IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In re:	§	
	§	
	§	CASE NO. 15-41480
GLM DFW, INC.,	§	
	§	(Chapter 11)
Debtor.	§	
	§	

DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF REORGANIZATION FOR GLM DFW, INC.

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DATED: AUGUST 23, 2016.

INTRODUCTORY DISCLOSURES

THIS DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF REORGANIZATION FOR GLM DFW, INC. (THE "DISCLOSURE STATEMENT"), FILED BY THE PLAN PROPONENTS (DEFINED BELOW), SUMMARIZES CERTAIN PROVISIONS OF THE PLAN OF REORGANIZATION FOR GLM DFW, INC. (THE "PLAN"), INCLUDING PROVISIONS RELATING TO THE PLAN'S TREATMENT OF CLAIMS AGAINST THE DEBTOR. THE DISCLOSURE STATEMENT ALSO SUMMARIZES CERTAIN FINANCIAL INFORMATION CONCERNING THE DEBTOR AND THE CLAIMS ASSERTED AGAINST THE DEBTOR IN THE BANKRUPTCY CASE. WHILE THE DEBTOR BELIEVES THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION WITH RESPECT TO THE INFORMATION SUMMARIZED, CREDITORS SHOULD REVIEW THE ENTIRE PLAN AND EACH OF THE DOCUMENTS REFERENCED HEREIN, AND SHOULD SEEK THE ADVICE OF THEIR OWN COUNSEL BEFORE CASTING THEIR BALLOTS.

EXCEPT FOR THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, NO REPRESENTATIONS CONCERNING THE DEBTOR, THE DEBTOR'S ASSETS AND LIABILITIES, THE PAST OR FUTURE OPERATIONS OF THE DEBTOR, THE PLAN, OR ALTERNATIVES TO THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN, OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, ARE UNAUTHORIZED AND SHOULD BE REPORTED TO THE DEBTOR'S COUNSEL.

THE APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESS OR IMPLIED, IS INTENDED TO GIVE RISE TO ANY COMMITMENT OR OBLIGATION OF THE DEBTOR OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED AS CONFERRING UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER. THE DISCLOSURE STATEMENT IS INFORMATIONAL ONLY. ADDITIONALLY, CREDITORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH CREDITOR SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY MATTER CONCERNING THE PLAN, INCLUDING THE TREATMENT OF CLAIMS UNDER THE PLAN, THE RELEASES PROVIDED BY AND PROPOSED UNDER THE PLAN, THE TRANSACTIONS AND INJUNCTIONS PROVIDED UNDER THE PLAN, AND THE VOTING PROCEDURES AND ELECTIONS APPLICABLE TO THE PLAN.

THE PLAN CONTAINS STRONG INJUNCTIONS THAT MAY AFFECT YOUR RIGHTS PERMANENTLY OR TEMPORARILY. STUDY THIS DISCLOSURE STATEMENT AND THE PLAN CLOSELY AND CONSULT WITH LEGAL COUNSEL.

DEFINITIONS

In addition to the defined terms listed above and defined elsewhere in this Disclosure Statement, the following terms, as used in this Disclosure Statement, shall have the following meanings, and such meanings shall be equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires. Further, terms which are used in this Disclosure Statement which are defined in the Plan shall have the meaning ascribed to them in the Plan.

"Account Receivables" means any and all amounts owing to the Debtor or the Estate at any time prior to the Effective Date, even if disputed, unpaid, or subject to litigation, including, without limitation, against Nordstrom, Taco Cabana, and Fiesta Restaurant Group, Inc.

"Administrative Claim" means a Claim for any cost or expense of administration of the Bankruptcy Case under section 503(b) of the Bankruptcy Code, including, without limitation, any fees or charges assessed against the Estate pursuant to 28 U.S.C. § 1930, and further including a Professional Claim. For the avoidance of doubt, Administrative Claims do not include Secured Tax Claims.

"Administrative Claims Bar Date" means the day that is thirty (30) days after the Effective Date.

"Administrative Tax Claim" means any *ad valorem* tax claim assessed against, or payable by, the Debtor or the Estate or their property for or on account of a period after the Petition Date specifically excluding Secured Tax Claims.

"Allowed" as it relates to any type of Claim or Administrative Claim provided for under the Plan, but excluding a Professional Claim, means a Claim:

(i) which has been scheduled as undisputed, noncontingent and liquidated in the Schedules in an amount other than zero or unknown, and as to which:
   a. no proof of Claim has been timely filed; and
   b. no objection has been timely filed (as determined by applicable deadlines contained in the Plan, including the Claims Objection Deadline);

(ii) as to which a proof of Claim has been timely filed and either:
   a. no objection thereto has been timely filed (as determined by applicable deadlines contained in the Plan, including the Claims Objection Deadline); or
   b. such Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court;

(iii) which has been expressly allowed under the provisions of the Plan; or

(iv) which has been expressly allowed by Final Order of the Bankruptcy Court.

"Allowed Administrative Claim" means: (i) an Administrative Claim that has been Allowed (but only to the extent Allowed), if approval from the Bankruptcy Court is required in order to

Allow the same; and (ii) an Administrative Claim which: (a) is incurred by the Debtor after the Petition Date in the ordinary course of business operations or pursuant to an order entered by the Bankruptcy Court granting automatic Administrative Claim status; (b) is not disputed by the Debtor; and (c) does not require approval from the Bankruptcy Court to become Allowed.

"Allowed Priority Claim" means a Priority Claim that has been Allowed (but only to the extent Allowed).

"Allowed Unsecured Claim" means an Unsecured Claim that has been Allowed (but only to the extent Allowed).

"Avoidance Actions" means any and all rights, claims or actions which the Debtor may assert on behalf of the Estate under Chapter 5 of the Bankruptcy Code, including actions under one or more provisions of sections 328, 542, 544, 545, 546, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code.

"Bankruptcy Case" means Bankruptcy Case No. 15-41480 in the Bankruptcy Court.

"Bankruptcy Code" means 11 U.S.C. §§ 101, *et. seq.*, in effect as of the Petition Date and as may have been or may be amended or supplemented since, to the extent that any such amendment or supplement is automatically applicable to the Bankruptcy Case by operation of law and not by operation of any election or choice.

"Bankruptcy Court" means the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division or, if such court ceases to exercise jurisdiction, the court or adjunct thereof that exercises jurisdiction over the Bankruptcy Case.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, together with the local bankruptcy rules for the Bankruptcy Court as now in effect or as the same may from time to time hereafter be amended.

"Bar Date" means December 21, 2015 for claims of persons other than Governmental Units, and February 16, 2016 for claims of Governmental Units.

"Business Day" means any day which is not a Saturday, a Sunday, or a "legal holiday" within the meaning of Bankruptcy Rule 9006(a).

"Claim" means a claim against the Debtor, the Estate, and/or property of the Debtor or the Estate, as such term is otherwise defined in section 101(5) of the Bankruptcy Code, and arising at any time prior to the Effective Date, including first arising after the Petition Date, regardless of whether the same would otherwise be a claim under said section 101(5) of the Bankruptcy Code.

"Claims Objection Deadline" means the date by which parties authorized by the Plan may file any objection to a Claim, which date shall be sixty (60) days after the Effective Date, except with respect to Administrative Claims as otherwise provided for herein and with respect to Disputed Claims.

"Class" means one of the categories of Claims and Equity Interests established under Article II of the Plan.

"Confirmation Date" means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on its docket.

"Confirmation Hearing" means the hearing(s) before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of the Plan, as such hearing(s) may be continued, rescheduled or delayed.

"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, as such order may be amended, modified, or supplemented.

"Creditor" means the holder of any Claim entitled to distributions under the Plan with respect to such Claim.

"Debtor" means GLM DFW, Inc., a Texas limited liability company.

"Disallowed Claim" means, as it relates to any type of Claim provided for under the Plan, a Claim or portion thereof that:

(i) has been disallowed by a Final Order of the Bankruptcy Court;

(ii) is identified in the Schedules in an amount of zero dollars, unknown dollars, or as contingent, unliquidated, and/or disputed, and as to which a proof of Claim was not filed by the Bar Date; or

(iii) is not identified in the Schedules and as to which no proof of Claim has been filed or deemed filed by the Bar Date, if the filing of such proof of Claim is otherwise required.

"Disclosure Statement" means the Disclosure Statement with respect to the Plan, approved by the Bankruptcy Court as containing adequate information for the purpose of dissemination and solicitation of votes on confirmation of the Plan, either in its present form or as it may be altered, amended or modified from time to time.

"Disputed Claim" means any Claim or any portion thereof which is neither an Allowed Claim nor is a Disallowed Claim as of the close of the Claims Objection Deadline. In the event that any part of a Claim is a Disputed Claim, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under the Plan unless the Debtor, the objecting party, and the holder thereof agree otherwise or unless otherwise ordered by the Bankruptcy Court; *provided*, *however*, that nothing in this definition of "Disputed Claim" is intended to or does impair the rights of any holder of a Disputed Claim to pursue its rights under section 502(c) of the Bankruptcy Code. Without limiting any of the foregoing, but subject to the provisions of the Plan, a Claim that is the subject of a pending application, motion, complaint, objection, or any other legal proceeding seeking to disallow, limit, subordinate, or estimate such Claim, as of the Claims Objection Deadline, shall be a Disputed Claim unless and until the entry of a Final Order providing otherwise.

"Effective Date" means the first Business Day fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date, and upon which the conditions to the effectiveness of the Plan set forth in Article IX hereof are satisfied.

"Equity Auction" means the auction to be held pursuant to section 5.3 of the Plan.

"Equity Funding" means the funds paid to the Debtor for Equity Interests in the Reorganized Debtor as provided for pursuant to section 5.3 of the Plan.

"Equity Interests" means any ownership of any equity in the Debtor, including, as may be applicable, any stock or share.

"Estate" means the estate created for the Debtor pursuant to section 541 of the Bankruptcy Code and any other applicable provision thereof.

"Executory Contract" means, collectively, "executory contracts" and "unexpired leases" of the Debtor as of the Petition Date as such terms are used within section 365 of the Bankruptcy Code.

"Final Decree" means the final decree entered by the Bankruptcy Court on or after the Effective Date pursuant to Bankruptcy Rule 3022.

"Final Order" means a judgment, order, ruling, or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal having jurisdiction over the subject matter thereof which judgment, order, ruling, or other decree has not been reversed, stayed, modified, or amended and as to which:

(i) the time to appeal or petition for review, rehearing or certiorari has expired and as to which no appeal or petition for review, rehearing or certiorari is pending; or

(ii) any appeal or petition for review, rehearing or certiorari has been finally decided and no further appeal or petition for review, rehearing or certiorari can be taken or granted.

"Galvan Claims" means any and all claims of Mary Galvan and/or Jose Galvan against the Debtor and the Estate arising at any time prior to the Confirmation Date, including Claim No. 32.

"Governmental Unit" means a governmental unit as such term is defined in section 101(27) of the Bankruptcy Code.

"Guaranteed Claims" has the meaning assigned to it in section 4.4.1 of the Plan.

"Marathon" means Marathon Equipment Co.

"Marathon Reclamation Claim" means the Claim of Marathon in the amount of $88,065.55 as asserted at Docket No. 30 as a reclamation claim under section 546(c) of the Bankruptcy Code and the Uniform Commercial Code. Marathon Reclamation Claim excludes any portion of said $88,065.55 that is also an Administrative Claim under section 503(b)(9) of the Bankruptcy Code.

"Oncor" means Oncor Electric Delivery Company, LLC.

"Oncor Litigation" means any and all claims, rights, causes of action, choses in action, defenses, and affirmative defenses, known or unknown, that the Debtor or the Estate have against Oncor, including, without limitation, all such claims asserted or assertable in Cause No. DC-12-13226 in the 116th Judicial District Court of Dallas County, Texas, and all such claims asserted in Case No. 05-15-00788-CV in the Fifth Circuit Court of Appeals for Dallas, Texas, and further including all potential claims and causes of action that may exist against Oncor for, on account or, or related to the Progressive Litigation, including tortious interference and conspiracy. Nothing in the Plan revives any claim or cause of action of the Debtor or the Estate against Oncor that has been dismissed or denied.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, joint ventures, trusts, land trusts, business trusts, unincorporated organizations, or other legal entities, irrespective of whether they are governments, agencies or political subdivisions thereof.

"Petition Date" means August 19, 2015.

"Plan" means the Plan *of Reorganization for GLM DFW, Inc.*, either in its present form or as it may be altered, amended or modified from time to time.

"Plan Proponents" means, collectively, the Debtor, Mary Galvan, and Jose Galvan.

"Priority Claim" means any Claim entitled to priority in payment under section 507(a) of the Bankruptcy Code, excluding any Claim that is an Administrative Claim or that is a Secured Tax Claim.

"Professional" means any Person employed or to be compensated pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

"Professional Claim" means a Claim by a Professional for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Bankruptcy Case.

"Professional Negligence Claims" means any and all claims, causes of action, choses of action, and rights, known or unknown, asserted or not asserted, of the Debtor or the Estate against G. Lee Finley, Finley & Associates, John M. Theirl, Jack Wilson, Gordon & Rees, LLP, Theil Wilson, PLLC, including for potential malpractice and professional negligence with advice leading up to the Oncor Litigation and advice, actions, inactions, and the conduct of the Oncor Litigation.

"Progressive" means Progressive Waste Solutions of TX, Inc. and all direct or indirect parent companies, subsidiary companies, affiliated companies, agents, and representatives thereof, including but not limited to Progressive Waste Solutions of MO, Inc., Progressive Waste Solutions of AR, Inc., IESI MD Corporation, Progressive Waste Solutions of LA, Inc., IESI NY Corporation, IESI NJ Corporation, Progressive Waste Solutions of FL, Inc., IESI Corporation, Progressive Waste Solutions, Ltd., and BFI Canada, Inc.

"Progressive Litigation" means any and all claims, rights, causes of action, choses in action, defenses, and affirmative defenses, known or unknown, that the Debtor or the Estate have against Progressive, including all officers, employees, agents, attorneys, and representatives thereof, further including, without limitation, Chuck Carroccetto, including, without limitation, all such claims asserted or assertable in Adversary Proceeding No. 15-04089 pending in the Bankruptcy Court, including as said claims and causes of action have increased or continue to increase, or may increase in the future, as a result of loss of business, including Nordstrom, Taco Cabana, and Half Price Books.

"Reorganized Debtor" means the Debtor on and after the Effective Date.

"Schedules" means the Schedules of Assets and Liabilities and the Statements of Financial Affairs filed by the Debtor with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

"Secured Tax Claim" means a Claim of a Governmental Unit for the payment of *ad valorem* real property and business personal property taxes that is secured by property of the Debtor or the Estate.

"Substantial Consummation" means the date on which any of the following first happens: (i) the Bankruptcy Court enters an order on the fee application of the Debtor's general counsel or (ii) the Bankruptcy Court otherwise finds that substantial consummation within the meaning and operation of the Bankruptcy Code has occurred.

"Unsecured Claim" means any alleged Claim against the Debtor that is not secured by a valid, enforceable, and unavoidable lien against any asset of the Debtor or the Estate, but excluding any Administrative Claim, Priority Claim, Secured Claim, but including a Secured Claim to the extent not an Allowed Secured Claim but otherwise an Allowed Claim.

"Voting Deadline" means the period established by the Bankruptcy Court within which Ballots may be cast on the Plan.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In re:	§	
	§	
GLM DFW, INC.,	§	CASE NO. 15-41480
	§	
Debtor	§	(Chapter 11)

DISCLOSURE STATEMENT IN SUPPORT OF
PLAN OF REORGANIZATION OF GLM DFW, INC.

GLM DFW, Inc. (the "Debtor"), Mary Jane Galvan, and Jose G, Galvan, hereby submit this Disclosure Statement (the "Disclosure Statement") in support of the *Plan of Reorganization of GLM DFW, Inc.* (the "Plan"), a copy of which is attached hereto as **Exhibit "A".**

ARTICLE I.
INTRODUCTION

On August 19, 2015, the Debtor filed its petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, thereby initiating the bankruptcy case, under Bankruptcy Case No. 15-41480.

On August 23, 2016, the Debtor filed the Plan with the Bankruptcy Court. The Plan proposes, among other things, the means by which all Claims against the Debtor will be finally resolved and treated for distribution purposes, consistent with the provisions and priorities mandated by the Bankruptcy Code. The Plan is essentially a new contract between the Debtor and its Creditors, proposed by the Debtor to its Creditors for their approval. Creditors approve or disapprove of the Plan by voting their Ballots on the Plan, if they are in a Class entitled to vote, and, if appropriate, by objecting to the confirmation of the Plan. However, the Plan can be confirmed by the Bankruptcy Court even if less than all Classes accept the Plan and, in such an instance, the Plan will still be binding on all Classes that rejected the Plan. Approval and consummation of the Plan will enable the Bankruptcy Case to be finally concluded.

The Debtor hereby submits this Disclosure Statement in connection with the solicitation of votes on, and providing information regarding, the Plan. On _____ ___, 2016, after notice and a hearing, the Bankruptcy Court, the Honorable Brenda T. Rhoades presiding, approved the Disclosure Statement as containing information of a kind and in sufficient detail, to enable Creditors whose votes on the Plan are being solicited to make an informed judgment on whether to accept or reject the Plan. The Bankruptcy Court's approval of the Disclosure Statement does not constitute the Court's approval or disapproval of the Plan.

This Disclosure Statement, which includes the Plan as Exhibit "A", is being mailed to each holder of a Claim (or potential Claim) and Equity Interest holder against the Debtor that has not been disallowed (in addition to other persons entitled to notice thereof). However, the

Debtor is only seeking votes on the Plan from Classes of Creditors and Equity Interest holders who are entitled to vote. Only those Creditors and Equity Interest holders who have received a Ballot may vote to accept or reject the Plan. All Creditors and parties-in-interest may object to the confirmation of the Plan even if they do not necessarily vote on the Plan.

With respect to voting on the Plan, pursuant to the Bankruptcy Code, only those Creditors and Equity Interest holders holding Claims within impaired Classes under the Plan are entitled to vote. The purpose of this Disclosure Statement is to enable Creditors and Equity Interest holders to make an informed decision in exercising their right to vote to accept or reject the Plan.

The Debtor has promulgated the Plan consistent with the provisions of the Bankruptcy Code. The Debtor believes that the Plan provides the best means for maximizing recovery to each of the Classes of Claims and Equity Interest holders under the Plan, in the most expedient manner, and in light of the assets available for distribution. The Debtor believes that the Plan enables affected Creditors to receive a distribution on account of their Claims that is substantially greater than what they would receive if the Bankruptcy Case was converted to a Chapter 7 liquidation and assets of the Debtor were liquidated within the parameters of Chapter 7 of the Bankruptcy Code.

This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid and supplement in your review of the Plan, and attempts to explain the terms and implications of the Plan. Every effort has been made to fully explain the various aspects of the Plan as it may affect Creditors and Equity Interest holders. All Persons receiving this Disclosure Statement are urged to review all of the provisions of the Plan, which is attached to the Disclosure Statement as Exhibit "A," in addition to reviewing the text of this Disclosure Statement. If you have any questions, you may contact the Debtor's counsel and every effort will be made to assist you. However, the Debtor's counsel will not provide you with any legal advice, and you are encouraged to seek the advice of separate legal counsel regarding the Plan, and your rights thereunder.

Creditors and Equity Interest holders should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. No other party has been authorized to utilize any information concerning the Debtor, its operations, and its assets and liabilities, other than the information contained in this Disclosure Statement, to solicit votes on the Plan. Parties should not rely on any information relating to the Debtor, its operations, or its assets and liabilities, other than the information contained in this Disclosure Statement. However, you are entitled to rely on your own information, analyses, and opinions even if that information is not contained in this Disclosure Statement.

After carefully reviewing this Disclosure Statement and the Plan, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot (if you have been provided with one) and returning the same to the address set forth on the Ballot, in the enclosed return envelope, so that it will be received by the Balloting Agent no later than 5:00 p.m., Central Time, on _____ __, 2016.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim, you may be bound by the Plan if it is accepted by the requisite holders of Claims. See **Article IV** of this Disclosure Statement for a discussion of voting procedures and requirements.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON _____ ___, 2016. For detailed voting instructions and the name and address of the person you may contact if you have questions, see **Article IV** of this Disclosure Statement.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan on _____ __, 2016, at __:__ _.m., Central Time. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before _____ __, 2016, in the manner described in **Article IV** of this Disclosure Statement.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

THE DEBTOR SUPPORTS CONFIRMATION OF THE PLAN AND URGES ALL HOLDERS OF IMPAIRED CLAIMS TO VOTE TO ACCEPT THE PLAN.

ARTICLE II.
OVERVIEW OF THE PLAN

Parties are cautioned to read the Plan carefully in order to fully understand its terms. This section offers a summary of the Plan only, given in lay and non-technical terms, and is not to be construed as conclusive.

The Plan will becoming binding only if "confirmed" by the Bankruptcy Court. Your vote on the Plan (if you are entitled to vote) is an important component in the Bankruptcy Court's determination of whether to confirm the Plan. However, the Bankruptcy Court may confirm the Plan even if you, an entire Class, and several entire Classes reject the Plan. Moreover, voting on the Plan is only one way to protect your interests and to make your voice heard. Another way is to file an objection to the confirmation of the Plan, which is a legal document which must be filed with the Bankruptcy Court. The Debtor strongly urges all Creditors to vote for the Plan and to support the confirmation of the Plan.

Under the Plan, the ownership interest in the Reorganized Debtor (i.e. GLM DFW, Inc. after the Effective Date of the Plan) is being sold to Mary Jane Galvan for $400,000, subject to an auction where any party, subject to the terms of the auction, may propose a higher bid for such ownership interest. If there is an auction, the ownership interest in the Reorganized Debtor may be sold for more than $400,000.

The funds from the sale of the ownership interest (referred to herein as the "Equity Funding") will be used to pay creditors of the Debtor and administrative claims (such as the fees for the Debtor's bankruptcy attorneys and accountants), subject to a process by which claims

may be objected to. For claims that are allowed, the Plan proposes the following treatment. Administrative claims and priority claims (if any) would be paid in full from the Equity Funding. Secured tax claims (such as property taxes) would be paid as provided for in Section 4.2 of the Plan (and not from the Equity Funding). Marathon Equipment's reclamation claim, subject to allowance, would be paid through four quarterly payments from the Reorganized Debtor (and not from the Equity Funding). Next, unsecured creditors will be paid pro-rata from the Equity Funding remaining. Unsecured creditors are unlikely to be paid in full unless the Equity Funding amount is substantially greater than $400,000. Sharing pro-rata with unsecured creditors are the Guaranteed Claims, which are claims where Mary Jane Galvan and Jose Galvan are allegedly guarantors of the amounts owed. The Plan does not affect the guarantees of Mary Jane and Jose Galvan. If there are any subordinated claims, such as the claims of Mary Jane and Jose Galvan if they are subordinated, such claims would be paid from any remainder of the Equity Funding, but not before all allowed unsecured claims have been paid in full. Only in the event that the Plan is confirmed and that Mary Galvan purchases the ownership interest in the Reorganized Debtor, will Mary and Jose Galvan subordinate any and all claims they have against the Debtor.

As described in more detail later in this Disclosure Statement, the Bankruptcy Case was precipitated by the entry of a large judgment against the Debtor in favor of Oncor. The Debtor filed an appeal of the Oncor judgment, which appeal is currently stayed pending the resolution of the Bankruptcy Case. The Plan proposes to deal with the Oncor Litigation as follows: if Oncor votes to accept the Plan and the Plan is confirmed, the Debtor will dismiss its appeal of Oncor's judgment against it with prejudice after the Effective Date, Oncor's claim will be deemed "allowed" in the amount of the proof of claim Oncor has filed, and the Plan would function as a release of all of the Debtor's claims against Oncor. Oncor's claim is an unsecured claim.

The Plan also provides for the Reorganized Debtor's assumption of liabilities of the Debtor only to the extent provided in the Plan, and provides that the Reorganized Debtor will not assume any liabilities of the Debtor unless specifically stated in the Plan. The Plan proposes that the Debtor will assume liabilities associated with the Marathon Reclamation Claim and the Secured Tax Claims. Further, the Reorganized Debtor will assume the Debtor's liabilities in relation to the Debtor's customers.

The Plan provides for the Reorganized Debtor's assumption of all executory contracts of the Debtor, including all contracts with the Debtor's customers. The Plan does not affect the assumption of the Debtor's lease of the Debtor's office-space lease. All rights related to the Debtor's lease of its office space are transferred to the Reorganized Debtor.

The Plan preserves the Debtor's litigation claims, including as against Progressive, Oncor, avoidance actions, professional negligence claims, and with respect to accounts receivables. The Reorganized Debtor intends to fully prosecute the Progressive Litigation and the Oncor Litigation, and reserves the right to prosecute any and all other claims and causes of action, including professional negligence claims and avoidance actions.

ARTICLE III.
SUMMARY OF TREATMENT UNDER THE PLAN

A. CLASSES AND DISTRIBUTIONS

As noted above, the assets of the Debtor and the Estate are transferred under the Plan to the Reorganized Debtor. The Reorganized Debtor is obligated to make all payments required by the Plan, although some payments are to be made exclusively from the Equity Funding. The Plan separates Claims against the Debtor, the Estate, and its property into unclassified Claims and classified Claims and Equity Interests. The repayment of your Claim or depends on which Class you are in under the Plan.

Unclassified Claims are generally postpetition Claims which must be paid in full and which do not vote on the Plan, and consist of Administrative Claims, including Professional Claims and Cure Claims.

Classified Claims and Equity Interests are classified in the Plan under the provisions of section 1122 of the Bankruptcy Code into the following seven (7) separate Classes:

Class 1: Priority Claims
Class 2: Secured Tax Claims
Class 3: Marathon Reclamation Claim
Class 4: Guaranteed Claims
Class 5: General Unsecured Claims
Class 6: Subordinated Claims
Class 7: Equity Interests

The chart below graphically demonstrates the classification and treatment of classified and unclassified Claims and Equity Interests under the Plan. In preparing and submitting this chart, the Debtor make clear the following considerations:

- The chart is an estimate only, based on reasonable assumptions, but as an estimate it is subject to change and uncertainty based on future events.

- The deadlines for filing prepetition Claims has expired, and the Debtor does not expect any late-filed Unsecured Claims or their allowance. However, the possibility remains that a prepetition Creditor may attempt to file and recover on a late-filed Unsecured Claim, which, if Allowed, could change the distribution to Classes 4, 5, and 6.

- The chart is calculated on the basis of Claims that the Debtor believes may be Allowed. The Debtor contemplates that it will object to various Claims, and the Debtor's discussion of the Claims that may potentially be allowed is without prejudice to all such objections.

- The Debtor's ability to fund the Plan is based on the Equity Funding and its future business operations (as well as other potential and contingent

sources). Future business operations and cash flow, like any future endeavor, is subject to risk.

Category[1]	Class	Impaired	Estimated Claims in Class	Estimated Recovery
Administrative Claims	unclassified	no	$200,000[2]	100%
Administrative Tax Claims	unclassified	no	$0.00[3]	100%
Priority Claims	1	no	$8,000	100%
Secured Tax Claims	2	yes	$3,500	100%
Marathon Reclamation	3	yes	$88,000	100%
Guaranteed Claims	4	yes	$150,000	10%
General Unsecured Claims	5	yes	$1,750,000[4]	10%
Subordinated Claims	6	yes	$ 475,000	0%
Equity Interests	7	yes	n/a	retained

1. Claims listed in this column refer to Allowed Claims.

2. The Debtor believes that all postpetition obligations are current, and that Administrative Claims will consist of the Professional Claims of its counsel, accountants, and Chief Restructuring Officer. The Debtor's counsel holds a retainer. The amount listed in this column includes estimated present and future Professional Claims, less amounts already paid and less the above-mentioned retainers and amounts previously paid.

3. The Debtor may assert challenges to *ad valorem* property taxes, including objections to claims, both prior to and after the confirmation of the Plan. Furthermore, the Debtor will resort to section 505 of the Bankruptcy Code to contest assessments and taxes. All of this will require time. The amount listed in this column for Class 2 represents the amount of Secured Tax Claims that the Debtor believe will be ultimately asserted, but does not take into account objections to such taxes and the Debtor's challenges thereto.

4. This amount excludes the claims of the Galvans, which are potentially voluntarily subordinated under the Plan, of more than $460,000.00. This amount includes the full amount of Oncor's claim, which is deemed allowed for Plan purposes, and it otherwise excludes those Claims that the Debtor believes are not allowable.

B. PLAN FUNDING

The Plan is funded through two primary sources – the Equity Funding and the future revenues of the Reorganized Debtor. Guaranteed and General Unsecured Claims are paid from the remaining Equity Funding after payment of the Administrative Claims and Priority Claims.

The Marathon Reclamation claim would be paid quarterly from revenues of the Reorganized Debtor. With respect to future operations, under the Plan, the Debtor will be reorganized and is referred to as the "Reorganized Debtor." The Reorganized Debtor is responsible for making payments under the Plan. All property of the Debtor and the Estate will vest in the Reorganized Debtor; thus, the Reorganized Debtor will have the funds and the ability to make all payments and distributions required by the Plan. Moreover, the Reorganized Debtor will continue to operate its businesses, generate revenue, and generate the wherewithal to make

future Plan payments. To be filed as a supplement will be projections prepared by the Debtor concerning the Debtor's post-Effective Date finances and operations. As will be evidenced thereby, the Reorganized Debtor will have sufficient income and cash flow to pay future Plan obligations.

C. DISCHARGE

If the Plan is confirmed by the Bankruptcy Court, the Debtor will receive a discharge under Chapter 11 of the Bankruptcy Code. As part of that discharge, the Bankruptcy Code automatically imposes certain injunctions, which generally prohibit a Creditor from pursuing or collecting on a discharged Claim as against the Reorganized Debtor or its property, except as provided for in the Plan. All Creditors would be able to pursue Claims and seek recovery only under the terms of the Plan, and not against the Reorganized Debtor or its property except as provided for in the Plan. Collection activities on account of discharged Claims could constitute serious violations of the law and could subject the violator to serious penalties, including contempt, money damages, and punitive damages.

THE PLAN CONTAINS PERMANENT INJUNCTIONS THAT MAY PREVENT YOU FROM SEEKING TO ASSERT OR COLLECT YOUR CLAIM EXCEPT THROUGH THE PLAN. YOUR RIGHTS MAY BE SEVERELY IMPACTED. STUDY THE PLAN CLOSELY AND CONSIDER CONSULTING WITH LEGAL COUNSEL REGARDING THE PLAN AND YOUR RIGHTS AND LIMITATIONS THEREUNDER.

Separate and apart from the discharge of the Debtor, the Plan contains injunctions and exculpation provisions which the Debtor believes are standard and necessary for the confirmation of the Plan and the Debtor's future operations. These injunctions and exculpation provisions do not impact any personal, non-derivative Claim that a Creditor has against a non-Debtor party. However, to the extent that a Creditor holds a derivative Claim or a Claim that is otherwise property of the Estate, the future prosecution of those Claims may be barred or enjoined. No Claim that the Estate may have, or that Creditors may derivatively assert, arising from gross negligence or intentional wrongdoing is enjoined or prohibited.

D. CLASS TREATMENT UNDER THE PLAN

Treatment of a Claim under the Plan depends on the Class under the Plan that the Claim is classified under. What follows below is a summary of the treatments under the Plan of the various Classes created under the Plan. The following is a summary only, and the Plan controls in all events. Thus, close reference to the Plan is required to fully understand any Class's treatment under the Plan.

1. Unclassified Claims

Administrative Claim Applications and Deadline. Holders of Administrative Claims, including Professional Claims, other than: (a) Allowed Administrative Claims as of the Effective Date; (b) Administrative Claims that represent liabilities incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of the Debtor's business which may be

paid in the ordinary course of the Debtor's business without order of the Bankruptcy Court; and (c) Administrative Claims that constitute fees or charges assessed against the Estate under Chapter 123, Title 28, United States Code, must by no later than the Administrative Claims Bar Date: (x) file an application with the Bankruptcy Court for allowance of the Administrative Claim; and (y) serve a copy of such application on the Debtor, the United States Trustee, and all other parties otherwise entitled to notice thereof. Failure to file and serve such application by the Administrative Claims Bar Date shall result in the Administrative Claim being forever barred and discharged as against the Debtor and the Estate, and the property of any of the foregoing including property transferred pursuant to the Plan. Except as specifically provided in the Plan, nothing in the Plan alters the law applicable to, and governing, the allowance of Administrative Claims (including Professional Claims) under the Bankruptcy Code.

Treatment of Allowed Administrative Claims. Except with respect to Administrative Tax Claims and unless previously paid, and except to the extent that the holder of an Allowed Administrative Claim agrees to different treatment, each holder of an Allowed Administrative Claim, including a Professional Claim, shall receive in full satisfaction, release and discharge of, and in exchange for such Allowed Administrative Claim, from the Equity Funds, the amount of such Allowed Administrative Claim, in cash, and without interest, attorney's fees (except as Allowed by the Bankruptcy Court), or costs ten (10) Business Days after the Effective Date, subject to the section immediately below.

Treatment of Professional Claims. Professional Claims become Allowed the same as Administrative Claims, and are treated the same as Administrative Claims, except that: (i) a Professional Claim that has been previously Allowed on a final (not interim) basis by Final Order of the Bankruptcy Court is not subject to the requirement for filing an application; (ii) a Professional Claim that has been Allowed on an interim basis (not final) in whole or in part shall, with respect to being Allowed on a final basis, be subject to the filing of an application for its allowance and shall be subject to such law, rules, and procedures as would be otherwise applicable to the same outside of the Plan; (iii) a Professional Claim that has been previously Allowed and paid on a final basis by Final Order of the Bankruptcy Court, but subject to disgorgement in the event of administrative insolvency, shall cease being subject to said disgorgement ten (10) days after the Administrative Claims Bar Date unless, upon motion and notice, the Bankruptcy Court extends such period; (iv) any interim payments on account of a Professional Claim shall be credited against the payment of the final Allowed amount of such Professional Claim; (v) any retainer provided on account of a Professional Claim may be credited and applied against the payment of the final Allowed amount of such Professional Claim once such Professional Claim is Allowed on a final basis; and (vi) any Professional Claim based on payment under section 328 of the Bankruptcy Code by commission or contingency shall be allowed and paid as provided for in the retention order of the Bankruptcy Code, without need for the filing of any application or other document with the Bankruptcy Court notwithstanding anything contained herein to the contrary.

Administrative Tax Claims. Administrative Tax Claims, and any liens securing the same, are not affected by, prejudiced by, discharged by, or treated by the Plan, and shall survive the Plan without need for any action on the part of the holder thereof. Administrative Tax Claims, and the liens securing the same, shall be paid when and as otherwise appropriate, together with such interest and other charges as otherwise appropriate, as soon as possible after the Effective

Date. Notwithstanding anything contained in the Plan to the contrary, nothing in the Plan transfers or vests any property of the Debtor or the Estate free and clear of any lien securing an Administrative Tax Claim. Any and all rights to contest any Administrative Tax Claim, including as may be appropriate under section 505 of the Bankruptcy Code, are preserved and transferred to Reorganized Debtor as of the Effective Date.

Section 505. For the avoidance of doubt, and without limiting the generality of any similar provision of the Plan, the Debtor and the Estate reserve all rights under section 505 of the Bankruptcy Code, as otherwise applicable, to contest any tax Claim and to seek appropriate determinations under said section 505 with respect thereto.

2. Classified Claims

Class 1: Allowed Priority Claims. Priority Claims entitled to priority treatment pursuant to Section 507(a)(1), (a)(6), (a)(7), (a)(9), and (a)(10) of the Bankruptcy Code, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Allowed Priority Claim, by the Reorganized Debtor but solely from the Equity Funding, the amount of such Allowed Priority Claim, in cash, and without interest, attorneys' fees, or costs, no later than ten (10) Business Days after becoming Allowed.

Class 2: Secured Tax Claims. Except to the extent that the holder of a Secured Tax Claim or a Priority Tax Claim agrees to different treatment, the Allowed Secured and/or Priority Claim of all Tax Claims shall be paid in accordance with 11 U.S.C. § 1129(a)(9)(c) with the first payment due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date. The Reorganized Debtor, in its sole discretion, will either pay such Claims: (i) on the Effective Date; or (ii) when such taxes become due and payable under the laws of the applicable taxing jurisdiction; or (iii) with quarterly deferred cash payments including applicable interest over a period not exceeding five years from the Petition Date of a value, as of the Effective Date, equal to the Allowed Claim. With respect to Allowed Secured or Priority Tax Claims, the interest rate paid upon such Claims shall be the rate of interest determined under applicable non-bankruptcy law from the Petition Date.

Class 3: Marathon Reclamation Claim. In full satisfaction, release and discharge of, and in exchange for, the Marathon Reclamation Claim, as it may be Allowed, the Reorganized Debtor shall pay the same through four (4) equal quarterly payments, with the first such payment made no later than ten (10) days after the Effective Date or the Allowance of the Marathon Reclamation Claim, whichever date is later, and the remaining payments made by the end of each subsequent calendar quarter.

Class 4: Guaranteed Claims. In full satisfaction, release and discharge of, and in exchange for each Guaranteed Claim, as against the Debtor and the Estate, each Guaranteed Claim, to the extent Allowed, shall be paid pro-rata with Class 5 Allowed Unsecured Claims by the Reorganized Debtor, solely from the Equity Funding, after payment of all higher priority Claims which are to be paid from the Equity Funding as provided for in the Plan, no later than ten (10) days after the Effective Date or the Allowance of the Unsecured Claim, whichever date is later. The Reorganized Debtor shall not make any other payment or assume any other liability or obligation to make any payment on account of Guaranteed Claims.

Class 5: General Unsecured Claims. In full satisfaction, release and discharge of, and in exchange for each Unsecured Claim, each Unsecured Claim, to the extent Allowed, shall be paid pro-rata with Class 4 Allowed Guaranteed Claims by the Reorganized Debtor, solely from the Equity Funding, after payment of all higher priority Claims which are to be paid from the Equity Funding as provided for in the Plan, no later than ten (10) days after the Effective Date or the Allowance of the Unsecured Claim, whichever date is later. The Reorganized Debtor shall not make any other payment or assume any other liability or obligation to make any payment on account of Unsecured Claims.

Class 6: Subordinated Claims. In full satisfaction, release and discharge of, and in exchange for each Subordinated Claim, and only after each Allowed Unsecured Claim has been paid in full, with interest from the Petition Date through to the date of payment calculated at the federal judgment rate in effect as of the date the Confirmation Order is entered, each Subordinated Claim, to the extent Allowed, shall be paid pro-rata of any of the Equity Funding that may remain.

Class 7: Equity Interests. Automatically on the Effective Date, and without need for further order, action, or document, all Equity Interests in the Reorganized Debtor shall vest in the Equity Purchaser, free and clear of all liens, claims, interests, and encumbrances that may exist. Class 7 is impaired under the Plan.

F. ASSUMPTION OF EXECUTORY CONTRACTS

Except with respect to any Executory Contract that the Debtor intends to reject (which must be done by separate motion, with notice to the counterparty), the Plan provides for the assumption of all Executory Contracts of the Debtor and the Estate on the Effective Date. As a condition of assuming an Executory Contract, the Bankruptcy Code requires the Debtor to pay the counterparty to the contract all defaults under the Executory Contract prior to and after the Petition Date, referred to as a Cure Claim. A Cure Claim is an Administrative Claim that must be paid in full. Any other counterparty to an Executory Contract being assumed under the Plan must, no later than the Administrative Claims Bar Date, or in the context of the confirmation of the Plan, assert an alleged Cure Claim payable by the Debtor and Reorganized Debtor for the assumption of the Executory Contract.

ARTICLE IV.
VOTING PROCEDURES AND REQUIREMENTS

A. VOTING DEADLINE

Each Creditor holding a Claim which entitles the Creditor to vote on the Plan has been provided a Ballot along with this Disclosure Statement. If a Creditor holds Claims in more than one Class entitled to vote under the Plan, such Creditor has been provided a separate Ballot for each such Class. The Ballot is to be used by the Creditor to accept or reject the Plan.

To ensure that a Ballot is deemed timely and considered by the Balloting Agent, which shall be the Debtor's attorneys, Munsch Hardt Kopf & Harr, P.C., c/o Davor Rukavina, a Creditor must: (a) carefully review the Ballot and the instructions set forth thereon; (b) provide

all of the information requested on the Ballot; (c) sign the Ballot; and (d) return the completed and signed Ballot to the Balloting Agent by the Voting Deadline. By order of the Bankruptcy Court, the "Voting Deadline" is 5:00 p.m. (Central Standard Time), on ____ __, 2016. Therefore, in order for a Ballot to be counted for voting purposes and any applicable election, the completed and signed Ballot must be received at the address specified below by no later than the Voting Deadline:

DEADLINE: Must Be **Received** By 5:00 p.m., Central Time,
on _____ __, 2016

Addressed To:
Munsch Hardt Kopf & Harr, P.C.
Attn: Davor Rukavina
3800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201
Facsimile: (214) 978-5359

B. CREDITORS SOLICITED TO VOTE

Each Creditor holding a Claim in a Class which is impaired under the Plan is being solicited to vote on the Plan. As to any Claim for which a proof of claim was filed and as to which an objection has been lodged, however, if such objection is still pending as of the Voting Deadline, the Creditor's vote associated with such Claim will not be counted to the extent of the objection to the Claim, unless and to the extent that the Bankruptcy Court temporarily allows the Claim upon motion by such Creditor in an amount which the Bankruptcy Court deems proper for the purpose of voting on the Plan. Such motion must be heard and determined by the Bankruptcy Court prior to the date and time established by the Bankruptcy Court for determination of confirmation of the Plan. In addition, a Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection of the Plan was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

C. DEFINITION OF IMPAIRMENT

Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims or Equity Interests is impaired under a plan unless, with respect to each Claim of such Class, the Plan does one of the following:

1. leaves unaltered the legal, equitable, and contractual rights to which such Claim entitles the holder of such Claim; or

2. notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:

   (a) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;

(b) reinstates the maturity of such Claim as it existed before the default;

(c) compensates the holder of such Claim for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and

(d) does not otherwise alter the legal, equitable, or contractual rights to which such claim entitles the holder of such Claim.

D. CLASSES IMPAIRED UNDER THE PLAN

Classes 1 and 2 are not impaired and are deemed to have accepted the Plan. Class 7 is impaired and retains nothing under the Plan, and is therefore deemed to have rejected the Plan. Classes 3, 4, 5, and 6, are impaired and are entitled to vote on the Plan to the extent that a Claim in such Class is not the subject of a pending objection as to allowance, or the holder of any such objected-to Claim has obtained an order from the Bankruptcy Court permitting such holder to vote on the Plan. Ballots for the acceptance or rejection of the Plan shall be mailed to holders of such impaired Classes only and to holders of such Claims within such Classes only.

E. VOTE REQUIRED FOR CLASS ACCEPTANCE

Pursuant to the Bankruptcy Code, a Class of Claims under the Plan shall be deemed to have accepted the Plan if the Plan is accepted by Creditors holding at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims within such Class who are entitled to vote and who actually vote using a properly completed and signed Ballot which is returned to the Balloting Agent by no later than the Voting Deadline. If no Ballots are properly returned for any particular Class, such Class shall be conclusively deemed to have voted to accept the Plan.

ARTICLE V.
CONFIRMATION OF THE PLAN

A. OVERVIEW OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a debtor-in-possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest. The present Bankruptcy Case commenced with the filing of voluntary Chapter 11 petition by the Debtor on the Petition Date. The commencement of a Chapter 11 case creates an estate comprising all the legal and equitable interests of the debtor in property as of the date the petition is filed. Thus, the Estate exist as the Bankruptcy Code Estate of the Debtor and its property (and liabilities). Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession" unless the bankruptcy court orders the appointment of a trustee. In the present Bankruptcy Case, the Debtor has remained in possession of its property and has continued to operate its business as Debtor-in-possession.

The filing of a Chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic stay of all attempts to collect prepetition claims from the debtor or otherwise interfere with its

property or business. Except as otherwise ordered by the Bankruptcy Court, the automatic stay remains in full force and effect until the Effective Date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a Chapter 11 case. The Plan sets forth the means for satisfying the Claims against the Debtor. The purpose of this Disclosure Statement is to assist Creditors voting on the Plan with respect to their decision whether to accept (vote for) the Plan, or to reject (vote against) the Plan. Voting on the Plan is separate from objecting to the Plan by filed document in the Bankruptcy Court.

B. CONFIRMATION HEARING

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. The Confirmation Hearing has been scheduled for **_____, 2016 at : .m.** in the United States Bankruptcy Court, Courtroom of The Honorable Brenda T. Rhoades, Chief U.S. Bankruptcy Judge.

Any objection to confirmation of the Plan must made in writing, and such written objection must be filed with the Bankruptcy Court and served on each of the following parties by no later than **5:00 p.m. Central Standard Time on , 2016**:

Debtor:
GLM DFW, INC.
17300 Preston Road, Ste. 300
Dallas, Texas 75252

Counsel for the Debtor:
Munsch Hardt Kopf & Harr, P.C.
Attn: Davor Rukavina
3800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201-6659

United States Trustee:
Office of the United States Trustee
Attn: Timothy W. O'Neal
110 N. College Ave.
Suite 300
Tyler, Texas 75702

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED AND SERVED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND SHALL BE DEEMED WAIVED.

C. MODIFICATION OF THE PLAN

Section 1127 of the Bankruptcy Code generally permits the Debtor to modify the Plan before or after the Confirmation Hearing, assuming that certain requirements are satisfied. The Debtor reserve their right to submit modifications of the Plan, as may be deemed advisable by the Debtor, and under the provisions of section 1127 of the Bankruptcy Code.

D. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements of section 1129 of the Bankruptcy Code have been satisfied, and in the event that they have been and all other conditions to confirmation set forth in the Plan itself have been met, the Bankruptcy Court will enter an order confirming the Plan. The requirements of section 1129 generally are as follows:

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

2. The Debtor complies with the applicable provisions of the Bankruptcy Code.

3. The Plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or to be made by the Debtor, by the Reorganized Debtor, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint Plan with the Debtor, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the Reorganized Debtor, and the nature of any compensation of such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval. The Debtor does not believe this requirement is applicable to the Bankruptcy Case.

7. With respect to each impaired Class: (a) each holder in such Class has accepted the Plan or will receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date; or (b) if section 1111(b)(2) of the Bankruptcy Code applies to the Claims of such Class, each holder of a Claim of such Class will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the Estate' interests in the property that secures such Claims.

8. With respect to each Class of Claims: (a) such Class has accepted the Plan; or (b) such Class is not impaired under the Plan.

9. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides: (a) that with respect to a Claim of a kind specified in section 507(a)(1) or 507(a)(2) of the Bankruptcy Code, on the Effective Date of the Plan, the holder of such Claim will receive on account of such Claim cash equal to the Allowed amount of such Claim; (b) that with respect to a Class of Claims of a kind specified in section 507(a)(3), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred cash payment of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim, or (ii) if such Class has not accepted the Plan, cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and (c) with respect to a Claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such Claim will receive on account of such Claim deferred cash payments, over a period not exceeding four (4) years after the date of assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.

10. If a Class of Claims is impaired under the Plan, at least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

11. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

12. All fees payable under section 1930 of Title 28 (United States Code), as determined by the Bankruptcy Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

There are various other provisions governing the confirmation of the Plan which, on their face, the Debtor does not believe applicable (and are related instead to the confirmation of an individual person's Chapter 11 plan).

If a sufficient number of Creditors and amounts of Claims in the impaired Classes under the Plan vote to accept the Plan, the Debtor believes that the Bankruptcy Court will approve confirmation of the Plan and that the Plan will satisfy all of the applicable statutory requirements of section 1129 of the Bankruptcy Code.

E. CRAMDOWN

The Bankruptcy Court may confirm the Plan at the request of the Debtor if: (a) all of the requirements of section 1129(a) of the Bankruptcy Code are met, with the exception of section 1129(a)(8); (b) at least one Class of Claims that is impaired under the Plan has accepted the Plan (excluding the votes of Insiders); and (c) as to each impaired Class that has not accepted the Plan, the Plan does not "discriminate unfairly" and is "fair and equitable."

A Chapter 11 plan does not "discriminate unfairly" within the meaning of the Bankruptcy Code if the classification of claims under a plan complies with the Bankruptcy Code and no

particular class will receive more than it is legally entitled to receive for its claims. The Debtor believes that the classifications established under the Plan are proper and that no Class of Claims under the Plan is receiving more than it is legally entitled to receive for its Claims. "Fair and equitable," on the other hand, has different meanings for Secured and Unsecured Claims.

With respect to a Class of Secured Claims which rejects the Plan, to be "fair and equitable" the Plan must, among other things, either: (a) provide that the holders of such Secured Claims retain their liens securing such Claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the Allowed amount of such Claims, and that each holder of a Secured Claim in such Class receive on account of such Claim deferred cash payments totaling at least the Allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estate' interest in such property; or (b) provide for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such Secured Claims, free and clear of such liens, with such liens to attaching to the proceeds of such sale, and the treatment of such liens on such proceeds in accordance with the Bankruptcy Code; or (c) provide for the realization by the holders of such Secured Claims of the indubitable equivalent of such Claims. The Debtor believe that the Plan is fair and equitable to each Class of Secured Claims under the Plan.

With respect to a Class of Unsecured Claims which rejects the Plan, to be "fair and equitable" the Plan must, among other things, either: (a) provide that each holder of an Unsecured Claim in such Class receive or retain on account of such Claim property of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim; or (b) not allow the holder of any Claim that is junior to the Unsecured Claims of such Class to receive or retain any property under the Plan on account of such junior Claim; *i.e.* not permit any holder of any equity interest in the Debtor to retain anything under the Plan on account of such interest.

In the event that at least one impaired Class of Claims under the Plan accepts the Plan and one or more Classes of impaired Claims rejects the Plan, the Debtor will seek confirmation of the Plan under the cramdown provisions of section 1129(b) of the Bankruptcy Code. In such event, the Bankruptcy Court will determine, at the Confirmation Hearing, whether the Plan is fair and equitable and whether it does or does not discriminate unfairly against any rejecting impaired Class of Claims.

For a Class of Equity Interests that is impaired and rejects the Plan, the Plan is fair and equitable if, at a minimum, the Plan provides that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

F. EFFECTIVE DATE OF THE PLAN

The Plan will become effective upon the occurrence of the Effective Date, which is defined in the Plan as the first Business Day fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day

following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date, and upon which the conditions to the effectiveness of the Plan set forth in Article XI of the Plan are satisfied.

Pursuant to the provisions of the Plan, the Debtor will transmit notice of the effectiveness of the Plan if the Bankruptcy Court confirms the Plan and all conditions precedent to the Plan's effectiveness are satisfied. Said notice will additionally specify various other Plan deadlines that are triggered by the Effective Date of the Plan.

ARTICLE VI.
BACKGROUND INFORMATION

A. THE DEBTOR'S BUSINESS OPERATIONS

For the last twenty-five years, the Debtor has operated a business specialized in facilitating trash and recycling services. Where businesses with a few or many locations must ordinarily coordinate trash removal and recycling services for each location, the Debtor's business coordinates a comprehensive trash removal and recycling program on behalf of its customers. After the implementation of the Debtor's program, the customer is provided with one consolidated invoice and report synthesizing all waste removal needs, expenses, and savings in one place. The Debtor's customers included Nordstrom, Taco Cabana, Half Price Books, The Container Store, and other large companies with presences in all fifty states.

The Debtor's income derives from a base-charge for each location of a customer implementing the Debtor's program, and via a percentage of cost-savings which the Debtor's programs provide to its customers. Customers remit to the Debtor such funds as necessary to pay the underlying obligations, which funds the Debtor held in trust for the customers. The Debtor's pre-petition accounting included a complex treasury-management system whereby each customer's funds were segregated and accounted for using special accounting mechanisms and software.

Separately, the Debtor operates a program facilitating the removal of scrap metals for larger industrial clients. Under that program, companies that formerly paid for the removal of scrap metal enter into an agreement with the Debtor whereby the Debtor solicits for the pickup and sale of said scrap metal, providing its customers a profit where they previously had an expense.

B. EVENTS LEADING UP TO THE BANKRUPTCY CASE

The Debtor sought Chapter 11 protection due primarily to a judgment levied against it in Dallas State Court in the Oncor Litigation. It is the Debtor's position that the judgment should not have been entered against it and that an appellate court should reverse the judgment but that, if that does not happen, that the judgment was due to the malpractice of the Debtor's state court attorney rather than on the merits. The Oncor Lawsuit arose from the alleged breach of contract between the Debtor and Oncor. Oncor was a customer of the Debtor on the scrap-metal side of the business described above. In the Oncor Litigation, the Debtor's state court attorney failed to timely respond to a motion for summary judgment, leading the State Court to enter judgment

against the Debtor. On March 31, 2015, Dallas State Court Judge Tonya Parker signed a judgment against the Debtor in the amount of $876,036.43 in damages, $104,640 in pre-judgment interest, $527,722.44 in attorney fees, earning post-judgment interest at 5%. Further, the Court ordered that, due to "groundless and bad faith counterclaims asserted by GLM" through its state court attorney, Oncor would be awarded $20,000 in sanctions.

Following the entry of the judgment, the Debtor engaged MUNSCH HARDT KOPF & HARR, P.C. who substituted for the Debtor's prior state court attorney in Dallas State Court in June 2015. The State Court denied the Debtor's *Motion for New Trial*, finding that the Debtor's prior state court counsel was not credible in explaining why the Debtor's response to Oncor's summary judgment motion was filed late. Subsequent mediation between the Debtor and Oncor failed, causing the Debtor to file its *Notice of Appeal* of the judgment on June 26, 2015 to the Dallas Fifth Court of Appeals. On August 19, 2015, as Oncor was threatening collection activities on its judgment, the Debtor filed its Petition, initiating the Bankruptcy Case. The filing of the Bankruptcy Case stayed Oncor's collection activities as well as the appeal of the Oncor judgment. The claims against the Debtor's former state court lawyer are retained in the Plan.

C. FIRST DAY PLEADINGS AND HEARING

Upon the filing of the Bankruptcy Case, it was critical to the Debtor that it smoothly transition into bankruptcy and operate its business in Chapter 11 in compliance with all of the requirements thereof. Accordingly, the Debtor filed multiple so called "first day" pleadings to ensure this purpose. These included a motion to limit notice of pleadings to reduce service costs, a motion to pay pre-petition wages of the Debtor's employees, and the *Debtor's Motion for Entry of Order Authorizing Debtor to Remit Customer Funds and to Pay Critical Supplier* [Doc. 7]. The latter motion was crucial to the Debtor's continued facilitation of customer payments to trash and recycling vendors. The Bankruptcy Court approved the Debtor's continued payment of customer obligations using customer funds, as well as the Debtor's other first day pleadings.

D. RETENTION OF AND PAYMENTS TO MUNSCH HARDT

On August 27, 2015, the Debtor filed an application to retain Munsch Hardt Kopf & Harr, P.C. ("Munsch Hardt") as its general bankruptcy counsel. By order entered September 15, 2015, the Bankruptcy Court authorized the Debtor to retain Munsch Hardt on a final basis, effective as of the Petition Date, and for the compensation of Munsch Hardt pursuant to interim and final fee applications to be filed by Munsch Hardt.

E. RETENTION OF OTHER PROFESSIONALS

On September 24, 2016, the Debtor filed its application to retain Grissom & Company, PLLC as accountants to the Debtor and Stephen Grissom as Chief Financial and Restructuring Officer to the Debtor pursuant to section 327 of the Bankruptcy Code. The services for the Debtor and the Estate performed by Grissom provide a material benefit to the Debtor and the Estate. Accordingly, the Bankruptcy Court has approved Grissom's employment.

F. THE PROGRESSIVE LITIGATION

While the Debtor continued to operate its business in Chapter11, Progressive Waste Services, one of the trash vendors providing services to the Debtor's customers, accused the Debtor of failing to properly remit customer funds. Due to the transition of the Debtor's complex pre-petition treasury management system to U.S. Trustee-approved Debtor-In-Possession accounts, the Debtor spent the first weeks of the Bankruptcy Case working around the clock to update the new accounts to work with its accounting system. As a result, payment cycles were changed. Progressive seized on this and wrongly alleged pre-petition failures to remit payments to usurp the Debtor's business.

Without notice, during the last week of September 2015, and even though counsel for the Debtor and counsel for Progressive were in negotiations, Progressive unilaterally stopped service to *all* of the Debtor's customers using Progressive, nationwide, treating all Debtor customer accounts as *one* account, and arguing that because *some* bills of *some* customers were allegedly delayed in payment, *all* of the Debtor's customer accounts, treated as one, were to be suspended. This caused significant interruption to the Debtor's business and has caused the loss of several long-standing, large customers, and has caused permanent damages to the Debtor, both in terms of contracts lost (the obtainment of which are the result of drawn-out request-for-proposal procedures) and in damage to the Debtor's reputation in its business community. In the short term, many business locations suffered interruptions in service, leading to overflowing dumpsters and the proliferation of rats and maggots at customer sites. The Debtor has lost Nordstrom and Taco Cabana, among other customers, postpetition due directly to what Progressive did.

Once Progressive cut-off service to the Debtor's customers, it contacted the Debtor's customers directly and urged the customers to contract directly with Progressive, circumventing GLM. This was a blatant attempt to teal GLM's business, and explains the baseless and bad faith termination of service to all of GLM's customers without notice, as part of a plan by Progressive to destroy GLM and to steal its customers.

On October 5, 2015, the Debtor initiated the Progressive Litigation, seeking a temporary restraining order against and damages from Progressive based on Progressive's unilateral breach of contract, interruption of service, and tortious interference with the Debtor's contracts, among other causes of action. The Bankruptcy Court granted a TRO.

On October 20, 2015, the Bankruptcy Court entered its *Agreed Preliminary Injunction* pursuant to which Progressive was required to continue servicing the Debtor's customers in certain areas, and pursuant to which other areas of Progressive's services were transition to different trash vendors.

The Progressive lawsuit remains pending and is an asset of the Estate. All of the Progressive Litigation is preserved under the Plan and is retained under the Plan by the Reorganized Debtor. The Reorganized Debtor will continue prosecuting the Progressive Litigation after the Effective Date, including against such other persons as may be liable, and for all causes of action that may be applicable, including breach of contract, automatic stay violation, tortious interference, business libel and slander, and conspiracy.

G. THE DEBTOR'S OPERATIONS IN BANKRUPTCY

Due to the large-scale interruption of the Debtor's business caused by Progressive's tortious acts, the Debtor has lost several valuable contracts. Despite this, the Debtor succeeded in cutting costs and otherwise maintaining nearly break-even cash-flow in the most recent months. Still, the overall value of the Debtor as a going-concern has declined because of Progressive's actions, for which the Debtor seeks compensation and damages in the Progressive Litigation. As a direct result of Progressive's actions, the Debtor has lost Nordstrom, Taco Cabana, Half Price Books, and other customers. This has substantially and negatively affected the Debtor's economic performance and ability to repay its creditors.

H. OTHER ACTIVITY IN THE BANKRUPTCY CASE

On November 17, 2015, the Debtor filed its *Motion for Extension of Exclusivity* [Doc. 40], seeking an extension of time during which only the Debtor would be permitted to file a plan of reorganization. Oncor objected to this motion. At the hearing on the Motion, the Court determined that the Bankruptcy Case was a small business case under 11 U.S.C. § 101(51C) and (51D), which mooted the motion.

On January 12, 2016, Oncor filed its *Motion for Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d)(1)* [Doc. 59], seeking an order permitting the Oncor Litigation, and specifically the appeal of Oncor's judgment, to be continued. This motion was resolved pursuant to an agreed order, including that, in the event any plan of reorganization was to be filed in the Bankruptcy Case, that Oncor's claim would be estimated in the amount of $1,508,398.87 for all plan voting and confirmation purposes pursuant to Fed. R. Bankr. P. 3019(a), and that, in the event the Debtor or any other party-in-interest were to file an objection to the Oncor claim, the automatic stay would automatically lift to permit the Oncor appeal to proceed.

On March 15, 2016, the Debtor filed its *Motion to Assume Real Property Lease* [Doc. 71], seeking form the Court an order permitting the Debtor to assume the lease on its office space. Oncor objected to the motion, which objection was resolved pursuant to an agreed order, *see* Doc. 78, providing that the Debtor was authorized to assume the lease, that there were no prepetition defaults, and that the Debtor's landlord waived any and all claims for damages resulting from any future rejection of the Lease, including, without limitation, any and all claims for damages arising under section 503(b)(7) of the Bankruptcy Code.

I. THE EQUITY AUCTION

The Debtor has underperformed in bankruptcy, and it is this fact that necessitates the Plan in the form that the Plan is proposed.

First, what Progressive has done (as discussed above) has led to the loss of major customers like Nordstrom and Taco Cabana, and has seriously damaged the Debtor's finances and its ability to repay debt. It has also made it much harder, if not impossible, for the Debtor to sell its business, as the full ramifications and damage from Progressive's actions are not yet known and as no reasonable buyer is willing to pay sufficient funds to purchase the Debtor's business in light of this damage and the present unknown.

Second, the Debtor maintains a double minority status: one as a female and one as a minority. This has enabled the Debtor to obtain lucrative contracts. However, the minority certification requires that Mary Jane Galvan remain the majority owner and decision maker for the Debtor, or that a purchaser of the Debtor's business also be a minority. Without the minority certification, the Debtor will lose a substantial amount of its remaining business and the Debtor will basically have to liquidate. None of the potential purchasers of the Debtor had minority status. This meant that, for any sale of the Debtor's business, Mary Jane Galvan would have to remain in majority ownership and control, which makes the situation far more complicated under the Bankruptcy Code, financial reality, corporate governance, and the wishes of any buyer.

For these reasons, the Debtor was unable to obtain a binding, firm offer to purchase its business, despite months of attempts and despite contacting virtually everyone in the Debtor's business who might have an interest. The inability to sell its business left the Debtor with very few options. One option was simply to liquidate, which would have led to no recovery to unsecured creditors. Another option was to continue limping along, but the pressure on the Debtor to propose a plan and to exit bankruptcy meant that this option was not feasible, as the Debtor's remaining customers are anxious that the Debtor exit bankruptcy. This left the Debtor with its final option, which was to essentially sell itself to its current equity owner, whereby that equity owner (Mary Jane Galvan) purchases her company out of bankruptcy. In this manner, the issues concerning the Debtor's double minority status, and the Debtor's loss of customers, are minimized.

The $400,000.00 Equity Funding is determine by the one offer that the Debtor received to purchase the Reorganized Debtor's equity (as opposed to the Debtor's business). That offer, although not binding, and subject to multiple contingencies that were never satisfied, had new investors paying $200,000.00 for half of the Reorganized Debtor's stock, with Mary Jane Galvan being contemplated to pay $200,000.00 for the remaining half in order that the Debtor's double minority status be preserved. Because Mary Jane Galvan would have full ownership of the Reorganized Debtor under the Plan, the appropriate price for that ownership is therefore $400,000.00. In addition, Mary Jane Galvan and Jose G. Galvan are voluntarily subordinating hundreds of thousands of dollars in otherwise allowable claims under the Plan, if Mary Jane Galvan acquires the stock in the Reorganized Debtor, which provides substantial additional value in addition to the $400,000.00 cash purchase.

However, to insure that the price for stock in the Reorganized Debtor is appropriate and adequate, the Plan provides for an auction of the new stock to be held prior to confirmation. The Debtor will provide notice of that auction to all entities that have indicated an interest in acquiring the Debtor's business, and other potentially interested parties. The Bankruptcy Court will ultimately determine who the successful buyer should be (if there are any competing bidders) at the Confirmation Hearing. If Mary Jane Galvan is not the successful bidder, then she and Jose G. Galvan will not be subordinating their claims. Therefore, any higher bid must be high enough to ensure a higher net return to unsecured creditors than the current combined $400,000.00 cash and voluntary subordination consideration provides.

ARTICLE VII.
LIQUIDATION ANALYSIS AND PLAN ALTERNATIVES

A. LIQUIDATION ANALYSIS

In Chapter 7, GLM's business would cease, all customers would be lost, and GLM would go "dark." There would be no going concern, customer base, or customer contracts to monetize. Instead, all that would remain are minimal assets owned by GLM in the way of bank funds and personal business property. With respect to bank funds, at any given time the majority of those funds are trust funds which GLM collects on behalf of customers to pay customer obligations, and the portion of the funds that GLM owns is relatively small. With respect to personal property, most of GLM's personal property is used, office furniture, computers, and the like, as well as a few vehicles. Additionally, GLM owns accounts receivables and debts from third parties which, in a liquidation, are likely to bring in very little value as customers offset GLM's obligations against what they owe GLM.

For cash, at any given time GLM has approximately $10,000 of unrestricted cash available. For personal property, the Debtor scheduled approximately $120,000 in book value for furniture and $325,000 in book value for computers, cautioning creditors that this was not necessarily reflective of fair value. The liquidation value of this category of property is estimated at a net $25,000. With respect to the Debtor's vehicles, the Debtor estimates a net recovery of $50,000. Additionally, the Debtor owns multiple trash compactors on-site with customers who lease the compactors from the Debtor, with a book value of $223,388 as scheduled by the Debtor, with a caution that this is not necessarily fair value. Given that these are older compactors, that they are on-site at various locations across the country, and that they are somewhat customized to each customer's needs, the Debtor believes that the compactors will not be readily monetized. The best way to monetize them would be to have the customers leasing them simply purchase them. Customers would know that GLM would be in liquidation and they would drive a very hard bargain, while the costs of a trustee to remove the compactors would be such that the trustee might simply abandon the compactors. Nevertheless, the Debtor estimates net liquidation proceeds from the compactors of $50,000. As noted above, the Debtor's receivables would be worthless, as customers would offset the Debtor's defaults arising from the Debtor's inability to complete its contractual requirements.

Thus, in a Chapter 7 liquidation, the Debtor estimates that its personal property would net no more than $135,000. From this, the commission of a Chapter 7 trustee, and the fees and expenses of such trustee's counsel, would be paid first. These may be as high as $50,000. Next, Chapter 11 administrative claims would be paid. After retainers, and assuming that all claimed fees are allowed, there is more than $200,000 in unpaid Chapter 11 administrative claims

Thus, in a hypothetical Chapter 7 liquidation, Chapter 11 administrative claims would not be paid in full, priority claims would be paid nothing, and unsecured claims would be paid nothing. And this ignores the Marathon claims, which would also have to be treated prior to payment of any unsecured claims. In short, in liquidation, unsecured creditors are likely to receive no recovery from GLM, the Estate, or a Chapter 7 trustee.

However, there is a potentially large unknown with respect to the Progressive Litigation. The value of that litigation is what it is, and it is impossible for the Debtor to place an estimate on it at this time, as no expert has been retained to help value the damages caused by Progressive. Even if they were valued, litigation is always risky and a jury or judge may disagree with the Debtor and may award no damages or minor damages. They may also award substantial damages, however, which would potentially flow to unsecured creditors in Chapter 7 after payment of all higher priority claims. Thus, the only way that unsecured creditors meaningfully have a recovery in liquidation is if the Progressive Litigation leads to a large award or settlement. Moreover, in a Chapter 7 liquidation, the claims of the Galvans will not be subordinated and will share in any distribution. The trustee would likely retain contingency counsel and would be entitled to a commission meaning that, in order for funds to flow to unsecured creditors after all unpaid higher priority claims and costs of litigation are paid, and once the $475,000 in claims by Mary Jane Galvan and Jose G. Galvan are taken into account (as they would not be voluntarily subordinated like they are under the Plan), the Progressive Litigation would have to be compromised for or would have to bring in as an award at least $300,000 before unsecured creditors start receiving any distribution, and approximately $800,000 before unsecured creditors recover what they would under the Plan. The Debtor believes that the Progressive Litigation is worth at least $300,000. However, the Debtor also believes that this litigation is worth more with an operating company paying the costs of the litigation, than a chapter 7 trustee liquidating the asset

Accordingly, the Debtor submits that each creditor receives more under the Plan than in a hypothetical liquidation of the Debtor in Chapter 7, and that the Plan is therefore in the best interests of each creditor.

B. ALTERNATIVES TO CONFIRMATION OF THE PLAN

The Debtor has evaluated several alternatives to the Plan, including the liquidation of the Debtor or proposing to sell its business during the Bankruptcy Case.

After studying these alternatives, the Debtor concluded that the Plan is the best alternative and will maximize recoveries by holders of Claims, assuming confirmation of the Plan. The Plan will also enable the Debtor to continue operations and fund payments to its Creditors, for the benefit of all Creditors. The following discussion provides a summary of the Debtor' analyses leading to their conclusion that the Plan will provide the highest value to holders of Claims.

C. LIQUIDATION ALTERNATIVE THROUGH CHAPTER 7

As noted above, the Debtor believes that all creditors receive more under the Plan than they would in a Chapter 7 liquidation, unless the Progressive Litigation brings in more than $800,000. However, even then, it is likely that a Chapter 7 trustee would take 2 years or more to make distributions, whereas under the Plan creditors start receiving distributions very soon after their claims are allowed.

D. ALTERNATIVES IF PLAN IS NOT CONFIRMED

If the Plan is not confirmed, the Debtor or any other party in interest in the Bankruptcy Case could attempt to formulate and propose a different plan or plans of reorganization. Such plans might involve either a reorganization and continuation of the Debtor's business, a liquidation of the Debtor's assets, or a combination thereof. Further, if no plan of reorganization can be confirmed, the Bankruptcy Case may be converted to liquidation proceedings under Chapter 7 of the Bankruptcy Code. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the assets of the Debtor. The proceeds of the liquidation would be distributed to the Creditors of the Debtor in accordance with the priorities established by the Bankruptcy Code.

ARTICLE VIII.
RISK FACTORS

A. ESTIMATED RECOVERY RISKS

The Plan will be funded through multiple sources. The Plan will initially be funded by the Equity Funding, which cash will be used towards Administrative Claims, Professional Claims, Priority Claims, and the Guaranteed and Unsecured Claims. Since the cash needed to pay the same must be on deposit with the Debtor in order for the Plan to become effective, there is little risk in these payments being made in full.

With respect to Claims to be paid out over time, there is risk that the Debtor's business operations could deteriorate. However, the Debtor believes that the Marathon Reclamation claim is sufficiently small in amount that the Debtor should be able to pay the same without difficulty. Finally, while payment over time is subject to some risk, it is better than the alternative, which is no payment at all to most creditors in a liquidation scenario.

Thus, for these and other reasons, the Debtor believes that the Reorganized Debtor will be able to pay in full all obligations under the Plan and, while they advise affected Creditors of the risk of future payment, they encourage those Creditors to consider the Debtor's projections, which will be provided via supplement, its expertise, the expertise and opinions of the Debtor's professionals, and the other factors discussed above.

B. BANKRUPTCY RISKS

Insufficient Acceptances. For the Plan to be confirmed, each impaired Class of Claims is given the opportunity to vote to accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by Claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Debtor reserves the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Debtor would be able to use the Cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

Confirmation Risks. The following specific risks exist with respect to confirmation of the Plan:

(a) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.

(b) Since the Debtor may be seeking to obtain approval of the Plan over the rejection of one or more impaired Classes, the cramdown process could delay confirmation.

Conditions Precedent. Confirmation of the Plan and occurrence of the Effective Date are subject to certain conditions precedent that may not occur. The Debtor, however, will work diligently with all parties in interest to ensure that all conditions precedent are satisfied.

ARTICLE IX.
CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS. NOTHING IN THIS DISCLOSURE STATEMENT OR IN THE PLAN IS MEANT TO PROVIDE ANY TAX ADVICE TO ANY CREDITOR.

ARTICLE X.
CONCLUSION

The Debtor urges holders of Claims impaired Classes to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their ballots so that they will be received on or before 5:00 p.m., Central Standard Time, on _____ ___, 2016.

DATED: AUGUST 23, 2016.

MUNSCH HARDT KOPF & HARR, P.C.

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