Plan also describes the treatment of Claims and Interests under the Plan. That treatment is described in detail in Section I-B(2) of this Disclosure Statement. In general, however, Holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, Allowed DIP Claims, Allowed Secured Claims and Allowed General Unsecured Claims will received a Cash payment in an amount equal to the Face Amount of their

Allowed Claims on the later of: (i) the Effective Date; and (ii) the date when such Claim becomes an Allowed Claim. After paying such claims in full and establishing and funding the Administrative Claims Reserve and the Disputed Claims Reserve, the Plan Administrator will distribute any remaining Cash to Gulf.

3. Acceptance or Rejection of the Plan

Article III of the Plan describes the voting requirements for acceptance of the Plan and states that only Gulf is entitled to vote on the Plan.

4. Means for Implementation of the Plan

Article IV of the Plan describes the means for implementation of the Plan. That Article includes discussion of, among other things:

a. Restructuring Transactions

The Plan authorizes Bear and/or the Plan Administrator to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan.

b. Transition Services Agreement

The Plan authorizes Bear to continue to perform under the Transition Services Agreement after the Effective Date, unless previously terminated. To the extent necessary, Gulf will fund any expense that Bear is required to incur in order to perform its obligations under the Transition Services Agreement.

c. Utility Deposits

The Plan requires all utilities holding a Utility Deposit to immediately after the Effective Date return or refund such Utility Deposit to Bear for purposes of distribution pursuant to the Plan.

d. Sources of Cash for Plan Distributions

Except as otherwise provided in the Plan or the Confirmation Order, Bear will obtain all Cash necessary for the payments pursuant to the Plan from its existing Cash balances. In accordance with the Committee Settlement Agreement, Bear waived and released all claims and causes of action arising out of and/or under Chapter 5 of the Bankruptcy Code against (a) any creditor, (b) Comilog, (c) any and all of Comilog's direct and indirect parent entities, sister entities, and other Affiliates (as defined in the Committee Settlement Agreement), and (d) any and current and former officers and directors of Comilog and such direct and indirect parent entities, sister entities, and other Affiliates (including, but not limited to, the Debtors' current and former officers and directors).

e. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan, including the releases set forth in Article VIII of the Plan, will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest or any distribution to be made pursuant to the Plan on account of any Allowed Claim or Interest. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of Bear, its Estate, and Holders of Claims and Interests and is fair, equitable, and reasonable; *provided, however*, that nothing in the Plan will be deemed to supersede, modify, or alter the terms of the Committee Settlement Agreement.

f. Plan Administrator

The Plan provides for the appointment of a Plan Administrator who will take control over, and responsibility for, the following obligations under the Plan:

- i. The Plan Administrator will be authorized to, among other things, (a) pursue any causes of action that have not already been released or waived by Bear, if any; (b) administer the Assets; (c) make all distributions required under the Plan; (d) object to any Claim and prosecute Claims pursuant to the provisions of the Plan; (e) retain professional advisors and other agents as the Plan Administrator deems appropriate; (f) retain and compensate former employees of Bear for the purpose of administering the Plan; (g) take all other actions necessary to implement the terms of the Plan. The Plan Administrator will issue a report, at least semi-annually, setting forth the status of the Plan Administrator's activities.
- ii. If the Plan Administrator resigns or is removed, Gulf in its capacity as the sole Holder of Interests, shall promptly appoint a successor Plan Administrator. If the successor Plan Administrator does not deliver his or her written acceptance within 30 days after the preceding Plan Administrator resigns or is removed, Gulf may petition the Bankruptcy Court for the appointment of a successor Plan Administrator. Immediately after the delivery of the successor Plan Administrator's written acceptance: (a) the retiring Plan Administrator will transfer all property held as Plan Administrator to the successor Plan Administrator, (b) the resignation or removal of the retiring Plan Administrator will become effective and (c) the successor Plan Administrator will have all the rights, powers and duties of the Plan Administrator under the Plan.

- iii. After the Effective Date, attorneys, accountants, and other persons employed or retained by the Plan Administrator will be paid in the ordinary course of business by the Plan Administrator from the Assets. In addition, the Plan Administrator will be entitled to be compensated from the Assets for his time at his/her customary hourly rate. The Plan Administrator's initial hourly rate will be \$0.00 per hour, which rate is subject to periodic review and adjustment. The Plan Administrator will also be reimbursed for all reasonable out-of-pocket expenses incurred in the performance of his/her duties.
- iv. The Plan Administrator will be indemnified by and receive reimbursement from the Assets against and from any and all loss, liability, expense, or damage which he/she may incur or sustain, in good faith and without gross negligence, in the exercise and performance of his powers and duties under the Plan. The Plan Administrator may use the Assets to purchase appropriate errors and omissions insurance. Gulf, the Committee, and Comilog will be entitled to review all payments made for reasonableness, and any dispute with respect thereto may be resolved by the Bankruptcy Court. The Plan Administrator will file semi-annual statements with the Bankruptcy Court setting forth all amounts paid to professionals from the Assets in the preceding six months, and the period of time that the payments represent.

5. Treatment of Executory Contracts and Unexpired Leases

Article V of the Plan describes the treatment of Executory Contracts and Unexpired Leases. To the extent not previously assumed or rejected in accordance with an Order of the Bankruptcy Court, all Executory Contracts and Unexpired Leases will be deemed rejected, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date. All Cure Amount Claims will be deemed to have been satisfied in accordance with the terms and procedures of the Sale Order and Asset Purchase Agreement as of the Effective Date.

All employment and severance contracts and policies, and all compensation and benefit plans, policies, collective bargaining agreements, and programs of Bear applicable to its officers, employees, retirees, and non-employee directors, including, without limitation, all deferred compensation plans, savings plans, pension plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life, and accidental death and dismemberment insurance plans and contracts, will be deemed and treated as executory contracts under the Plan and on the Effective Date will be rejected and terminated pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code. For the avoidance of doubt, Bear and its successors will have no further obligation to perform under the foregoing programs.

6. Provisions Governing Distributions

Article VI of the Plan discusses provisions governing distributions under the Plan. The Plan Administrator will make distributions on or shortly after the Effective Date to Holders of Allowed Administrative Claims, Priority Tax Claims, Other Priority Claims, DIP Claims, Secured Claims, and General Unsecured Claims. After establishing and funding the Administrative Claims Reserve and the Disputed Claims Reserve, the Plan Administrator will distribute all remaining Cash to the Holder of Interests.

Article VI of the Plan also describes, among other things: (a) the method of delivery of distributions; (b) the treatment of undeliverable distributions; (c) required tax information that may be requested prior to making distributions; (d) timing and calculation of amounts to be distributed; (e) provisions governing Administrative Claims Reserves; (f) provisions governing Disputed Claims Reserves; and (g) provisions regarding setoffs.

7. Postpetition Interest

All distributions to a Holder of an Allowed Claim that has components of principal and interest will be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such distributions, if any, will be deemed to apply to any applicable accrued interest included in such Claim.

8. Procedures for Resolving Disputed Claims

Article VII of the Plan discusses procedures for resolving Disputed Claims. The Plan provides that objections to Claims must be made by the Claims Objection Bar Date. After the Effective Date, the Plan Administrator will have the sole authority to File, settle, compromise, withdraw, or litigate to judgment objections to Claims. The Plan Administrator will have the authority to amend the Schedules with respect to any Claim, and to make distributions based on such amended Schedules without approval of the Bankruptcy Court, *provided, however*, that the Plan Administrator will seek prior approval from the Bankruptcy Court prior to increasing by more than \$50,000 the proposed Allowed amount of any Claim on the Schedules. In addition, if any such amendment to the Schedules reduces the amount of a Claim or changes the nature or priority of a Claim, the Plan Administrator will provide the Holder of such Claim with notice of such amendment and such Holder will have thirty (30) days to File an objection to such amendment with the Bankruptcy Court. The notice will contain the same specificity to affected creditors that would be required if the Schedules amendment was a Claim objection. If no such objection is Filed, the Plan Administrator may proceed with distributions based on such amended Schedules without approval of the Bankruptcy Court. Notwithstanding anything contained in Plan to the contrary, the Plan Administrator will have the authority to object to the amount of any Claim indicated on the Schedules if the Plan Administrator determines in good faith that the Claim is fully or partially invalid or has previously been paid or satisfied. Any Disputed Claim that is Allowed following an objection or other dispute shall be paid from the Disputed Claims Reserve in the amount allowed by the Bankruptcy Court or as set forth in any settlement with the Plan Administrator within five Business Days after the Disputed Claim becomes an Allowed Claim.

9. Confirmation and Consummation of the Plan and Effect of Plan Confirmation

Article VIII describes the conditions to Confirmation of the Plan, the conditions to the Effective Date of the Plan, and provisions for waivers thereof. Holders of Claims and Interests should review Article VIII of the Plan in its entirety.

Article VIII also details the effect of Plan Confirmation. Specifically, it provides for the following:

- Limitation of Rights of Holders of Claims. Pursuant to section 1141(d)(3) of the Bankruptcy Code, Confirmation will not discharge Claims against Bear; *provided, however,* that no Holder of a Claim against Bear may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, Bear, the Plan Administrator, or property of the Estate, except as expressly provided in the Plan.
- **INJUNCTION. EXCEPT AS PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, AS OF THE CONFIRMATION DATE, ALL ENTITIES THAT HAVE HELD, CURRENTLY HOLD, OR MAY HOLD A CLAIM OR OTHER DEBT OR LIABILITY AGAINST BEAR OR AN INTEREST OR OTHER RIGHT OF AN EQUITY SECURITY HOLDER SHALL BE DEEMED PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS ON ACCOUNT OF ANY SUCH CLAIMS, DEBTS, LIABILITIES, INTERESTS, OR RIGHTS: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING AGAINST THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING IN ANY MANNER ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE AGAINST THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; (D) ASSERTING A RIGHT OF SUBORDINATION OF ANY KIND AGAINST ANY DEBT, LIABILITY, OR OBLIGATION DUE TO THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; AND (E) COMMENCING OR CONTINUING ANY ACTION, IN ANY MANNER, IN ANY PLACE THAT DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN..**
- **EXCULPATION. SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF A CLAIM OR INTEREST OR ANY OTHER PARTY FOR ANY ACT OR OMISSION IN CONNECTION WITH, RELATED TO, OR ARISING OUT OF, THE BEAR CHAPTER 11 CASE AND THE PLAN, THE PURSUIT OF**

CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, OR THE ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN; PROVIDED THAT THE EXCULPATED PARTIES SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES UNDER THE PLAN; PROVIDED FURTHER THAT NOTHING IN THE PLAN SHALL, OR SHALL BE DEEMED TO, RELEASE THE EXCULPATED PARTIES, OR EXCULPATE THE EXCULPATED PARTIES WITH RESPECT TO, THEIR RESPECTIVE OBLIGATIONS OR COVENANTS, IF ANY, ARISING PURSUANT TO THE PLAN AND NOTHING IN THE PLAN SHALL BE DEEMED TO RELEASE THE EXCULPATED PARTIES, OR EXCULPATE THE EXCULPATED PARTIES, WITH RESPECT TO WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. NOTHING HEREIN SHALL (I) LIMIT ANY OF THE RELEASES PROVIDED FOR IN THE COMMITTEE SETTLEMENT AGREEMENT OR THE DIP ORDER, OR OTHERWISE MODIFY, ALTER, OR AMEND ANY OF THE TERMS OF THE COMMITTEE SETTLEMENT AGREEMENT OR THE DIP ORDER; (II) EXCULPATE ANY OF THE EXCULPATED PARTIES FOR ANY ACTS OR OMISSIONS IN CONNECTION WITH THE GULF CHAPTER 11 CASE; (III) EXCUSE ANY PROFESSIONAL RETAINED IN THE DEBTORS' CHAPTER 11 CASES FROM SEEKING BANKRUPTCY COURT APPROVAL OF PROFESSIONAL FEES AND/OR ABIDING BY ANY BANKRUPTCY COURT ORDER REGARDING THE PAYMENT OF PROFESSIONAL FEES.

10. Retention of Jurisdiction

Article IX calls for the retention of jurisdiction by the Bankruptcy Court, to the fullest extent permitted by law, to enforce the terms of the Plan and take other actions related to the Bear Chapter 11 Case.

11. Miscellaneous Provisions

Article X of the Plan contains various other provisions, including among other things amendment or modifications of the Plan, events of default, and governing law.

VII. RISK FACTORS TO BE CONSIDERED

The information set forth below, as well as the other information set forth in this Disclosure Statement, should read and considered carefully prior to voting to accept or reject the Plan. This information, however, should not be regarded as the only risks involved in connection with the Plan and/or its implementation.

A. Failure to Satisfy Vote Requirement

If the Plan does not receive the requisite votes in accordance with the requirements of the Bankruptcy Code, Bear may be forced to pursue other alternatives in the Bear Chapter 11 Case that are not as attractive to creditor recoveries as the treatment under the Plan.

B. Non-Confirmation or Delay of Confirmation of the Plan

The Bankruptcy Court, which sits as a court of equity, may exercise substantial discretion. Section 1129 of the Bankruptcy Code sets forth the requirements for Confirmation and requires, among other things, that the value of distributions to dissenting creditors and shareholders not be less than the value of distributions such creditors and interest holders would receive if Bear were liquidated under chapter 7 of the Bankruptcy Code. Although Bear believes that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

C. Non-Consensual Confirmation

In the event Gulf does not vote to accept a plan, the Bankruptcy Court may nevertheless confirm the Plan at Bear's request, if the Bankruptcy Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to Class 5. Bear believes that the Plan satisfies these requirements, but there can be no assurance that the Bankruptcy Court will reach the same conclusion.

D. Risk of Non-Occurrence of the Effective Date

Although Bear believes that the Effective Date will occur reasonably soon after the Confirmation Date, there can be no assurance as to such timing or as to whether it will occur.

E. Classification and Treatment of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires that the Plan classify Claims against, and Interests in, Bear. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. Bear believes that all Claims and Interests have been appropriately classified in the Plan, but there can be no assurance that the Bankruptcy Court will reach the same conclusion.

F. Claim Objections and Reconciliations

The recovery for Class 5 depends on, among other things, the outcome of the Claims reconciliation and objection process. Therefore, the distribution to Gulf, the sole Holder of Class 5 Interests, may increase or decrease depending on the resolution of outstanding Claims.

G. Administrative Claims Reserve

Based on all currently available information, Bear does not believe there will be any Administrative Claims that are unpaid as of the Effective Date and therefore does not believe

that the Administrative Claims Reserve will be necessary. However, because the Bar Date has not yet passed, Bear cannot be certain that the establishment and funding of the Administrative Claims Reserve will be unnecessary. In the event Cash is required to fund the Administrative Claims Reserve, such funding will reduce, dollar-for-dollar, the Cash available to make initial distributions to Gulf.

H. Disputed Claims Reserve

Bear does not currently have all available information necessary to estimate an appropriate Disputed Claims Reserve under the circumstances. Specifically, because the Bar Date has not yet passed, Bear cannot be certain how much Cash will be needed to fund the Disputed Claims Reserve. However, based on all currently available information, Bear believes that a \$100,000 reserve would be reasonable estimation of the required initial funding for the Disputed Claims Reserve. The Cash required to fund the Disputed Claims Reserve will reduce, dollar-for-dollar, the Cash available to make initial distributions to Gulf.

VIII. FEASIBILITY AND ACCEPTANCE OF THE PLAN, BEST INTERESTS TEST, AND CRAMDOWN

A. Feasibility of the Plan

The Bankruptcy Code requires that the Bankruptcy Court determine that confirmation of a Plan is not likely to be followed by liquidation or the need for further financial reorganization of Bear. The Plan already contemplates a liquidation so the goals of the Plan are completely feasible and the risk of further financial reorganization is not relevant.

B. Acceptance of the Plan

As a condition to confirmation, the Bankruptcy Code requires that each Class of Impaired Claims and Interests vote to accept the Plan, except under certain circumstances. Class 5 Interests is the only Impaired Class. Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired interests as acceptance by holders of at least two-thirds (2/3) in amount, but for that purpose counts only those who actually vote to accept or to reject the Plan. Thus, because Gulf is the sole Holder of Class 5 Interests, Class 5 votes to accept the Plan only if Gulf casts its Ballot in favor of acceptance.

C. Best Interests Test

Even if a plan is accepted by the holders of each class of claims and interests, the Bankruptcy Code requires a Bankruptcy Court to determine that the plan is in the best interests of all holders of claims or interests that are impaired by the plan and that have not accepted the plan. The “best interests” test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a Bankruptcy Court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

Bear's Interest Holder will receive either the same or a better return under the Plan than they would in a hypothetical chapter 7 case. In this case, Bear has sold substantially all of its assets, with the remaining assets to be liquidated and distributed pursuant to the Plan. Bear anticipates that all Holders of Claims will be paid in full and that only the Holder of Interests will not receive a 100% recovery. A liquidation under chapter 7 would accomplish the same result as to creditors but with the additional cost of chapter 7 trustee fees and the cost of administering and proceeding with a chapter 7 case, which would reduce the recovery for the Interest Holder. Additionally, Bear believes that its Estate has a better chance to collect certain post-Petition Date payables due to the structured process under Plan as opposed to the "fire sale" nature of a chapter 7 case. The recovery available in a chapter 7 liquidation to members of the Impaired Class, which in Bear's estimation will only be Class 5 Interests, would be less because of the additional administrative costs associated with a chapter 7 trustee. Accordingly, the "best interests" test of section 1129 of the Bankruptcy Code is satisfied because the members of each Impaired Class will receive greater or equal value under the Plan than they would in a chapter 7 liquidation. Although Bear believes that the Plan meets the "best interests test" of section 1129(a)(7) of the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will determine that the Plan meets this test.

D. Confirmation Without Acceptance of All Impaired Classes: The 'Cramdown' Alternative

In the event Gulf votes to reject the Plan, Bear will seek confirmation of the Plan pursuant to the "cramdown" provisions of section 1129 of the Bankruptcy Code. In relevant part, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed over the objection of a dissenting class of impaired interests if the plan "does not discriminate unfairly" and is "fair and equitable" as to such impaired class that has not accepted the Plan. Specifically, section 1129(b)(2)(C)(ii) requires that no distributions be made to any class of interests that is junior to the impaired dissenting class of interests.

Bear believes that the Plan will meet the requirements of section 1129(b) of the Bankruptcy Code with respect to Class 5 Interests because no person junior to Gulf will receive any distributions under the Plan.

The Plan reserves the right of Bear to seek confirmation of the Plan through cramdown with respect to any other Class that is determined to be impaired or any creditor that has not accepted or is deemed not to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code.

IX. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

Bear believes that the Plan affords Holders of Claims and Interests the potential for the greatest recovery and, therefore, is in the best interests of such Holders.

If, however, the requisite acceptances are not received, or the Plan is not confirmed and consummated, the theoretical alternatives include: (i) formulation of an alternative plan of liquidation; or (ii) liquidation of Bear under chapter 7 of the Bankruptcy Code.

If no plan is confirmed, Bear may be forced to liquidate under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate Bear's assets for distribution to creditors in accordance with the priorities established by the Bankruptcy Code. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective Holders of Claims or Interests. As noted above, however, Bear believes that in a liquidation under chapter 7 would result in additional administrative expenses involved in the appointment of a chapter 7 trustee, and such trustee's retention of attorneys, accountants, and other professionals, would cause a substantial diminution in the value of Bear's Estate. The assets available for distribution to Holders of Claims and Interests would be reduced by such additional expenses.

Bear could also be liquidated pursuant to the provisions of a different chapter 11 plan of liquidation. However, any distribution to the Holders of Claims and Interests under a chapter 11 liquidation plan probably would be delayed substantially and there should be no meaningful difference in the recovery to creditors.

Accordingly, Bear believes that any alternative liquidation under chapter 7 or 11 is a much less attractive alternative to creditors than the Plan because of the greater return Bear believes is provided to creditors under the Plan.

X. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

Substantial uncertainty exists with respect to many of the tax issues discussed below. Therefore, each Holder of a Claim or Interest is urged to consult its own tax advisor regarding the federal, state, and other tax consequences of the Plan. No rulings have been requested from the Internal Revenue Service (the "IRS") with respect to any tax aspects of the Plan.

A summary description of certain United States federal income tax consequences of the Plan is provided below. The description of tax consequences below is for informational purposes only and, due to lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various U.S. federal income tax consequences of the Plan as discussed herein. Only the potential material U.S. federal income tax consequences of the Plan to Bear, and to hypothetical Holders of Claims are described below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan, and no tax opinion is being given in this Disclosure Statement. No rulings or determinations of the IRS or any other tax authorities have been obtained or sought with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other authorities. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to Bear or to any Holder. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein.

The discussion of the U.S. federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated and proposed thereunder, judicial decisions, and administrative rulings and pronouncements of the IRS, and other applicable authorities, all as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations enacted or promulgated in the

future could alter or modify the analyses and conclusions set forth below. It cannot be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences to the Holders. Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences discussed below.

THIS DISCUSSION DOES NOT ADDRESS FOREIGN, STATE, OR LOCAL TAX CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF TAXPAYERS (SUCH AS FOREIGN ENTITIES, NONRESIDENT ALIEN INDIVIDUALS, PASS-THROUGH ENTITIES SUCH AS PARTNERSHIPS AND HOLDERS THROUGH SUCH PASS-THROUGH ENTITIES, S CORPORATIONS, MUTUAL FUNDS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, SMALL BUSINESS INVESTMENT COMPANIES, REGULATED INVESTMENT COMPANIES, CERTAIN SECURITIES TRADERS, BROKER-DEALERS, AND TAX-EXEMPT ORGANIZATIONS). FURTHERMORE, ESTATE AND GIFT TAX ISSUES ARE NOT ADDRESSED HEREIN AND TAX CONSEQUENCES RELATING TO THE ALTERNATIVE MINIMUM TAX ARE GENERALLY NOT DISCUSSED HEREIN.

NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY SPECIFIC HOLDER. EACH HOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.

A. U.S. Federal Income Tax Consequences to Bear

Bear may recognize gain or loss on the sale or other taxable disposition of any of its assets pursuant to its liquidation to the extent of the difference between the amount realized on such sale (or the fair market value of the asset) and its tax basis in such asset. No gain or loss should be recognized by Bear on the distribution of cash pursuant to the Plan.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS OR DISTRIBUTIONS MADE ON ACCOUNT OF THEIR INTERESTS.

B. U.S. Federal Income Tax Consequences to Claim Holders

Generally, a Holder of a Claim should in most, but not all circumstances, recognize gain or loss equal to the difference between the “amount realized” by such Holder in exchange for its Claim and such Holder’s adjusted tax basis in the Claim. The “amount realized” is equal to the sum of the cash and the fair market value of any other consideration received under a plan of reorganization in respect of a holder’s Claim. The tax basis of a Holder in a Claim will generally be equal to the Holder’s cost therefore. To the extent applicable, the character of any recognized gain or loss (e.g., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the Holder, the nature of the Claim in the Holder’s hands, the purpose and

circumstances of its acquisition, the Holder's holding period of the Claim, and the extent to which the Holder previously claimed a deduction for the worthlessness of all or a portion of the Claim. Generally, if the Claim is a capital asset in the Holder's hands, any gain or loss realized will generally be characterized as capital gain or loss, and will constitute long-term capital gain or loss if the holder has held such Claim for more than one year.

A Holder who received Cash in satisfaction of its Claims may recognize ordinary income or loss to the extent that any portion of such consideration is characterized as accrued interest. A Holder who did not previously include in income accrued but unpaid interest attributable to its Claim, and who receives a distribution on account of its Claim pursuant to the Plan, will be treated as having received interest income to the extent that any consideration received is characterized for United States federal income tax purposes as interest, regardless of whether such Holder realizes an overall gain or loss as a result of surrendering its Claim. A Holder who previously included in its income accrued but unpaid interest attributable to its Claim should recognize an ordinary loss to the extent that such accrued but unpaid interest is not satisfied, regardless of whether such Holder realizes an overall gain or loss as a result of the distribution it may receive under the Plan on account of its Claim.

C. Information Reporting and Backup Withholding

Certain payments, including payments in respect of accrued interest or market discount, are generally subject to information reporting by the payor to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the Tax Code's backup withholding rules, a U.S. Holder may be subject to backup withholding at the applicable rate with respect to certain distributions or payments pursuant to the Plan, unless the Holder: (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (ii) provides a correct U.S. taxpayer identification number and certifies under penalty of perjury that the holder is a U.S. person, the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Holder's U.S. federal income tax liability, and a Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

D. Importance of Obtaining Professional Tax Assistance

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

THE PLAN, INCLUDING WITH RESPECT TO TAX REPORTING AND RECORD KEEPING REQUIREMENTS.

IRS CIRCULAR 230 DISCLOSURE:

ANY ACCOUNTING, BUSINESS, OR TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING ATTACHMENTS AND ENCLOSURES, IS NOT INTENDED AS A THOROUGH, IN-DEPTH ANALYSIS OF SPECIFIC ISSUES, NOR A SUBSTITUTE FOR A FORMAL OPINION, NOR IS IT SUFFICIENT TO AVOID TAX-RELATED PENALTIES. YOU SHOULD CONSULT WITH YOUR OWN ADVISORS TO PERFORM THE REQUISITE RESEARCH AND PROVIDE YOU WITH A DETAILED WRITTEN ANALYSIS.

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CONCLUSION AND RECOMMENDATION

Bear believes that confirmation and implementation of the Plan is preferable to any other alternative and recommends that creditors entitled to vote in favor of the Plan.

Dated: October 26, 2016

Respectfully submitted,

**BMC LIQUIDATION COMPANY, F/K/A BEAR
METALLURGICAL COMPANY**

/s/ Eric Caridroit

Eric Caridroit

Title: Chief Executive Officer

/s/ Sean D. Malloy

Sean D. Malloy (Ohio 0073157) (admitted *pro hac vice*)

Michael J. Kaczka (Ohio 0076548) (admitted *pro hac vice*)

Joshua A. Gadharf (Michigan P76860) (admitted *pro hac vice*)

Maria G. Carr (Ohio 0092412) (admitted *pro hac vice*)

McDONALD HOPKINS LLC

600 Superior Avenue, East, Suite 2100

Cleveland, OH 44114

Telephone: (216) 348-5400

Facsimile: (216) 348-5474

E-mail: smalloy@mcdonaldhopkins.com

mkaczka@mcdonaldhopkins.com

jgadharf@mcdonaldhopkins.com

mcarr@mcdonaldhopkins.com

-and-

William E. Kelleher, Jr. (Pa. I.D. No. 30747)

Thomas D. Maxson (Pa. I.D. No. 63207)

Helen S. Ward (Pa. I.D. No. 204088)

COHEN & GRIGSBY, P.C.

625 Liberty Avenue, 5th Floor

Pittsburgh, PA 15222

Telephone: (412) 297-4900

Facsimile: (412) 209-0672

Email: wkelleher@cohenlaw.com

tmaxson@cohenlaw.com

hward@cohenlaw.com

COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION

APPENDIX A

**PLAN OF LIQUIDATION FOR BMC LIQUIDATION COMPANY, F/K/A BEAR
METALLURGICAL COMPANY**

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA**

In re:)
) Chapter 11
GULF CHEMICAL & METALLURGICAL)
CORPORATION, a Texas corporation, <i>et al.</i> , ¹) Case No. 16-22192-JAD & 16-22195-JAD
) (Jointly Administered under
Debtors.) Case No. 16-22192-JAD)
)
) Docket No. _____

**PLAN OF LIQUIDATION FOR BMC LIQUIDATION COMPANY (F/K/A BEAR
METALLURGICAL COMPANY)**

Dated: October 26, 2016

Sean D. Malloy (Ohio 0073157) (admitted *pro hac vice*)
Michael J. Kaczka (Ohio 0076548) (admitted *pro hac vice*)
Joshua A. Gadharf (Michigan P76860) (admitted *pro hac vice*)
Maria G. Carr (Ohio 0092412) (admitted *pro hac vice*)
McDONALD HOPKINS LLC
600 Superior Avenue, East, Suite 2100
Cleveland, OH 44114
Telephone: (216) 348-5400
Facsimile: (216) 348-5474
E-mail: smalloy@mcdonaldhopkins.com
mkaczka@mcdonaldhopkins.com
jgadharf@mcdonaldhopkins.com
mcarr@mcdonaldhopkins.com

and

William E. Kelleher, Jr. (Pa. I.D. No. 30747)
Thomas D. Maxson (Pa. I.D. No. 63207)
Helen S. Ward (Pa. I.D. No. 204088)
COHEN & GRIGSBY, P.C.
625 Liberty Avenue, 5th Floor
Pittsburgh, PA 15222
Telephone: (412) 297-4900
Facsimile: (412) 209-0672
Email: wkelleher@cohenlaw.com
tmaxson@cohenlaw.com
hward@cohenlaw.com

COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Gulf Chemical & Metallurgical Corporation, a Texas corporation (3600) and BMC Liquidation Company, f/k/a Bear Metallurgical Company, a Delaware corporation (1238).

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INTRODUCTION

BMC Liquidation Company (f/k/a Bear Metallurgical Company) (“Bear”) proposes the following plan of liquidation for the resolution of the outstanding claims against and interests in Bear’s bankruptcy estate. Reference is made to the Disclosure Statement with Respect to the Plan of Liquidation for BMC Liquidation Company (f/k/a Bear Metallurgical Company) for a discussion of the history, business, properties, and operations of Bear, a summary and analysis of this Plan, risk factors related to this Plan, and certain related matters. This Plan follows the closing of the sale of substantially all of Bear’s assets to Evergreen Metallurgical LLC, a Delaware limited liability company, and contemplates the liquidation of Bear’s unsold assets and the distribution of the proceeds of the sale liquidation pursuant to this Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, Bear reserves the right to alter, amend, modify, revoke, or withdraw this Plan prior to its substantial consummation.

ARTICLE I DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

1.1 Defined Terms

As used in this Plan, capitalized terms have the meanings set forth in Exhibit A. Any term that is not otherwise defined in this Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.2 Rules of Interpretation, Computation of Time, and Exhibits

1.2.1 Rules of Interpretation

For purposes of this Plan, unless otherwise provided in this Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or schedule Filed or to be Filed means such document or schedule, as it may have been or may be amended, modified, or supplemented pursuant to this Plan; (d) any reference to an entity as a Holder of a Claim or Interest includes that entity’s successors and assigns; (e) all references in this Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to this Plan; (f) the words “in this Plan,” “hereunder” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) subject to the provisions of any contract, certificate of formation, limited liability operating agreement, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

1.2.2 Computation of Time

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

1.2.3 Exhibits

All Exhibits are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits shall be filed with the Bankruptcy Court in accordance with this Plan. Holders of Claims and Interests may obtain a copy of the filed Exhibits upon written request to Bear. Upon their filing, the Exhibits may be inspected (a) in the office of the clerk of the Bankruptcy Court or its designee during normal business hours, (b) at the Claims and Noticing Agent's website (www.kccllc.net/gcmc), free of charge, and (c) for a fee, at the Bankruptcy Court's website (www.pawb.uscourts.gov) or through the Bankruptcy Court's PACER system. The Exhibits shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

The Disclosure Statement may be used as an aid for interpretation of this Plan to the extent that any provision of this Plan is determined to be vague or ambiguous. However, to the extent any statement in the Disclosure Statement conflicts with any provision of this Plan, this Plan controls.

ARTICLE II CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, statutory fees payable pursuant to 28 U.S.C. § 1930, and Priority Tax Claims, as described in Section 2.1, have not been classified and thus are excluded from the Classes described in Section 2.2. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

2.1 Unclassified Claims

2.1.1 Payment of Administrative Claims

a. Administrative Claims in General

Except as otherwise specified in this Section 2.1, and subject to the Bar Date provisions in this Plan, unless an order of the Bankruptcy Court provides otherwise, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Administrative Claim, Cash equal to the amount of such Allowed Administrative Claim on the later of (i) the Effective Date or (ii) the date on which such Administrative Claim becomes an Allowed Administrative Claim. In the event an Administrative Claim becomes an Allowed Administrative Claim after the Effective Date, it shall be paid from the proceeds of the Administrative Claims Reserve.

b. Statutory Fees

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 shall be paid by Bear or the Plan Administrator, as applicable, in Cash equal to the amount of such Allowed Administrative Claims. In the event the Bear Chapter 11 Case is not converted, closed, or dismissed, all fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date shall be paid Bear until the earlier of the conversion or dismissal of the Bear Chapter 11 Case under section 1112 of the Bankruptcy Code, or the closing of the Bear Chapter 11 Case pursuant to section 350(a) of the Bankruptcy Code.

c. Bar Dates for Administrative Claims

(i) General Administrative Claim Bar Date Provisions

Except as otherwise provided in this Plan or an order of the Bankruptcy Court, requests for payment of Administrative Claims that first arose or accrued as to or against Bear prior to the Petition Date must have been Filed by the Bar Date. Holders of Administrative Claims that first arose or accrued as to or against Bear prior to the Petition Date that did not File and serve such a request by the Bar Date are forever barred from asserting such Administrative Claims against Bear or its property and any such alleged Administrative Claims shall be deemed disallowed as of the Effective Date. Except as otherwise provided in this Plan or an order of the Bankruptcy Court, Holders of Administrative Claims that first arose or accrued as to or against Bear after the Petition Date, shall File a request for payment of an Administrative Claim within thirty (30) days after the Effective Date. Objections to requests for payment of Administrative Claims must be Filed by the Claims Objection Bar Date.

(ii) Professional Fee Claims

All Professional Fee Claims incurred by Professionals relating to the Bear Chapter 11 Case shall be (a) asserted by Professionals in accordance with the Interim Compensation Order and (b) paid in accordance with the Interim Compensation Order, the DIP Order, and the Committee Settlement Agreement.

2.1.2 Payment of Priority Tax Claims

a. Priority Tax Claims

On, or as soon as reasonably practicable after, the later of (a) the Effective Date or (b) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of its Priority Tax Claim, (i) Cash equal to the amount of such Allowed Priority Tax Claim or (ii) such other treatment as to which Bear and the Holder of the Allowed Priority Tax Claim shall have agreed upon in writing.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section 2.1.2.a, the Holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of any penalty (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code) arising with

respect to or in connection with the Allowed Priority Tax Claim. The Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from Bear or its property.

2.2 Classified Claims

2.2.1 Other Priority Claims (Class 1) – Unimpaired.

Each Holder of an Allowed Other Priority Claim shall receive, in full satisfaction of its Other Priority Claim, Cash equal to the amount of such Allowed Other Priority Claim on the later of (a) the Effective Date or (b) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim. Holders of Other Priority Claims are unimpaired and not entitled to vote to accept or reject the Plan.

2.2.2 DIP Claims (Class 2) – Unimpaired.

Subject to the terms of the Committee Settlement Agreement, Comilog, the sole Holder of an Allowed DIP Claim, will receive, as soon as practicable after the Effective Date, in full satisfaction of its Allowed DIP Claim, Cash equal to the amount of such Allowed DIP Claim on the Effective Date; provided, however, that such distribution shall be made in accordance with the terms of the Committee Settlement Agreement as follows: Bear will pay directly to Comilog eighty percent (80%) of any distributions made on account of the Allowed DIP Claim and will deposit the remaining twenty percent (20%) of such distributions into a trust account to be established jointly by Gulf and the Committee to fund the Creditor Recovery Pool. Comilog is Unimpaired and not entitled to vote to accept or reject the Plan.

2.2.3 Secured Claims (Class 3) – Unimpaired.

Unless the Holder of such Allowed Secured Claim and Bear agree to a different treatment, as soon as practicable after the later of (a) the Effective Date and (b) the date on which the Secured Claim is Allowed, in full satisfaction of its Allowed Secured Claim, each Holder of an Allowed Secured Claim shall receive, at the option of Bear: (x) the net proceeds of the sale of the property securing such Allowed Secured Claim, up to the Allowed amount of such Allowed Secured Claim; or (y) the return of property securing such Allowed Secured Claim; or (z) Cash equal to the value of the property securing such Allowed Secured Claim, up to the value of the Allowed Secured Claim; *provided, however*, if a Final Order has been entered prior to the Effective Date providing for treatment and distributions on account of an Allowed Secured Claim, the Allowed Secured Claim shall be treated as set forth in such Final Order. Holders of Secured Claims are unimpaired and not entitled to vote to accept or reject the Plan.

2.2.4 General Unsecured Claims (Class 4) – Unimpaired.

Each Holder of a General Unsecured Claim shall receive, in full satisfaction of its General Unsecured Claim, Cash equal to the amount of such General Unsecured Claim on the later of (a) the Effective Date or (b) the date on which such General Unsecured Claim becomes an Allowed General Unsecured Claim. Holders of General Unsecured Claim are unimpaired and not entitled to vote to accept or reject the Plan.

2.2.5 Interests (Class 5) – Impaired.

Subject to the terms of the Committee Settlement Agreement, Gulf, the sole Holder of Interests, shall receive a distribution of all remaining Cash after payment of the Face Amount of all Allowed Claims in full. In accordance with the Committee Settlement Agreement, to the extent Gulf owes Comilog any amounts pursuant to loans made by Comilog to Gulf in accordance with the DIP Order, the Plan Administrator shall, in an amount not to exceed such unpaid amounts due Comilog on account of Gulf: (a) pay eighty percent (80%) of any distributions made on account of the Allowed Interests directly to Comilog and (b) deposit the remaining twenty percent (20%) of such distributions into a trust account to be established jointly by Gulf and the Committee for the Creditor Recovery Pool. In the event the amount available for distributions to Gulf exceeds the amount owed by Gulf to Comilog, the Plan Administrator shall pay 100% of the remaining distributions directly to Gulf.

Gulf is Impaired and entitled to vote to accept or reject the Plan. Upon receipt of the distributions contemplated by this Plan, Gulf's Interests shall be deemed cancelled, null, and void.

2.3 Special Provisions Relating to the Rights of Setoff of Creditors

Nothing in this Plan shall expand or enhance a creditor's right of setoff, which shall be determined as of the Petition Date. Nothing in this Plan is intended to, or shall be interpreted to, approve any creditor's effectuation of a postpetition setoff, and creditors may not effectuate any postpetition setoff without the consent of Bear, unless prior Bankruptcy Court approval has been obtained.

ARTICLE III ACCEPTANCE OR REJECTION OF THE PLAN

3.1 Impaired Classes of Claims Entitled to Vote

Only the Holder of Class 5 Interests is entitled to vote to accept or reject this Plan.

3.2 Acceptance by an Impaired Class

In accordance with section 1126(d) of the Bankruptcy Code, an impaired Class of Interests shall have accepted this Plan if this Plan is accepted by the holders of at least two-thirds in amount that have timely and properly voted to accept or reject this Plan. Because Class 5 is Impaired, the vote of Gulf, the sole Holder of Class 5 Interests, shall be solicited. Class 5 is the only Impaired Class.

3.3 Presumed Acceptances by Unimpaired Classes

Allowed Other Priority Claims, Allowed Secured Claims, and Allowed General Unsecured Claims are not impaired by this Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims are conclusively presumed to have accepted this Plan, and the votes of the Holders of such Claims shall not be solicited.

ARTICLE IV
MEANS FOR IMPLEMENTATION OF THE PLAN

4.1 Restructuring Transactions

Bear shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan. Pursuant to section 1146(a) of the Bankruptcy Code, the following shall not be subject to any stamp Tax, real estate transfer Tax, mortgage recording Tax, sales or use Tax, or similar Tax: (a) the creation of any mortgage, deed of trust, lien, or other security interest; (b) the making or assignment of any lease or sublease; or (c) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with any of the foregoing or pursuant to the Plan.

4.2 Transition Services Agreement

Unless terminated prior to the Effective Date, Bear shall continue to perform under the Transition Services Agreement after the Effective Date until the Transition Services Agreement is terminated. To the extent necessary, Gulf shall fund any expense that Bear is required to incur in order to perform its obligations under the Transition Services Agreement.

4.3 Utility Deposits

All utilities holding a Utility Deposit shall immediately after the Effective Date return or refund such Utility Deposit to Bear. At the sole option of Bear, Bear may apply any Utility Deposit that has not been refunded to Bear in satisfaction of any payments due or to become due from Bear to a utility holding such a Utility Deposit.

4.4 Sources of Cash for Plan Distributions

Except as otherwise provided in this Plan or the Confirmation Order, all Cash necessary for the payments pursuant to this Plan shall be obtained from Bear's existing Cash balances. In accordance with the Committee Settlement Agreement, Bear waived and released all claims and causes of action against, among others, its creditors and Comilog arising out of Chapter 5 of the Bankruptcy Code.

4.5 Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan, including the releases set forth in Section 8.6, shall constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made pursuant to the Plan on account of any Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of Bear, its Estate, and Holders of Claims and

Interests and is fair, equitable, and reasonable; *provided, however*, that nothing in this Plan shall be deemed to supersede, modify, or alter the terms of the Committee Settlement Agreement.

4.6 Plan Administrator

The Plan Administrator (or any successor Plan Administrator) shall take control over, and responsibility for, the following obligations under the Plan:

- a. The Plan Administrator shall be authorized to, among other things, (i) pursue any causes of action that have not already been released or waived by Bear, if any; (ii) administer the Assets; (iii) make all distributions required under this Plan; (iv) object to any Claim and prosecute Claims pursuant to the provisions of this Plan; (v) retain professional advisors and other agents as the Plan Administrator deems appropriate; (vi) retain and compensate former employees of Bear for the purpose of administering this Plan; (vii) take all other actions necessary to implement the terms of this Plan. The Plan Administrator shall issue a report, at least semi-annually, setting forth the status of the Plan Administrator's activities. The Plan Administrator's report shall be simultaneously transmitted to counsel for Gulf, the Committee, and Comilog.
- b. If the Plan Administrator resigns or is removed, Gulf in its capacity as the sole Holder of Interests, with the consent of the Committee, which shall not be unreasonably withheld, shall promptly appoint a successor Plan Administrator. If the successor Plan Administrator does not deliver his or her written acceptance within 30 days after the preceding Plan Administrator resigns or is removed, Gulf may petition the Bankruptcy Court for the appointment of a successor Plan Administrator. Immediately after the delivery of the successor Plan Administrator's written acceptance: (A) the retiring Plan Administrator shall transfer all property held as Plan Administrator to the successor Plan Administrator, (B) the resignation or removal of the retiring Plan Administrator shall become effective and (C) the successor Plan Administrator shall have all the rights, powers and duties of the Plan Administrator under this Plan.
- c. After the Effective Date, attorneys, accountants and other persons employed or retained by the Plan Administrator shall be paid in the ordinary course of business by the Plan Administrator from the Assets. In addition, the Plan Administrator shall be entitled to be compensated from the Assets for his time at his customary hourly rate. The Plan Administrator's initial hourly rate shall be \$0.00 per hour, which rate is subject to periodic review and adjustment. The Plan Administrator shall also be reimbursed for all reasonable out-of-pocket expenses incurred in the performance of such duties hereunder.

- d. The Plan Administrator shall be indemnified by and receive reimbursement from the Assets against and from any and all loss, liability, expense, or damage which he may incur or sustain, in good faith and without gross negligence, in the exercise and performance of his powers and duties under the Plan. The Plan Administrator may use the Assets to purchase appropriate errors and omissions insurance. Gulf, the Committee, and Comilog shall be entitled to review all payments made under this Section for reasonableness, and any dispute with respect thereto may be resolved by the Bankruptcy Court. The Plan Administrator shall file semi-annual statements with the Bankruptcy Court setting forth all amounts paid to professionals from the Assets in the preceding six months, and the period of time that the payments represent.

ARTICLE V EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 Rejection of Executory Contracts and Unexpired Leases

To the extent not previously assumed or rejected in accordance with an Order of the Bankruptcy Court, all Executory Contracts, Unexpired Leases, or other agreements shall be deemed rejected pursuant to section 365 of the Bankruptcy Code as of the Effective Date.

5.2 Cure of Defaults

All Cure Amount Claims shall be deemed to have been satisfied in accordance with the terms and procedures of the Sale Order and Asset Purchase Agreement as of the Effective Date.

5.3 Bar Date for Rejection Damage Claims

To the extent not previously rejected in accordance with an Order of the Bankruptcy Court, Claims arising out of the rejection of an Executory Contract or Unexpired Lease pursuant to Section 5.1 must be Filed with the Bankruptcy Court and served on the Notice Parties by no later than thirty (30) days after the later of (a) notice of entry of an order approving the rejection of such Executory Contract or Unexpired Lease, including the Confirmation Order, or (b) notice of the entry of Confirmation Order, and upon allowance, shall be an Allowed General Unsecured Claim. Any Claims not Filed within such applicable time periods shall be forever barred from receiving a distribution from Bear or the Estate.

5.4 Approval of Rejection

Entry of the Confirmation Order shall constitute, pursuant to sections 365 and 1123 of the Bankruptcy Code, the approval of the rejection of all Executory Contracts and Unexpired Leases pursuant to Section 5.1 to the extent not previously assumed or rejected by order of the Bankruptcy Court.

5.5 Compensation and Benefit Programs

All employment and severance contracts and policies, and all compensation and benefit plans, policies, collective bargaining agreements, and programs of Bear applicable to its officers,

employees, retirees, and non-employee directors, including, without limitation, all deferred compensation plans, savings plans, pension plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life, and accidental death and dismemberment insurance plans and contracts, shall be deemed and treated as executory contracts under the Plan and on the Effective Date shall be rejected and terminated pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code. For the avoidance of doubt, Bear and its successors shall have no further obligation to perform under the foregoing programs.

ARTICLE VI PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in this Article VI, distributions of Cash to be made on the Effective Date to Holders of Claims as provided by Article II that are Allowed as of the Effective Date shall be made on the Effective Date or as promptly thereafter as practicable, but in any event no later than twenty (20) days after the Effective Date; or, with respect to undeliverable distributions, when the provisions of Section 6.4.2 are satisfied. Distributions on account of Claims that become Allowed after the Effective Date shall be made pursuant to Section 6.4.

6.2 Method of Distributions to Holders of Claims

The Plan Administrator shall make all distributions of Cash and other instruments or documents required under the Plan.

6.3 Delivery of Distributions and Undeliverable or Unclaimed Distributions

6.3.1 Delivery of Distributions

Distributions to Holders of Allowed Claims shall be made: (i) at the addresses set forth on the respective proofs of Claim or request for payment of Administrative Claim Filed by Holders of such Claims, as applicable; (ii) at the address for a Claim transferee set forth in a valid and timely notice of transfer of Claim Filed with the Bankruptcy Court; (iii) at the addresses set forth in any written notice of address change Filed with the Bankruptcy Court or delivered to the Claims and Noticing Agent after the date of Filing of any related proof of Claim; (iv) at the addresses reflected in Bear's Schedules if no proof of Claim has been Filed and the Claims and Noticing Agent has not received a written notice of a change of address; or (v) if clauses (i) through (iv) are not applicable, at the last address known or directed by such Holder after such Claim becomes an Allowed Claim.

6.3.2 Undeliverable Distributions Held by Disbursing Agents

a. Holding of Undeliverable Distributions

Subject to Section 6.3.2.c, distributions returned to Bear or otherwise undeliverable shall remain in the possession of the Plan Administrator until such time as a distribution becomes deliverable.

b. After Distributions Become Deliverable

On each Distribution Date, Bear shall make all distributions that became deliverable to Holders of Allowed Claims or Interests since the previous Distribution Date; *provided, however*, that the Plan Administrator may, in its sole discretion, establish a record date prior to each periodic Distribution Date, such that only unpaid Allowed Claims and Interests as of the record date shall participate in such periodic distribution. Notwithstanding the foregoing, the Plan Administrator shall retain the right, to the extent it determines a distribution on any periodic Distribution Date is uneconomical or unfeasible, or is otherwise inadvisable, to postpone a Distribution Date.

c. Failure to Claim Undeliverable Distributions

Any Holder of an Allowed Claim that does not assert its right to an undeliverable distribution within the earlier of one hundred and eighty (180) days of such distribution and the date that is thirty (30) days prior to the Final Distribution Date shall be forever barred from asserting any such Claim against Bear and its property or accounts. In such cases, unclaimed distributions held by the Plan Administrator shall be distributed to the Holder of Interests, in the manner described in Section 2.2.5 above, and Bear shall have no responsibility to make further distributions to such creditor. Any distributions that are made on the Final Distribution Date and that are undeliverable or (in the event of a distribution made by check) remain uncashed for ninety (90) days after the Final Distribution Date shall be distributed to the Holder of Interests, in the manner described in Section 2.2.5 above. Upon such distribution, the Plan Administrator shall be deemed to have satisfied its obligations to make distributions under the Plan and shall not be required to make additional distributions. Nothing contained in the Plan shall require the Plan Administrator to attempt to locate any Holder of an Allowed Claim.

6.3.3 Tax Information

The Plan Administrator shall require Holders of Allowed Claims to furnish the Plan Administrator an employer or tax identification number as assigned by the IRS or any other applicable governmental entity, and Bear may condition any Distribution to any Holder of an Allowed Claim upon receipt of such identification number. For the avoidance of doubt, the Plan Administrator may request Bankruptcy Court authority to release funds set aside for Distribution to Holders of Allowed Claims who have not provided proper tax identification numbers and make those funds available to the remaining Holders of Allowed Claims. The Plan Administrator shall not be required to make any distributions to Holders of Claims who have not provided the Plan Administrator with such requested tax reporting information.

6.4 Timing and Calculation of Amounts to be Distributed

6.4.1 Initial Distributions on Account of Allowed Claims and Interests

Distributions to be made to Holders of Allowed Other Priority Claims, Allowed DIP Claims, Allowed Secured Claims, Allowed General Unsecured Claims, and Allowed Interests shall be made as soon as practicable after the date such Claim or Interest becomes an Allowed or the Effective Date, whichever is later but in no event later than twenty (20) days after such Claim becomes Allowed.

6.4.2 Subsequent Distributions on Account of Allowed Unsecured Claims and Interests

a. Selection of Distribution Dates

Except where this Plan requires the making of a distribution on account of a particular Allowed Claim or Interest within a particular time, the Plan Administrator shall have the authority to select Distribution Dates that, in the judgment of the Plan Administrator, provide Holders of Allowed Claims and Interests with payments as quickly as reasonably practicable while limiting the costs incurred by the distribution process; *provided, however*, that a Distribution Date must occur at least once every six months, if any amounts are available for distribution on such date, subject to Section 6.3.2.b.

b. Estimation of Claims

The Plan Administrator may, at any time, request that the Bankruptcy Court, on proper notice, estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Disputed Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any Disputed Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Disputed Claims may be estimated and subsequently comprised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

c. Provisions for Excess Funds

After the Final Distribution Date, if the Plan Administrator receives or retains any funds and, in good faith, does not believe that an additional distribution will be cost effective or materially beneficial to Holders of Claims, the Plan Administrator shall distribute such excess funds to the Holder of Interests, in the manner described in Section 2.2.5 above.

6.4.3 Provisions Governing Administrative Claims Reserve

a. Funding

On the Effective Date or otherwise prior to the initial distributions under Article VI, Bear shall establish the Administrative Claims Reserve for the benefit of Holders of Allowed Administrative Claims that were incurred after the Petition Date, but which remained unpaid as of the Effective Date. Solely for the purpose of calculating the Assets to be contributed to the Administrative Claims Reserve, the Plan Administrator shall fund the Administrative Claims Reserve in an amount no less than the aggregate of: (a) the Face Amount of all unpaid Administrative Claims Filed as of the Effective Date, and (b) any additional amounts on account of unpaid Administrative Claims that Bear, after consultation with the Committee and Comilog, reasonably believes accrued after the Petition Date, but for which no request for payment of such Administrative Claim has been made as of the Effective Date. In

making and establishing the Administrative Claims Reserve with respect to unliquidated claims, Bear or the Plan Administrator may rely on estimates as to Administrative Claims and shall have no liability therefore in the absence of bad faith or gross negligence, and the Plan Administrator shall have no liability for such estimation of unliquidated Administrative Claims in the absence of bad faith or gross negligence. As Administrative Claims are resolved, the Plan Administrator shall make adjustments to the reserves for Administrative Claims, but the Plan Administrator shall not be required to increase such reserves from and after the Effective Date. The Plan Administrator may File a motion seeking an order of the Bankruptcy Court approving additional procedures for the establishment of the Administrative Claims Reserve.

b. Recourse

Each Holder of an Administrative Claim that has not been paid as of the Effective Date, and that ultimately becomes an Allowed Administrative Claim, shall have recourse only against the Administrative Claims Reserve and not to any Assets previously distributed on account of any Allowed Claim.

c. No Transfer of Rights

The rights of Holders of Allowed Administrative Claims to receive distributions from the Administrative Claims Reserve in accordance with the Plan shall be non-transferable, except with respect to a transfer by will, the laws of descent and distribution, or operation of law.

6.4.4 Provisions Governing Disputed Claims Reserve

a. Funding

On the Effective Date or otherwise prior to the initial distributions under Article VI, the Disputed Claims Reserve shall be established by Bear for the benefit of Holders of Disputed Claims that become Allowed Claims. Solely for the purpose of calculating the Assets to be contributed to the Disputed Claims Reserve, all Disputed Claims shall be treated (solely for purposes of establishing the Disputed Claims Reserve) as Allowed Claims in the Face Amount of such Claims as of the Effective Date. In making and establishing the Disputed Claims Reserve with respect to unliquidated claims, Bear or the Plan Administrator, after consultation with the Committee and Comilog, may rely on estimates as to Disputed Claims and shall have no liability therefore in the absence of bad faith or gross negligence, and Bear or the Plan Administrator shall have no liability for its estimation of unliquidated Disputed Claims in the absence of bad faith or gross negligence. As Disputed Claims are resolved, the Plan Administrator shall make adjustments to the reserves for Disputed Claims, but the Plan Administrator shall not be required to increase such reserves from and after the Effective Date. The Plan Administrator or the Committee may File a motion seeking an order of the Bankruptcy Court approving additional procedures for the establishment of the Disputed Claims Reserve.

b. Recourse

Any Claim that is Allowed following an objection or other dispute shall be paid from the Disputed Claims Reserve in the amount allowed by the Bankruptcy Court or as set forth in any settlement with the Plan Administrator. Each Holder of an Allowed Claim and each Holder of a Disputed Claim that ultimately becomes an Allowed Claim shall have recourse only

against the Disputed Claims Reserve and not to any Assets previously distributed on account of any Allowed Claim.

c. No Transfer of Rights

The rights of Holders of Allowed Claims to receive distributions from the Disputed Claims Reserve in accordance with the Plan shall be non-transferable, except with respect to a transfer by will, the laws of descent and distribution, or operation of law.

6.5 Other Provisions Applicable to Distributions in All Classes

6.5.1 Postpetition Interest

On and after the Petition Date, no interest shall have accrued on any Claim that is not an Allowed DIP Claim or an Allowed Secured Claim that is oversecured.

6.5.2 Allocation of Distributions

All distributions to a Holder of an Allowed Claim that has components of principal and interest shall be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such distributions, if any, shall be deemed to apply to any applicable accrued interest included in such Claim.

6.6 Holders of Record

Transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 for which a notice of transfer has been Filed on or prior to the close of business on the Confirmation Date shall be treated as the Holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Confirmation Date. No transfers Filed with the Bankruptcy Court after the Confirmation Date shall be recognized by Bear or the Plan Administrator.

6.7 Means of Cash Payments

Except as otherwise specified in this Plan, Cash payments made pursuant to the Plan shall be in U.S. currency by checks drawn on a domestic bank selected by Bear, or by wire transfer, electronic funds or ACH from a domestic bank; *provided, however*, that Cash payments to foreign Holders of Allowed Claims may be made, in the sole discretion of the Plan Administrator, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

6.8 Withholding Requirements

6.8.1 Withholding

In connection with the Plan, to the extent applicable, Bear and/or the Plan Administrator shall comply with all applicable Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to applicable withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, Bear and/or the Plan Administrator shall be authorized to take any actions that may be

necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding Taxes or establishing any other mechanisms Bear and/or the Plan Administrator believes are reasonable and appropriate, including requiring Claim Holders to submit appropriate Tax and withholding certifications. To the extent any Claim Holder fails to submit appropriate Tax and withholding certifications as required by Bear and/or the Plan Administrator, such Claim Holder's distribution shall be deemed undeliverable and subject to Section 6.4.2.

6.8.2 Distributions

Notwithstanding any other provision of the Plan, each entity receiving a distribution of Cash pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of the distribution, including income, withholding and other Tax obligations.

6.8.3 Allocations

Bear and/or the Plan Administrator reserves the right to allocate and distribute all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens, and similar encumbrances.

6.9 Setoffs

Except with respect to claims of Bear released pursuant to the Plan or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Plan Administrator may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim) the claims, rights, and causes of action of any nature that Bear may hold against the Holder of such Allowed Claim; *provided, however*, that neither the failure to effect a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by Bear of any claims, rights, and causes of action that Bear may possess against a Claim Holder, which are expressly preserved.

ARTICLE VII PROCEDURES FOR RESOLVING DISPUTED CLAIMS

7.1 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made on account of a Disputed Claim unless and until such Claim becomes an Allowed Claim.

7.2 Prosecution of Objections to Claims

7.2.1 Objections to Claims

All objections to Claims must be Filed and served on the Holders of such Claims, and any amendment to the Schedules to reduce the scheduled Claim of such Holder, must be made by the Plan Administrator no later than the Claims Objection Bar Date.

7.2.2 Authority to Prosecute Objections

On or after the Effective Date, the Plan Administrator shall have the sole authority to File, settle, compromise, withdraw, or litigate to judgment objections to Claims; provided, that the Plan Administrator shall provide notice to counsel for the Gulf, the Committee, and Comilog prior to Filing, settling, compromising, withdrawing, or litigating any objections to Claims.

7.2.3 Authority to Amend Schedules

After the Effective Date, the Plan Administrator shall have the authority to amend the Schedules with respect to any Claim, and to make distributions based on such amended Schedules without approval of the Bankruptcy Court, *provided, however*, that the Plan Administrator shall seek prior approval from the Bankruptcy Court prior to increasing by more than \$50,000 the proposed Allowed amount of any Claim on the Schedules. In addition, if any such amendment to the Schedules reduces the amount of a Claim or changes the nature or priority of a Claim, the Plan Administrator shall provide the Holder of such Claim with notice of such amendment and such Holder shall have thirty (30) days to File an objection to such amendment with the Bankruptcy Court. The notice shall contain the same specificity to affected creditors that would be required if the Schedules amendment was a Claim objection. If no such objection is Filed, the Plan Administrator may proceed with distributions based on such amended Schedules without approval of the Bankruptcy Court. Notwithstanding anything contained in this Section 7.2.3 or this Plan to the contrary, the Plan Administrator shall have the authority to object to the amount of any Claim indicated on the Schedules if the Plan Administrator determines in good faith that the Claim is fully or partially invalid or has previously been paid or satisfied. The Plan Administrator shall promptly provide copies of any amended Schedules to counsel for Gulf, the Committee, and Comilog.

7.2.4 Request for Extension of Claims Objection Bar Date

Upon motion to the Bankruptcy Court, the Plan Administrator may request, and the Bankruptcy Court may grant, an extension to the Claims Objection Bar Date generally or with respect to a specific list of Claims. Any extension granted by the Bankruptcy Court shall not be considered to be a Plan modification under section 1127 of the Bankruptcy Code.

7.3 Distributions on Account of Disputed Claims Once Allowed

Distributions on account of Disputed Claims that become Allowed Claims after the Effective Date shall be made in accordance with Section 6.4 of the Plan.

ARTICLE VIII CONFIRMATION OF THE PLAN

8.1 Conditions Precedent to Confirmation

The following conditions are conditions to the entry of the Confirmation Order unless such conditions, or any of them, have been satisfied or duly waived pursuant to Section 8.3:

A. The Confirmation Order shall be reasonably acceptable in form and substance to the Debtors, the Committee, and Comilog.

B. The Plan shall not have been materially amended, altered, or modified from the Plan as Filed on October 26, 2016, unless such material amendment, alteration or modification has been made in accordance with Section 10.1 of the Plan.

8.2 Conditions Precedent to the Effective Date

The Effective Date shall not occur, and the Plan shall not be consummated, unless and until each of the following conditions have been satisfied or duly waived pursuant to Section 8.3:

A. The Bankruptcy Court shall have entered the Confirmation Order, and the Confirmation Order shall be a Final Order.

B. No stay of the Confirmation Order shall then be in effect.

C. The Plan shall not have been materially amended, altered, or modified from the Plan as confirmed by the Confirmation Order, unless such material amendment, alteration, or modification has been made in accordance with Section 10.1 of the Plan.

D. Bear funds each of the Administrative Claims Reserve, Disputed Claims Reserve, and the trust account for the benefit of the Creditor Recovery Pool.

8.3 Waiver of Conditions to Confirmation or Effective Date

The conditions to Confirmation and the conditions to the Effective Date may be waived in whole or in part at any time only by written consent of the Debtors without an order of the Bankruptcy Court; provided, however, that the condition set forth in section 8.2(D) of this Plan may only be waived after consultation with the Committee and Comilog or after entry an order of the Bankruptcy Court; provided, further, that the Debtors shall notify counsel for the Committee and Comilog prior to waiving any condition that is waivable under this Plan.

8.4 Cramdown

Bear requests Confirmation under section 1129(b) of the Bankruptcy Code with respect to any Class that is determined to be impaired or any Holder of Claim or Interest that has not accepted or is deemed not to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code, including, to the extent necessary, Disputed Claims not entitled to vote under the Plan.

8.5 Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date is not satisfied or duly waived in accordance with Section 8.3, then upon motion by Bear made before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court; *provided, however,* that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied or waived before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section 8.5: (1) the Plan shall be null and void in all respects, including with respect to the releases described in Section 8.6; (2) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims by or against Bear or (b) prejudice in any manner the rights of Bear or any other party in interest.

8.6 Effect of Confirmation of the Plan

8.6.1 Limitation of Rights of Holders of Claims

Pursuant to section 1141(d)(3) of the Bankruptcy Code, Confirmation shall not discharge Claims against Bear; *provided, however*, that no Holder of a Claim against Bear may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, Bear, or property of the Estate, except as expressly provided in the Plan.

8.6.2 Injunction

EXCEPT AS PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, AS OF THE CONFIRMATION DATE, ALL ENTITIES THAT HAVE HELD, CURRENTLY HOLD, OR MAY HOLD A CLAIM OR OTHER DEBT OR LIABILITY AGAINST BEAR OR AN INTEREST OR OTHER RIGHT OF AN EQUITY SECURITY HOLDER SHALL BE DEEMED PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS ON ACCOUNT OF ANY SUCH CLAIMS, DEBTS, LIABILITIES, INTERESTS, OR RIGHTS: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING AGAINST THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING IN ANY MANNER ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE AGAINST THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; (D) ASSERTING A RIGHT OF SUBORDINATION OF ANY KIND AGAINST ANY DEBT, LIABILITY, OR OBLIGATION DUE TO THE EXCULPATED PARTIES OR THEIR RESPECTIVE PROPERTY; AND (E) COMMENCING OR CONTINUING ANY ACTION, IN ANY MANNER, IN ANY PLACE THAT DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN.

8.6.3 Exculpation

SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF A CLAIM OR INTEREST OR ANY OTHER PARTY FOR ANY ACT OR OMISSION IN CONNECTION WITH, RELATED TO, OR ARISING OUT OF, THE BEAR CHAPTER 11 CASE AND THE PLAN, THE PURSUIT OF CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, OR THE ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN; PROVIDED THAT THE EXCULPATED PARTIES SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES UNDER THE PLAN; PROVIDED FURTHER THAT NOTHING IN THE PLAN SHALL, OR SHALL BE DEEMED TO, RELEASE THE EXCULPATED PARTIES, OR EXCULPATE THE EXCULPATED PARTIES WITH RESPECT TO, THEIR RESPECTIVE OBLIGATIONS OR COVENANTS, IF ANY, ARISING PURSUANT TO THE PLAN AND NOTHING IN THE PLAN SHALL BE DEEMED TO RELEASE THE EXCULPATED PARTIES, OR EXCULPATE THE EXCULPATED PARTIES, WITH RESPECT TO WILLFUL MISCONDUCT OR GROSS

NEGLIGENCE. NOTHING HEREIN SHALL (I) LIMIT ANY OF THE RELEASES PROVIDED FOR IN THE COMMITTEE SETTLEMENT AGREEMENT OR THE DIP ORDER, OR OTHERWISE MODIFY, ALTER, OR AMEND ANY OF THE TERMS OF THE COMMITTEE SETTLEMENT AGREEMENT OR THE DIP ORDER; (II) EXCULPATE ANY OF THE EXCULPATED PARTIES FOR ANY ACTS OR OMISSIONS IN CONNECTION WITH THE GULF CHAPTER 11 CASE; (III) EXCUSE ANY PROFESSIONAL RETAINED IN THE DEBTORS' CHAPTER 11 CASES FROM SEEKING BANKRUPTCY COURT APPROVAL OF PROFESSIONAL FEES AND/OR ABIDING BY ANY BANKRUPTCY COURT ORDER REGARDING THE PAYMENT OF PROFESSIONAL FEES.

8.7 Effect of Entry of Confirmation Order

8.7.1 Finding that Votes on Plan Solicited in Good Faith

Entry of the Confirmation Order shall constitute a finding and judgment that votes for acceptance and rejection of the Plan were solicited in good faith and in compliance with sections 1125 and 1126 of the Bankruptcy Code and all other applicable provisions of the Bankruptcy Code, Bankruptcy Rules 3017, 3018, and 3019, the Disclosure Statement, all orders of the Bankruptcy Court, and any other applicable rules, laws, and regulations.

8.7.2 Plan Complies with Section 1129 of the Bankruptcy Code

Entry of the Confirmation Order shall constitute a finding and judgment that the Plan complies with section 1129 of the Bankruptcy Code.

8.7.3 Compromises and Settlements Comply with the Bankruptcy Code and the Bankruptcy Rules

Entry of the Confirmation Order shall constitute a finding and judgment that the compromises and settlements embodied in and contemplated by the Plan are in compliance with section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, are in the best interests of Bear, its Estate, and all Holders of Claims and Interests, are fair, equitable, and reasonable, and are approved.

8.7.4 Effect of Modification Confirmation Order

Entry of the Confirmation Order shall constitute a finding and judgment that, if any of the provisions of the Confirmation Order are thereafter reversed, modified, or vacated by subsequent order of the Bankruptcy Court or any other court, such reversal, modification, or vacatur shall not affect the validity of the acts and or obligations incurred or undertaken under or in connection with the Plan prior to Bear's receipt of written notice of such order. Notwithstanding any such reversal, modification, or vacatur of the Confirmation Order, any such act or obligation incurred or undertaken pursuant to, or in reliance on, the Confirmation Order prior to the effective date of such reversal, modification, or vacatur shall be governed in all respect by the provision of the Confirmation Order and the Plan and all related documents or any amendments or modifications thereto.

8.8 Service of Notice of Entry of Confirmation Order

In accordance with Bankruptcy Rules 2002(f)(7) and 3020(c)(2), the Plan Administrator is directed to serve a notice of entry of the Confirmation Order and notice of the occurrence of the Effective Date upon (a) all parties listed in the creditor matrix maintained by the Claims and Noticing Agent and (b) such additional persons and entities as deemed appropriate by the Plan Administrator, no later than five (5) Business Days after the Effective Date. The Plan Administrator shall publish the notice of the entry of the Confirmation Order and notice of the occurrence of the Effective Date in the Pittsburgh Post-Gazette and the Butler County Legal Journal within seven (7) Business Days after the Effective Date. As soon as practicable after entry of this Order, the Plan Administrator shall cause copies of the Confirmation Order to be available on the Claims and Noticing Agent's website at www.kccllc.net/gcmc, and as soon as practicable after the Effective Date, the Plan Administrator shall cause copies of the notice of entry of the Confirmation Order and notice of occurrence of the Effective Date to be available on the same website.

8.9 Request for Waiver of Stay of Confirmation Order

This Plan shall serve as a motion seeking a waiver of the stay of the Confirmation Order imposed by Bankruptcy Rule 3020(e). Any objection to this request for waiver shall be Filed with the Bankruptcy Court and served on the Notice Parties on or before the date fixed by the Bankruptcy Court for filing objections to Confirmation of the Plan. In the event any such objections are timely Filed, a hearing with respect thereto shall occur at the Confirmation Hearing.

ARTICLE IX RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Bear Chapter 11 Case after the Effective Date as is legally permissible, including jurisdiction to:

A. Allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the amount, allowance, priority, or classification of Claims;

B. Resolve any issues arising under the Asset Purchase Agreement or the Sale Order;

C. Either grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;

D. Resolve any matters related to the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which Bear is a party or with respect to which Bear may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom, including any Cure Amount Claims;

E. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

F. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and either grant or deny any applications involving Bear that may be pending on the Effective Date or brought thereafter;

G. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

H. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan or any contract, instrument, release, or other agreement or document that is entered into or delivered pursuant to the Plan or any entity's rights arising from or obligations incurred in connection with the Plan or such documents;

I. Modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement, or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into, delivered, or created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan;

J. Issue injunctions, enforce the injunctions or releases contained in the Plan and the Confirmation Order, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of the Plan or the Confirmation Order;

K. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated or distributions pursuant to the Plan are enjoined or stayed;

L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

M. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Bear Chapter 11 Case;

N. Enter a final decree or decrees closing the Bear Chapter 11 Case;

O. Determine matters concerning state, local, and federal Taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any Disputed Claims for Taxes;

P. Hear all matters arising out of the consummation of the Sale;

Q. Recover all assets of Bear and its Estate, wherever located; and

R. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE X MISCELLANEOUS PROVISIONS

10.1 Amendment or Modification of the Plan

Subject to the restrictions on alteration, amendment and modification set forth in section 1127 of the Bankruptcy Code, Bear reserves the right to alter, amend, or modify the Plan before the Effective Date. Gulf, the sole party entitled to vote to accept this Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or such Holder. Notwithstanding the foregoing, any alteration, amendment, or modification of the Plan shall be consistent in all respects with the Committee Settlement Agreement.

10.2 Revocation, Withdrawal, or Non-Consummation of the Plan

Bear reserves the right to revoke or withdraw this Plan prior to the Confirmation Date and to file subsequent plans of liquidation. If Bear revokes or withdraws this Plan, or if confirmation or consummation does not occur, then: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), rejection of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, Bear or any other Person, (ii) prejudice in any manner the rights of Bear or any other Person or Entity, or (iii) constitute an admission of any sort by Bear or any other Person or Entity.

10.3 Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

10.4 Successors and Assigns

This Plan shall be binding upon and inure to the benefit of Bear and its successors and assigns and the Estate. The rights, benefits, and obligations of any Entity or Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Entity or Person.

10.5 Notice

All notices, requests, and demands to or upon Bear or the Plan Administrator to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to

have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

MCDONALD HOPKINS LLC
600 Superior Avenue, East
Suite 2100
Cleveland, Ohio 44114
Telephone: (216) 348-5400
Attn: Sean D. Malloy

with a copy to:

LOWENSTEIN SANDLER LLP
65 Livingston Avenue
Roseland, NJ 07068
Attn: Michael S. Etkin and S. Jason Teele

and

LEECH TISHMAN FUSCALDO & LAMPL
525 William Penn Place
28th Floor
Pittsburgh, PA 15219
Attn: John Steiner

10.6 Effectuating Documents and Further Transactions

Bear is authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan.

10.7 Payment of Statutory Fees

All fees due and payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date.

10.8 Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules, or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Pennsylvania, without giving effect to the principles of conflicts of law of such jurisdiction.

10.9 Exhibits

All Exhibits to this Plan are incorporated and are a part of this Plan as if set forth in full herein.

10.10 Filing of Additional Documents

On or before substantial consummation of this Plan, Bear shall File such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

10.11 Events of Default

Unless otherwise provided elsewhere in the Plan, default with respect to Bear's obligations under the Plan to any Person entitled to receive a Distribution under the Plan shall not occur unless and until such Person has delivered written notice of such default to the Plan Administrator and the Plan Administrator has failed to cure such default within thirty (30) days after receipt of such written notice. If the Plan Administrator fails to cure a default, a Person shall have such remedies provided under applicable law.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

Dated: October 26, 2016

Respectfully submitted,

BMC LIQUIDATION COMPANY, F/K/A
BEAR METALLURGICAL COMPANY

/s/ Eric Caridroit

Eric Caridroit

Title: Chief Executive Officer

EXHIBIT A

DEFINED TERMS

As used in the Plan, capitalized terms have the meanings set forth below. Any term that is not otherwise defined in this Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as each such term is defined below), will have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1. “Administrative Claim” means any Claim for costs and expenses of administration of the Bear Chapter 11 Case that is Allowed under section 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (x) actual and necessary costs and expenses incurred after the Petition Date in connection with preserving Bear’s Estate and operating the business of Bear; (y) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses Allowed by the Bankruptcy Court under sections 328, 330, 331, or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (z) all Statutory Fees.

2. “Administrative Claims Reserve” means the reserve of Bear’s assets, which reserve will maintain Cash in an amount equal to 100% of all Unpaid Administrative Claims that were incurred after the Petition Date, but which remained unpaid as of the Effective Date, which Cash will be held in trust for distributions to Holders of such Claims that become Allowed Administrative Claims.

3. “Allowed... Claim” means an Allowed Claim in the particular Class or category specified.

4. “Allowed Claim” when used herein means:

(a) a Claim that (i) has been listed by Bear on its Schedules as other than disputed, contingent, or unliquidated and (ii) is not a Disputed Claim;

(b) a Claim (i) for which a proof of Claim or request for payment of Administrative Claim (or similar request) has been Filed by the Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;

(c) a Claim that is expressly allowed: (i) in any stipulation or agreed order of the Bankruptcy Court executed by Bear and the Claim Holder; (ii) in any contract, instrument, or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan; or

(d) a Claim that Bear determines prior to the Claims Objection Bar Date (i) will not be subject to an objection or to an amendment to the Schedules and (ii) will be satisfied in accordance with the terms of the Plan.

5. “Asset Purchase Agreement” means that certain asset purchase agreement by and between Bear and the Purchaser attached to the Sale Order as Exhibit A.

6. “Assets” means all of Bear’s property, rights, and interests that are property of Bear’s Estate pursuant to section 541 of the Bankruptcy Code.

7. “Ballot” means the form or forms distributed to each Holder of a Class 3 DIP Claim and Class 5 Interest entitled to vote on the Plan on which the Holder indicates, among other things, either acceptance or rejection of the Plan.

8. “Bankruptcy Code” means title 11 of the United States Code, as now in effect or hereafter amended, as applicable to the Bear Chapter 11 Case.

9. “Bankruptcy Court” means the United States Bankruptcy Court for the Western District of Pennsylvania.

10. “Bankruptcy Rules” means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to the Bear Chapter 11 Case.

11. “Bar Date” means a bar date established by the Bankruptcy Court, which is December 12, 2016, for all Claims arising prior to the Petition Date.

12. “Bear” means debtor BMC Liquidation Company (f/k/a Bear Metallurgical Company), a Delaware corporation, whose Bear Chapter 11 Case is being jointly administered with the Gulf Chapter 11 Case under Case No. 16-22192-JAD.

13. “Bear Chapter 11 Case” means the case commenced under chapter 11 of the Bankruptcy Code by Bear in the Bankruptcy Court, Case No. 16-22192-JAD. For the avoidance of doubt, while the Bear Chapter 11 Case is being jointly administered with the Gulf Chapter 11 Case, they are to separate bankruptcy cases.

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

15. “Cash” means legal tender of the United States of America and equivalents thereof.

16. “Chapter 11 Cases” means the Bear Chapter 11 Case and the Gulf Chapter 11 Case.

17. “Claim” means a claim (as defined in section 101(5) of the Bankruptcy Code) against Bear.

18. “Claims and Noticing Agent” means Kurtzman Carson Consultants.

19. “Claims Objection Bar Date” means, for all Claims (other than Professional Fee Claims, which are treated in Section 2.1.1.c(ii) of the Plan), the latest of: (x) 150 days after the Effective Date, subject to extension by order of the Bankruptcy Court; (y) 90 days after the Filing of a proof of Claim for such Claim; and (z) such other period of limitation as may be

specifically fixed by the Plan, the Confirmation Order, the Bankruptcy Rules, or a Final Order for objecting to such a Claim.

20. “Class” means a class of Claims or Interests, as described in Article II of the Plan.
21. “Comilog” means Comilog Holding.
22. “Committee” means the statutory official committee of unsecured creditors appointed by the United States Trustee in the Debtors’ Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code on June 30, 2016 (Docket No. 102).
23. “Committee Settlement Agreement” means that certain Settlement Agreement, dated August 29, 2016 by and between the Debtors, the Committee, and Comilog, which was approved by the *Order Granting Expedited Motion of Debtors for Order Approving Settlement Agreement by and Among the Debtors, Official Committee of Unsecured Creditors, and Comilog Holding*, dated September 13, 2016 (Docket No. 370).
24. “Confirmation” means the entry of the Confirmation Order on the docket of the Bankruptcy Court.
25. “Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order on its docket within the meaning of Bankruptcy Rules 5003 and 9021.
26. “Confirmation Hearing” means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued from time to time.
27. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.
28. “Creditor Recovery Pool” means the pool of funds created pursuant to Paragraph 4 of the Committee Settlement Agreement.
29. “Cure Amount Claim” means any Claim based upon Bear’s monetary defaults under an Executory Contract or Unexpired Lease that is to be paid in connection with the assumption and assignment of such contract or lease under section 365 of the Bankruptcy Code.
30. “Debtors” means Gulf and Bear.
31. “Debtors’ Chapter 11 Cases” means, collectively, the Bear Chapter 11 Case and the Gulf Chapter 11 Case.
32. “DIP Claim” means any claim held by Comilog on account of its postpetition debtor in possession loans made to Bear in accordance with the DIP Order.
33. “DIP Order” means, collectively, the Interim DIP Orders and the Final DIP Order.
34. “Disclosure Statement” means the disclosure statement (including all exhibits and schedules thereto or referenced in this Plan) that relates to this Plan and that has been prepared

and distributed by Bear, pursuant to section 1125(g) of the Bankruptcy Code, as the same may be amended, modified, or supplemented.

35. “Disputed Claim” means any Claim: (x) as to which Bear, the Plan Administrator, or another party in interest with standing has interposed a timely objection or otherwise contested or disputed the Claim or interposed a request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by the Bankruptcy Court pursuant to a Final Order, or (y) that is listed on the Schedules as unliquidated, disputed, or contingent.

36. “Disputed Claims Reserve” means the reserve of Bear’s Assets, which reserve will maintain Cash in an amount equal to 100% of the Disputed Claim as of the Effective Date in trust for distributions to Holders of Disputed Claims that become Allowed Claims.

37. “Distribution Date” means a date selected by the Plan Administrator in accordance with the terms of the Plan or other applicable documents to make distributions on account of Allowed Claims and Interests.

38. “Effective Date” means a day, as determined by Bear, that is the Business Day as soon as reasonably practicable after all conditions to the Effective Date in Section 8.2 of the Plan have been met or waived in accordance with Section 8.3 of the Plan; *provided, however*, Bear reserves the right to request that the Bankruptcy Court establish a date certain for the Effective Date in the Confirmation Order.

39. “Estate” means the estate created for Bear in the Bear Chapter 11 Case, pursuant to section 541 of the Bankruptcy Code.

40. “Evergreen” means Evergreen Metallurgical LLC, a Delaware limited liability company, as purchaser in accordance with the terms of the Asset Purchase Agreement.

41. “Exculpated Parties” means Bear, any of Bear’s Representatives and Professionals, the members of the Committee (in their capacities as such), any Representative or Professional of the Committee or a member of the Committee, the Plan Administrator, and any of the Plan Administrator’s Representatives, acting in such capacity.

42. “Executory Contract or Unexpired Lease” means a contract or lease to which Bear is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code, and includes any modifications, amendments, addenda, or supplements thereto or restatements thereof.

43. “Face Amount” means either: (x) the full stated amount claimed by the Holder of a Claim in any proof of Claim Filed by the Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim specifies only a liquidated amount; (y) if no proof of Claim is Filed by the Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on Bear’s Schedules, *provided that* such amount is not listed as disputed, contingent, or unliquidated; or (z) the amount of the Claim (i) acknowledged by Bear in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or (iii) proposed by Bear, if (A) no proof of Claim has

been Filed by the Bar Date or has otherwise been deemed timely Filed under applicable law and such amount is not listed in Bear's Schedules or is listed in Bear's Schedules as disputed, contingent, or unliquidated or (B) the proof of Claim specifies an unliquidated amount (in whole or in part).

44. "File," "Filed" or "Filing" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Bear Chapter 11 Case.

45. "Final DIP Order" means the Final Order: (i) Authorizing Debtors to Obtain Secured Post-Petition Financing and Use of Cash Collateral; (ii) Granting Adequate Protection; (iii) Modifying the Automatic Stay; (iv) Setting Final Hearing; and (v) Granting Related Relief (Docket No. 377), entered on September 13, 2016, and as subsequently amended, which, among other things, authorized the Debtors to obtain postpetition secured financing from Comilog.

46. "Final Distribution Date" for a particular Class of Claims means the Distribution Date upon which a final distribution to Holders of Allowed Claims or Interests in the Class is to be made.

47. "Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Bear Chapter 11 Case, or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or petition for certiorari or move, under Bankruptcy Rule 9023 and/or Rule 59 of the Federal Rules of Civil Procedure, for a new trial, reargument, or rehearing has expired, and no appeal or petition for certiorari or other proceeding for a new trial, reargument, or rehearing has been timely taken or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, or the new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order.

48. "General Unsecured Claim" means any Claim that is not an Administrative Claim, Professional Fee Claim, Priority Tax Claim, Other Priority Claim, DIP Claim, or Secured Claim.

49. "Gulf" means Gulf Chemical & Metallurgical Corporation, a Texas corporation, whose Gulf Chapter 11 Case is being jointly administered with the Bear Chapter 11 Case under Case No. 16-22192-JAD.

50. "Gulf Chapter 11 Case" means the case commenced under chapter 11 of the Bankruptcy Code by Gulf in the Bankruptcy Court, Case No. 16-22195-JAD. For the avoidance of doubt, while the Gulf Chapter 11 Case is being jointly administered with the Bear Chapter 11 Case, they are to separate bankruptcy cases.

51. "Holder" means a party that holds or is deemed to hold a Claim or Interest, as the case may be.

52. "Interest" means the rights and interest of the holder of any instrument evidencing an ownership interest in Bear.

53. “Interim Compensation Order” means the Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals, dated July 12, 2016 (Docket No. 180).

54. “Interim DIP Orders” means, collectively, all interim orders authorizing the Debtors to obtain postpetition secured financing from Comilog (Docket Nos. 73, 163, 218, 255, 289).

55. “Liabilities” means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity, or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure, or other occurrence taking place on or prior to the Effective Date.

56. “Notice Parties” means: counsel for Bear, counsel for the Committee, and the United States Trustee.

57. “Other Priority Claim” means any Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code and that is not an Administrative Claim or a Priority Tax Claim.

58. “Person” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, or other entity.

59. “Petition Date” means June 14, 2016, the date on which Bear Filed its petition for relief and commenced the Bear Chapter 11 Case.

60. “Plan” means the plan of liquidation filed by Bear, as the same may be amended, modified, or supplemented.

61. “Plan Administrator” means Eric Caridroit in his capacity set forth in Section 4.6 of the Plan.

62. “Priority Tax Claim” means any Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

63. “Professional” means any professional employed in the Bear Chapter 11 Case pursuant to sections 327, 328, 333, 363, or 1103 of the Bankruptcy Code, or any professional or other Person seeking compensation or reimbursement of expenses in connection with the Bear Chapter 11 Case pursuant to section 503(b)(4) of the Bankruptcy Code.

64. “Professional Fee Claim” means any Claim under sections 328, 330(a), 331, 333, 503, or 1103 of the Bankruptcy Code for compensation of a Professional or other Person for services rendered or expenses incurred in the Bear Chapter 11 Case.

65. “Representatives” means, with respect to any Person, such Person’s successor, predecessor, officer, director, trustee, partner, employee, agent, attorney, advisor, investment

banker, financial advisor, accountant, or other Professional of such Person, and committee of which such Person is a member, in each case in such capacity.

66. “Sale” means the sale of substantially all the assets of Bear to the Purchaser, pursuant to the Asset Purchase Agreement.

67. “Sale Order” means that certain Order (A) Authorizing the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Granting Related Relief, entered on September 13, 2016 (Docket No. 376).

68. “Schedules” means the schedules of assets and liabilities and the Statements of Financial Affairs Filed by Bear on July 21, 2016 (Docket No. 206), as amended on July 22, 2016 (Docket Nos. 208, 209, and 209), on July 26, 2016 (Docket No. 220), and on July 26, 2016, (Docket No. 314), as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified, or supplemented.

69. “Secured Claim” means any Claim that is secured by a lien on property in which the Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code and, if applicable, section 1129(b) of the Bankruptcy Code.

70. “Tax” means: (x) any net income, alternative, or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental, excise, or other tax, assessment, or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax, or additional amount) imposed by any federal, state, local, or foreign taxing authority; or (y) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined, or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other Person.

71. “Transition Services Agreement” means that certain Transition Services Agreement dated as of October 4, 2016, by and between Bear and Purchaser.

72. “United States Trustee” means the Office of the United States Trustee for the Western District of Pennsylvania.

73. “Utility Deposits” means deposits with utilities made by Bear after the Petition Date pursuant to section 366(b) of the Bankruptcy Code.

74. “Voting Deadline” means the deadline for submitting Ballots to either accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code that is specified in the Disclosure Statement, the Ballots, or related solicitation documents approved by the Bankruptcy Court.