

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

In Re:	§	In Proceedings Under Chapter 11
	§	
Tango Transport, LLC, et al.	§	Case No. 16-40642
	§	
Debtors.	§	Jointly Administered

FIRST AMENDED JOINT DISCLOSURE STATEMENT

Tango Transport, LLC (“Tango”), Tango Logistx, LLC (“Logistx”), GMGO, LLC (“GMGO”), Tango Truck Services, LLC (“Truck Services”), Tango Enterprises, Inc. (“Enterprises”), Cango, Inc. (“Cango”), and Gorman Group, Inc. (“Gorman”), debtors and debtors-in-possession in the above-captioned case (collectively, the “Debtors”) propose the following First Amended Joint Disclosure Statement (the “Disclosure Statement”) pursuant to Section 1125 of the Bankruptcy Code (defined below).

**ARTICLE I
DEFINITIONS, RULES OF INTERPRETATION, COMPUTATION OF
TIME AND GOVERNING LAW**

1.01 Defined Terms. The following terms used herein and in the attached Plan shall have the respective meanings specified below. Terms defined in the Plan, unless also defined herein, shall have the same meanings when used herein.

“*Administrative Expense Claim*” means any Claim of the kinds described in Section 503(b) of the Bankruptcy Code, entitled to a priority pursuant to Section 507(a)(1) of the Bankruptcy Code.

“*Affiliate*” has the meaning provided in Section 101 of the Bankruptcy Code and shall include any “insider,” as defined in the Bankruptcy Code.

“*Allowed*” means that portion of any Claim, other than an Administrative Expense Claim, (i) as to which (a) no proof of claim has been timely or deemed timely filed and (b) the liquidated and non-contingent amount of which has been scheduled by a Debtor pursuant to the Bankruptcy Code as undisputed, or (ii) as to which a proof of claim has been timely filed in a liquidated amount provided that (a) no objection to the allowance of such Claim or motion to expunge such Claim has been filed before any final date for the filing of such objections or motion as set forth herein or (b) if such objection or motion has been filed and not withdrawn, such objection or motion has been overruled by a Final Order (but only to the extent such objection or motion has been overruled), or

(iii) as to which a Final Order has been entered allowing such Claim. “Allowed . . . Claim” shall not include interest on the principal amount of such Claim accruing from and after the Petition Date. Except as otherwise allowed by the Bankruptcy Court pursuant to Section 506(b) of the Bankruptcy Code, “Allowed . . . Claim” shall not include fees, costs or charges related to such Claim incurred from and after the Petition Date. With regard to an Administrative Expense Claim, “Allowed” means any Administrative Expense Claim (including any interest for which the Debtors are legally obligated) (i) incurred or arising after the Petition Date and prior to the Effective Date, (ii) which is not disputed by the Debtors, the Committee, or the United States Trustee, and (iii) as to which no objection to the allowance of such Administrative Expense Claim has been filed by the Debtors, the Committee, the United States Trustee or the Plan Trustee.

“*Available Cash*” means all Cash (other than the proceeds of Collateral securing any Allowed Secured Claim), less the amount of Cash deposited into any fund or reserve required or permitted to be established herein.

“*Avoidance Action*” means all of the Debtors’ and Estates’ rights and claims under Sections 541 through 553 of the Bankruptcy Code, inclusive, or under any similar or related state or federal statute or common law, whether or not an action is initiated on or before the Effective Date.

“*Ballot*” means the ballot accompanying the Disclosure Statement upon which a holder of an Allowed Claim entitled to vote on the Plan shall indicate acceptance or rejection of the Plan in accordance with the instructions regarding voting.

“*Bankruptcy Code*” means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

“*Bankruptcy Court*” means the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, or any other court of competent jurisdiction exercising jurisdiction over the Chapter 11 Cases.

“*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, as promulgated under Section 2075, Title 28, United States Code and as amended from time to time, as supplemented by the local rules of the Bankruptcy Court.

“*Bar Date*” means August 18, 2016 for non-governmental entities and October 3, 2016 for a governmental unit.

“*Business Day*” means a day of the year on which commercial banks are not required to close for business in Plano, Texas.

“*Cash*” means cash and cash equivalents.

“*Causes of Action*” means any action, claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of an kind or character whatsoever, whether known,

unknown, contingent or non-contingent, matured or unmetered, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt, a “Cause of Action” includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury; and any other defenses set forth in section 548 of the Bankruptcy Code; and (e) any state or foreign law fraudulent transfer or similar claim.

“*Chapter 11 Case*” means, with respect to a Debtor, the voluntary case under Chapter 11 of the Bankruptcy Code commenced by such Debtor, currently pending in the Bankruptcy Court; and “*Chapter 11 Cases*” means the jointly administered voluntary cases under Chapter 11 of the Bankruptcy Code commenced by the Debtors, currently pending in the Bankruptcy Court.

“*Claim*” shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

“*Class*” means any group of substantially similar Claims or Equity Interests classified by the Plan pursuant to Section 1123(a)(1) of the Bankruptcy Code.

“*Collateral*” means any property or interest in property of any Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

“*Committee*” means the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee in the Chapter 11 Cases; as such committee may be reconstituted from time to time.

“*Confirmation*” means the entry of the Confirmation Order by the Bankruptcy Court pursuant to Section 1129 of the Bankruptcy Code.

“*Confirmation Date*” means the date upon which the Confirmation Order has been entered on the docket by the Clerk of the Bankruptcy Court within the meaning of Bankruptcy Rules 5003 and 9021.

“*Confirmation Hearing*” means the hearing, including any continued or adjourned session thereof, at which time the Bankruptcy Court will consider and determine whether to confirm the Plan.

“*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

“*Consummation*” means the occurrence of the Effective Date.

“*Debtor*” means any of the Debtors in its individual corporate or other capacity and in its capacity as debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code.

“*Debtors*” means Tango Transport, LLC (“Tango”), Tango Logistx, LLC (“Logistx”), GMGO, LLC (“GMGO”), Tango Truck Services, LLC (“Truck Services”), Tango Enterprises, Inc. (“Enterprises”), Cango, Inc. (“Cango”), and Gorman Group, Inc. (“Gorman”).

“*Debtor(s)-In-Possession*” means Debtor(s), when exercising their respective rights, powers and duties under Section 1107(a) of the Bankruptcy Code in their respective Chapter 11 Cases between the Petition Date and the Effective Date.

“*Disallowed Claim*” means that portion of any Claim that (a) has been disallowed by a Final Order or a settlement, or (b) has not been scheduled by the Debtors or has been scheduled by the Debtors as zero or as contingent, disputed or unliquidated and as to which no proof of claim has been timely filed or deemed timely filed, or (c) a Claim or any portion thereof that is not scheduled and as to which a proof of claim bar date has been established but no proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

“*Disclosure Statement*” means the Debtors’ Disclosure Statement for the Debtors’ Joint Plan of Liquidation, as the same may be further amended and supplemented from time to time hereafter, which relates to the Plan and which has been prepared and distributed pursuant to an order of the Bankruptcy Court approving the same in accordance with Sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018.

“*Disputed*” means, with respect to a Claim, any such Claim, the proof of which was timely and properly filed and (a) which has been or hereafter is listed on the Schedules as unliquidated, disputed, or contingent or which is not listed on the Schedules, and which has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, or (b) as to which the Plan Trustee, Committee or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order. Prior to (x) the time that a timely objection or request for estimation has been filed and (y) the expiration of the time within which to object to such Claim set forth herein or otherwise established by order of the Bankruptcy Court, for purposes of the Plan, (i) a Claim listed on the Schedules as other than unliquidated, disputed or contingent shall be considered a Disputed Claim if the amount of the Claim specified in the proof of claim exceeds the amount listed on the Schedules; or (ii) a Claim not listed on the Schedules shall be considered a Disputed Claim for the entire amount specified in the proof of claim. Because it is not anticipated that the holders of Equity Interests will receive any distributions on account of such Equity Interests, it is unnecessary to characterize any Equity Interest, or any portion thereof, as Disputed.

“*Disputed Claims Reserve*” means, in the event there exists any Disputed Claim on or after the Effective Date, Cash to be set aside by the Plan Trustee in a separate, interest-bearing account, in an amount sufficient to pay all such Disputed Claims in accordance with the provisions of the

Plan, if such Disputed Claims become Allowed Claims, and to be maintained under the Plan, as set forth more fully in Article VIII of the Plan.

“*Effective Date*” means the first Business Day that is at least thirty (30) days after the date on which the conditions set forth in Article XI of the Plan shall have been satisfied or waived as provided therein.

“*Entity*” has the meaning set forth in Section 101 of the Bankruptcy Code and also means, without limitation, a joint venture, trust, estate, an unincorporated association or organization, a limited liability company, governmental entity or political subdivision, agency or representative thereof, or any other entity.

“*Equity Interest*” means the interest of any holder of equity securities of a Debtor represented by the issued and outstanding shares of common stock or preferred stock of a Debtor, including any existing options, warrants or rights, contractual or otherwise, to acquire such equity securities.

“*Estates*” means the estates created pursuant to Section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases; and “*Estate*” means any of the Estates.

“*Final Distribution Date*” has the meaning set forth in Section 8.05 of the Plan.

“*Final Order*” means an order of the Bankruptcy Court as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or motion for re-argument or rehearing is then pending or as to which any right to appeal, petition for certiorari, or move to reargue or rehear shall have been waived in writing in form and substance satisfactory to the Debtors or, in the event that an appeal, writ of certiorari, or re-argument or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been upheld by the highest court to which such order was appealed, or from which certiorari, re-argument or rehearing was sought and the time to take any further appeal, petition for certiorari or move for re-argument or rehearing shall have expired provided, however, that the possibility that a motion or application pursuant to Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

“*Impaired*” means, when used with reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

“*Initial Distribution Date*” has the meaning set forth in Section 8.04 of the Plan.

“*Lien*” has the meaning set forth in Section 101 of the Bankruptcy Code.

“*Other Priority Claims*” means all Claims, other than Administrative Expense Claims and Priority Tax Claims, entitled to priority in payment under Section 507(a) of the Bankruptcy Code.

“*Petition Date*” means April 6, 2016, the date on which Tango Transport, LLC, Tango Logistx, LLC, and Gorman Group, Inc., commenced their Chapter 11 Cases and April 7, 2016 for Tango Truck Services, LLC, Tango Enterprises, Inc., Cango, Inc. and GMGO, Inc.

“*Plan*” means the Joint Plan of Liquidation of the Debtors, as the same may be further amended or modified from time to time pursuant to the Plan and the Bankruptcy Code.

“*Plan Fund*” means (1) cash held by the Debtors on the Effective Date; (2) the net proceeds of the sales of the Debtors’ real and personal property, (3) cash from operations of the IP Warehouse, and (4) all other funds received by the Plan Trustee on account of liquidation of assets including proceeds from any retained causes of action.

“*Plan Trust*” means the trust created pursuant to the Plan Trust Agreement on the Effective Date in accordance with the Plan, the Confirmation Order and the Plan Trust Agreement, the purposes of which include, without limitation, (i) the receipt of the assets of the Debtors on behalf of and for the benefit of the holders of Claims against the Debtors under the Plan and otherwise to act as a “liquidating trust” within the meaning of Treasury Regulations Section 301.7701-4(d), (ii) the sale, disposition, collection, or other realization of value of any kind whatsoever in respect of the remaining assets of the Debtors, (iii) the preservation and distribution of the consideration to be distributed to holders of Claims against the Debtors pursuant to the Plan, the Plan Trust Agreement, the Confirmation Order, or such other Order as may be entered by the Bankruptcy Court, (iv) the prosecution or settlement of objections to Disputed Claims against the Debtors, (v) the prosecution or settlement of avoidance actions for the benefit of creditors of the Debtors, and (vii) the performance of all other obligations pursuant to the Plan, the Plan Trust Agreement, and any other orders entered by the Bankruptcy Court.

“*Plan Trust Agreement*” means the Plan Trust Agreement to be dated the Effective Date, establishing the terms and conditions of the Plan Trust.

“*Plan Trust Expense Reserve*” means the reserve established for the payment of expenses incurred by the Plan Trustee in accordance with the obligations under the Plan and the Plan Trust Agreement.

“*Plan Trustee*” means the trustee of the Plan Trust approved by the Court at the Confirmation Hearing.

“*Priority Non-Tax Claims*” means a Claim entitled to priority in payment under Section 507(a)(8) of the Bankruptcy Code, but only to the extent it is entitled to priority under such subsection but excluding property tax claims.

“*Priority Tax Claims*” means all Claims of government units of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8).

“*Professionals*” means all professionals employed in the Chapter 11 Cases pursuant to Section 327 or 1103 of the Bankruptcy Code, and all professionals entitled to compensation or

reimbursement of expenses pursuant to Sections 503(b), 506(b) or 1129(a)(4) of the Bankruptcy Code.

“*Property Tax Claim*” means any tax Claim held by a government Unit secured by a lien against the property.

“*Pro Rata*” means, with respect to Allowed Claims within the same Class, the proportion that an Allowed Claim bears to the sum of (a) all Allowed Claims within such Class and (b) all Disputed Claims Reserves within such Class.

“*Record Date*” means the record date for determining an entitlement to receive distributions under the Plan on account of Allowed Claims, which date shall be the Effective Date.

“*Reorganized Debtor*” means the Debtor as revested with property of the Estate to the extent provided in the Plan on or after the Effective Date.

“*Retained Claims and Causes of Action*” means any and all claims and causes of action, including but not limited to the claims and causes of action set forth in Article XIV herein or in Article XXI of the Amended Disclosure Statement, which the Debtors may hold against any Person as of the Effective Date and which are being retained by the Debtors and the Plan Trust pursuant to the Plan.

“*Scheduled*” means set forth on the Schedules.

“*Schedules*” means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by Section 521 of the Bankruptcy Code and Bankruptcy Rules 1007 and 1009, including any supplements or amendments thereto through the Confirmation Date.

“*Secured Claim*” means a Claim, to the extent reflected in the Schedules or on a proof of claim as a secured claim, which is secured by a security interest in or Lien on Collateral, to the extent of the value of such Collateral (as agreed to by the holder of such Claim and the Debtors or as determined by a Final Order of the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code), provided, however, that a Secured Claim shall not include any portion of the Claim that is subject to setoff under Section 553 of the Bankruptcy Code to the extent of such setoff.

“*Subsequent Distribution Date*” has the meaning set forth in Section 8.04 of the Plan.

“*Unimpaired*” means, with respect to a Claim or Equity Interest, a Claim or Equity Interest that is not impaired within the meaning of Section 1124 of the Bankruptcy Code.

“*Unsecured Claim*” means any claim that is not in Class 2, an Administrative Claim, Priority Claim, Secured Claim, or a Claim otherwise specifically classified in another class in the Plan and meets the requirements of Sections 502(b) and 101(5) of the Bankruptcy Code.

“*WARN Act Litigation*” means the adversary proceeding, case number 16-04052, titled “Lori Taravello and Sasha Clark, on behalf of themselves and all others similarly situated v. Tango Transport, LLC,” pending in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division.

1.02 Undefined Terms. A capitalized term used in this Disclosure Statement that is not defined herein or in the Plan shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

1.03 Rules of Interpretation. For purposes of this Disclosure Statement and the Plan, the following rules of interpretation apply:

(a) The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Disclosure Statement and Plan as a whole and not to any particular section, subsection, or clause contained in the Plan;

(b) Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter;

(c) Any reference in the Disclosure Statement and Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(d) Any reference in the Disclosure Statement and Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented;

(e) Unless otherwise specified, all references in the Disclosure Statement to Sections, Articles, Schedules and Exhibits are references to Sections, Articles, Schedules and Exhibits of or to this Disclosure Statement unless specifically identified otherwise;

(f) Captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Disclosure Statement; and

(g) Unless otherwise expressly provided, the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply to the extent not inconsistent with any other provision of the Disclosure Statement or Plan.

1.04 Computation of Time. In computing any period of time prescribed or allowed by the Disclosure Statement and Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006 shall apply.

1.05 Governing Law. Except to the extent that the Bankruptcy Code or the Bankruptcy Rules are applicable, and subject to the provision of any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, the rights and obligations arising under the Disclosure Statement and Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof. Nothing contained in this Section 1.05 is intended to, or shall, affect the substantive law otherwise applicable to the allowance or disallowance of a Claim or the rights granted to the Debtors, including, without limitation, those rights granted pursuant to the Plan.

1.06 Substantive Consolidation of Debtors' Estates. The Plan is predicated upon, and it is a condition precedent to confirmation of the Plan that the Bankruptcy Court provides in the Confirmation Order for, substantive consolidation of the Chapter 11 Cases of the Debtors into a single Chapter 11 Case for purposes of the Plan and the distributions thereunder. Pursuant to such Final Order, (i) all assets and liabilities of the Debtors will be merged, (ii) any obligations of any Debtor will be deemed to be one obligation of the Debtors, (iii) a Claim against any one of the Debtors is a Claim against all of the Debtors for all purposes, including, but not limited to, distribution as provided under the Plan; (iv) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Case, in accordance with the substantive consolidation of the assets and liabilities of the Debtors and (v) all transfers, disbursements and distributions made by any Debtor will be deemed to be made by all of the Debtors. Holders of Allowed Claims in each Class shall be entitled to their Pro Rata share of assets available for distribution to such Class without regard to which Debtor was originally liable for such Claim. Analysis of the effect of substantive consolidation is set forth in (Attachment 3).

ARTICLE II INTRODUCTION

A. THE DEBTORS AND COMMITTEE

2.01 The Debtors.

On April 6, 2016, (the "Petition Date"), Tango Transport, LLC, Tango Logistx, LLC, and Gorman Group, Inc., filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"), initiating their own respective above-styled bankruptcy cases. On April 7, 2016, Tango Truck Services, LLC, Tango Enterprises, Inc., Cango, Inc. and GMGO, Inc., filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*, initiating their respective bankruptcy cases. Tango Transport, LLC, Tango Logistx, LLC, Gorman Group, Inc., Tango Truck Services, LLC, Tango Enterprises, Inc., Cango, Inc., and GMGO, Inc. are referred to collectively herein as the "Debtors". The Debtors are in possession and manage their Estates as debtors-in-possession.

2.02 The Debtors' Professionals.

By Order dated May 9, 2016 [R. Dkt. # 31], the Bankruptcy Court approved the *Application for Approval of Employment of Counsel for Debtors-in-Possession*, authorizing the Debtors to employ The Harvey Law Firm, P.C. as of the Petition Date as bankruptcy Counsel.

By Order dated June 6, 2016, [R. Dkt. # 82], the Bankruptcy Court approved the *Application for an Order Authorizing the Engagement and Retention of Burr & Temkin South, Inc. as Real Estate Brokers* authorizing the Debtors to engage Burr & Temkin South, Inc. to market real property assets located in Sibley, Louisiana, for sale.

By Order dated June 6, 2015 [R. Dkt. # 83], the Bankruptcy Court approved the *Application for an Order Authorizing the Engagement and Retention of BKM Sowan Horan, as Accountants* authorizing the Debtors to employ BKM Sowan Horan to file consolidated tax returns, prepare monthly operating reports and assist in litigation support.

By Order dated July 10, 2016 [R. Dkt. # 139], the Bankruptcy Court approved the *Application for an Order Authorizing the Engagement and Retention of Ken Gibson Realtors* authorizing the Debtors to employ Ken Gibson Realtors to market real property assets located in Madisonville, Kentucky, for sale.

2.03 Employment of Special Counsel for the Debtors.

On September 28, 2016 the Bankruptcy Court approved the following employment applications: (i) *Application of Debtors-in-Possession to Employ Orenstein Law Group, P.C. as Co-Special Counsel Pursuant to Bankruptcy Code Section 327(e)* [R. Dkt. #151]; and (ii) *Application for an Order to Approve Employment of Special Counsel Pursuant to Bankruptcy Code Section § 327(e)* [R. Dkt. # 150]. The Court entered orders [R. Dkt. #282, 283] approving in part the employment of Newt Cunningham and Rosa Orenstein as follows: (i) on a 15% contingency fee plus expenses to pursue the collection of freight bills and amounts due the Debtors; (ii) on an hourly fee basis to file a motion for turnover or other actions to recover the Debtors' leased or owned trailers held by Celadon Trucking Services, Inc.; and (iii) on an hourly basis to file complaints against Navistar (fraudulent conveyance and sale of defective trucks) and Celadon (breach of asset purchase agreement) to preserve the cause of action. The Court ordered that any further services prior to the effective date of a plan need additional approval by the Court.

2.04 Appointment of the Official Unsecured Creditor's Committee.

On April 26, 2016 [R. Dkt. # 22], the United States Trustee, pursuant to Section 1102(a)(1) of the Bankruptcy Code appointed the following persons as members of the Committee: (i) Navistar Financial Corporation; (ii) Fleet Equipment; and (iii) American Trucking and Transportation Ins. Co., RRG.

By Order dated June 17, 2016 [R. Dkt. # 99], the Bankruptcy Court approved the *Application to Retain and Employ the Firm of Heller, Draper, Patrick, Horn & Dabney, LLC as*

counsel for the Official Unsecured Creditors' Committee authorizing the Committee to employ the firm of Heller, Draper, Patrick, Horn & Dabney, LLC as counsel as of the Petition Date.

By Order dated June 30, 2016 [R. Dkt. # 112], the Bankruptcy Court approved the *Application to Retain and Employ the Firm of Stillwater Advisory Group LLC as Financial Advisor for the Official Unsecured Creditors' Committee Nunc Pro Tunc as of May 24, 2016*. The Committee employed Stillwater Advisory Group LLC to provide, *inter alia*, financial advisory services, a forensic review of financial information, claims analysis, preference action analysis and litigation analysis.

B. THE DISCLOSURE STATEMENT

2.05 Purpose of this Disclosure Statement. Debtors have prepared and filed this Disclosure Statement as required by the Bankruptcy Code for the Court's approval and for submission to the holders of Claims against the Debtors. The purpose of this Disclosure Statement is to provide the holders of Claims against the Debtors with adequate information regarding the Debtors so that each holder of a Claim may make an informed judgment regarding the merits of the proposed Debtors' Liquidating Plan of Reorganization (the "**Plan**") and any amendments thereto, and decide whether to accept or reject the Plan. Capitalized terms used but not defined herein have the meanings set forth in the Plan. In the event of any conflict between this Disclosure Statement and the Plan, the Plan will control. The Debtors believe that the treatment proposed in the Plan is the best available, and recommends that each holder of a Claim or Interest vote in favor of approval of the Plan.

2.06 Requirements of the Disclosure Statement. The Code requires that this Disclosure Statement contain information of a kind, and in sufficient detail, as far as is reasonably practical in light of the nature and financial history of the Debtors, which will enable individual holders of Claims to make an informed judgment regarding the Plan. In order to understand the proposed reorganization of the Debtors, this Disclosure Statement, the Plan (**Attachment 1**) and attached partial Schedules (**Attachment 2**) should be read in their entirety.

2.07 Court Approval. Pursuant to 11 U.S.C. §1125(b), after notice and a hearing, the Court must determine whether this Disclosure Statement contains information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor, typical of the classes of creditors and other parties in interest being solicited, to make an informed judgment regarding the Plan. If the Court so rules, an order will be entered to that effect.

C. THE CONFIRMATION PROCESS

2.08 Hearing on Plan Confirmation. The Court will hold a hearing to determine whether the Plan should be confirmed. The hearing will take place in the United States Bankruptcy Courtroom of the Honorable Brenda Rhoades or as designated by the Court. Notice of a hearing date will be mailed to all holders of Claims or Interests, and other interested parties listed on the mailing matrix. You may attend the hearing. Parties who timely file a written objection with the Clerk of the Bankruptcy Court may present to the Court arguments in opposition to Confirmation of the Plan.

2.09 Voting.

(a) Requirements of Voting. A holder of a Claim or Interest, in order to vote on the Plan, must have filed a proof of claim or interest with the Court prior to the bar date of August 18, 2016, unless that creditor holds a Claim that was scheduled by the Debtors as not disputed, not unliquidated and not contingent. Any holder of a Claim scheduled as not disputed, not unliquidated and not contingent is, to the extent scheduled, deemed to have filed a Claim pursuant to Section 1111(a) of the Code and, absent objection, such Claim is deemed allowed for voting purposes.

As indicated in the Plan and herein, Class 1 – Other Priority Claims and Class 2 – Secured Claims are presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. Class 3 – General Unsecured Claims and Class 4 – WARN Act Litigation Claims are presumed to be impaired and are entitled to vote to accept or reject the Plan. Class 5 – Equity Interests are presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

(b) Time and Manner of Voting. The Court will issue an order requiring that all votes for the acceptance or rejection of the Plan be received on or before a bar date set by the Court and noticed to all creditors and parties in interest. Voting will be pursuant to the enclosed ballot.

The original, executed ballot should be returned to:

**Keith W. Harvey, Esq.
The Harvey Law Firm, P.C.
6510 Abrams Road, Suite 280
Dallas, Texas 75231
972-314-0894 (fax)
harvey@keithharveylaw.com**

(c) Fill in Ballots Properly. Please fill in, date, sign, and promptly mail, fax or e-mail, the enclosed ballot upon receiving notice of the entry of the Court order approving the Disclosure Statement, and before the deadline for voting. Be sure to properly complete the form and legibly identify the name of the holder of the Claim or Interest.

(d) Return of Ballot. Mail or deliver your ballot so that it will reach The Harvey Law Firm, P.C. before the deadline. The deadline will be indicated on the ballot and will be docketed by the Court. A vote received after the ballot deadline will not be counted.

(e) Access to Committee. The Debtors shall provide the Committee access to preliminary voting results as reasonably requested prior to the Voting Deadline.

(f) Parties Bound. Whether a creditor votes on the Plan or not, such creditor will be bound by the terms and treatment set forth in the Plan, if the Plan is accepted by the requisite majorities of classes of creditors and is confirmed by the Court. Such creditor will be bound by

the terms and treatment set forth in the Plan. Absent some affirmative act constituting a vote, such creditor will not be included in the tally. Allowance of a Claim for voting purposes does not necessarily mean that all or a portion of the Claim will be allowed for distribution purposes.

(f) Importance of Voting. As a holder of a Claim or Interest, your vote is important. The Plan can be confirmed by the Court if it is accepted by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims voting on the Plan in each class. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if one impaired class votes for Confirmation, and if the Court finds that the Plan does not discriminate unfairly and accords fair and equitable treatment to the classes rejecting it.

ARTICLE III DISCLAIMERS, REPRESENTATIONS AND ACCURACY

3.01 No Judgment on the Merits of the Plan by the Court. Section 1125 of the Code requires the Court to approve the information contained in this Disclosure Statement. Such approval, however, does not constitute a judgment by the Court as to the desirability of the Plan, or as to the value or suitability of any consideration offered thereby.

3.02 No Representations Regarding the Debtors. No representations concerning the Debtors are authorized by Debtors other than as set forth in this Disclosure Statement. No admissions of liability or fact are contained herein other than for purposes of compliance with the Code and for Disclosure Statement and Plan approval. The information contained herein and the schedules attached hereto have been submitted by Debtors, unless specifically stated otherwise, and have not been subject to a certified financial audit, or a certified audit of any kind. The Debtors maintain their own records. For the foregoing reasons, and due to the complexity of the Debtors' financial matters, Debtors are unable to warrant or represent that the information contained herein and in the attached schedules is without any inaccuracy, although reasonable effort has been made to insure accuracy. Financial forecasts or estimates are based on various assumptions that are described in this Disclosure Statement. Debtors do not warrant or guarantee the projections and estimates contained herein. The actual results could be better or worse than projected herein. The vast majority of the information contained in this Disclosure Statement was obtained from the Debtors.

3.03 Materiality. Debtors have prepared this Disclosure Statement to disclose that information which, in their opinion, is material, important and necessary to a proper evaluation of the Plan. The material contained herein is intended solely for that purpose and solely for the use of holders of Claims against the Debtors. Accordingly, this Disclosure Statement may not be relied upon for any purpose other than determination of how to vote on the Plan. In addition, the materials contained in this Disclosure Statement may not be sufficient for the formation of a judgment by any Claim or Interest holder of the preference of an alternative to the Plan. Debtors have proposed the Plan and favor it. Inclusion of materials which may suggest alternatives to the Plan are limited by both partial considerations of space and the opinions of Debtors.

3.04 No Representations Other than Contained Herein. No representations concerning the Debtors or the Plan are authorized by Debtors other than as set forth in this Disclosure Statement.

Any representations or inducements made by any person to secure your vote in favor of or against the Plan which are other than those contained herein, should not be relied upon, and such representations or inducements should be reported to counsel for the Debtors, who shall deliver such information to the Court.

3.05 Additional Information. Certain materials referred to in this Disclosure Statement are taken from other instruments or are photocopies or summaries of other instruments. While the Debtors has attempted to retain the meaning of the other instruments or portions incorporated into this document, the Debtors urge that any reliance on the contents of such other instrument should depend upon a complete review of accurate copies or of the actual instruments, and upon advice of counsel.

ARTICLE IV GENERAL BACKGROUND

4.01 The Debtors filed their voluntary petitions pursuant to Chapter 11 of Title 11 of the United States Code on April 6, 2016 and April 7, 2016, respectively.

4.02 The Debtors remain debtors-in-possession pursuant to the Bankruptcy Code §§ 1107 and 1108.

4.03 The Debtors were in the trucking business. Their assets consist generally of: (1) trucks, trailers, parts and tools; (2) real property; (3) an operating business; (4) accounts receivable; (5) Retained Claims and Causes of Actions for damages against third parties, including insiders; and (6) recovery of funds, being held by third parties.

4.04 Tango Transport, LLC, was the primary operating company of the enterprise. At its peak it operated about 850 class 8 highway tractors and 2700 dry van trailers. It also operated a few flatbed trailers. It held what is known as 48 state interstate common carrier and contract carrier operating authority and ran lanes roughly from Laredo, Texas east to the Carolinas and down to Florida. It also ran lanes roughly from Texas/Louisiana up through Memphis, Tennessee and on to Chicago. It has given up its 48 state interstate operating authority and now holds only a Louisiana intrastate authority used to support the Slack Road, International Paper warehouse in Shreveport Louisiana. That operation uses ten (10) owned tractors, some rented trailers and about eighteen (18) owned trailers. In its operating lifetime, it owned and leased many tractors and many trailers as primary obligor and is the defendant in a number of pending lawsuits.

4.05 Tango Logistx, LLC was a separate operating company of the enterprise. It functioned as a broker of motor carrier freight primarily to engage other, non-owned motor carriers to haul excess Tango Transport freight to provide continuing customer service to Tango Transport customers when Tango had insufficient capacity to handle the loads timely. It occasionally brokered the customer freight of other non-owned trucking companies to Tango Transport tractors and trailers when Tango Transport had excess capacity. It is the legal signatory to the Warehouse

Operating Agreement with International Paper. The Warehouse Lease with Sealy/Slack is signed by Tango Transport.

4.06 Gorman Group, Inc., is the holding company of the enterprise, owned 66.66% by BJ Gorman and 16.67% each by Elizabeth Gorman Cannon and Darrell Gorman.

4.07 Tango Enterprises, Inc.'s sole function was to deal with administrative payroll.

4.08 Cango, Inc.'s sole function was to deal with driver (employees) and owner operator (non-employee independent contractors) payroll and settlements.

4.09 Tango Truck Services, LLC's sole function was to administer payroll for mechanical shop employees.

4.10 GMGO, LLC operated solely to support the company's (Tango Transport) motor carrier operations with General Motors ("GM"). At one time, the enterprise operated a regular lane of truck transportation between Shreveport, Louisiana and Detroit, Michigan and surrounding areas in support of the Shreveport, Louisiana GM auto assembly plant. In addition, at its peak, it operated about fifty (50) intercity tractors and additional supporting trailers, two shift per day, from the GM suppliers located around the GM assembly plant into the plant. For the most part, the GM assembly plant kept no inventory and the plant was operated by just-in-time parts delivery into the plant. GM closed the assembly plant about three years ago and the Debtors lost the business. The GM assembly plant remains non-operational in Shreveport.

4.11 In January 2015, Tango management became aware that it was in dire financial distress. At that time, Tango hired the law firm of Bryan Cave LLC ("Bryan Cave") to either file a Chapter 11 proceeding or conduct an out-of-court workout.

4.12 Bryan Cave suggested that the Debtors hire a restructuring firm to advise it. On March 30, 2015, the Debtor engaged the firm of Morris Anderson and one of its employees, Mr. Dan Dooley, was hired as the Chief Restructuring Officer ("CRO").

4.13 On March 30, 2015, the Directors of the Gorman Group, Inc., entered into that certain Unanimous Consent to appoint Dan Dooley of Morris Anderson & Associates, Ltd as CRO and granting him broad powers to take all actions that he, in the exercise of his business judgment, deemed necessary and appropriate and in the best interests of the Debtors. B.J. Gorman and Robert Gorman remained on the Board of Directors in their capacities, as President and Chairman of the Board, respectively.

4.14 Upon taking control, Mr. Dooley began looking for new sources of capital. He expressed confidence in his ability to restructure the debt and save the company.

4.15 After several months and several attempts to find financing, Mr. Dooley made the decision to close the company and transfer certain employees to Celadon Trucking Services, Inc. (“Celadon”), because the Debtors were unable to pay for fuel for their trucks or wages to their employees. On September 30, 2015, the Debtors entered into the Asset Purchase/Transition Service Agreement, which was designed to facilitate the termination and wind down of the Debtors and provide aid to the Debtors during a liquidation of the Debtors assets. More specifically, Celadon was to provide, for up to 60 days, or longer, assistance in winding down the business and servicing the customers of the Debtors.

The Debtors were to retain certain assets, including, but not limited to, 375 of the Debtors’ owned and leased trucks, 1,600 trailers, cash and cash equivalents, accounts receivable, notes receivable, negotiable instruments, chattel paper, and driver receivables, real estate, leased real estate, insurance policies, the International Paper warehousing operation, and government permits and other operating authorities.

There was other valuable consideration, including cash payments, equipment purchases and ongoing expenses and payments after the sale and transition.

The Debtors contend that Celadon breached the Agreement, failing to make payments due the Debtors, and failing to maintain and protect Debtors assets in its possession.

Causes of action against Celadon are part of the retained assets of the Reorganized Debtor.

4.16 On September 30, 2015, Tango ceased operations as an interstate and intrastate motor carrier and within sixty (60) days released nearly all employees, including those who chose not to transfer to Celadon.

4.17 In December 2015, an unofficial committee of unsecured creditors was formed. The members of the unofficial committee of unsecured creditors included: (i) American Trucking and Transportation Ins. Co., RRG; (ii) Navistar Financial Corporation; (iii) Pilot Flying J; (iv) TA Operating LLC; (v) F&F Automotive; (vi) Novus Auto Glass; and (vii) Fleet Equipment. Counsel for the unofficial committee of unsecured creditors was Tristan E. Manthey with Heller, Draper, Patrick, Horn & Dabney, LLC.

4.18 On March 31, 2016, BJ Gorman and Robert Gorman terminated Dan Dooley and Morris Anderson and Associates LLC and took control of the Company.

ARTICLE V SIGNIFICANT EVENTS DURING BANKRUPTCY CASE

5.01 Tango Transport, LLC, Tango Logistx, LLC, and Gorman Group, Inc., commenced their Chapter 11 Cases on April 6, 2016, Tango Truck Services, LLC, Tango Enterprises, Inc., Cango, Inc. and GMGO, Inc., and April 7, 2016 for Tango Truck Services, LLC, Tango Enterprises, Inc., Cango, Inc. and GMGO, Inc., filed on April 7, 2016.

5.02. Navistar Leasing filed a Motion for Relief from Stay on April 12, 2016, to continue its suit against all parties not Debtors related entities not filing bankruptcy. [R. Dkt. # 5]. Debtors' counsel negotiated an agreed order allowing Navistar to proceed against the non-debtor defendants. [R. Dkt. # 23]

5.03 On April 15, 2016, Debtors counsel filed a Motion for Joint Administration of the seven Debtor entities. [R. Dkt # 8]. The Court granted the Motion and consolidated the cases under Tango Transport, LLC, case number 16-40642 [R. Dkt. #38].

5.04 On April 18, 2016, the Debtors filed their application to retain The Harvey Law Firm, P.C., as attorney for the Debtor-in Possession. [R. Dkt. #17].

5.05 On April 26, 2016, the United States Trustee announced the appointment of a Committee of Unsecured Creditors. [R. Dkt. # 22].

5.06 On May 5, 2016, Robert E. Gorman and Tango Motor, LLC filed their Motion for Imposition of Automatic Stay to Non-Filing Co-Debtors [R. Dkt. #28]. The Court imposed the stay to the benefit of Chris Gorman. [R. Dkt. # 77].

5.07 Lori Taravella and Sasha Clark, as Plaintiffs filed a Complaint against the Debtors on May 10, 2016, asserting violations of the WARN Act. [R. Dkt. # 33].

5.08 Mercedes-Benz Financial Services USA LLC filed a Motion for Relief from Automatic Stay with Waiver to allow it to proceed against non-debtor defendants. [R. Dkt. # 35]. The Debtors attorney negotiated an agreed Order.

5.09 Debtors filed its Application to employ Burr & Temkin South, Inc., as Real Estate Brokers [R. Dkt # 43], to sell the Sibley Property.

5.10 BMO Harris Bank, N.A., Motion for Relief from Automatic Stay to proceed against their collateral. [R. Dkt #43]. Debtors counsel negotiated an Agreed Order.

5.11 The Debtors filed a Motion to Sell Certain Real and Personal Property to sell the Sibley facility for approximately \$1.4 million. [R. Dkt. # 47]. The Court granted the motion, after a hearing, on June 22, 2016 [R. Dkt. #106].

5.12 On May 17, 2016, the Debtors filed their application to hire BKM Sowan Horan as Accountants to file tax returns for the Debtors. [R. Dkt. #48]. The Court granted the application.

5.13 The Unsecured Creditors Committee ("UCC") filed its Application to Employ Heller, Draper, Patrick Horn, & Dabney, L.L.C. as counsel. [R. Dkt #51]. The Court entered its Order on June 17, 2016 [R. Dkt # 99].

5.14 Meeting of Creditors occurred on May 25, 2016.

5.15 On June 2, 2016, Debtors in conjunction with American Trucking and Transportation Insurance Company, a Risk Retention Group (“ATTIC”) filed their Joint Motion for Order Authorizing and Establishing Procedures of Certain Liability Claims. [R. Dkt. #73]. The Debtor joined with ATTIC, in part, because at the Petition date they were aware of over twenty (20) civil actions filed against the Debtors in multiple states. The parties filed the motion to expedite the process of settlement of claims and to ease the burden on the Debtors and the Court. The Court entered its order approving the motion on July 21, 2016. [R. Dkt. # 141].

5.16 On June 2, 2016, the UCC filed its Application to Employ Stillwater Advisory Group LLC. [R. Dkt # 76]. The Court Entered its Order on June 30, 2016. [R. Dkt. # 112].

5.17 On June 9, 2016, The Debtors and the UCC entered into and filed its Consent Motion to Enter into Agreement to Escrow Net Sale Proceeds. [R.Dkt # 92].

5.18 On June 15, 2016, Debtors and the Unsecured Creditors’ Committee filed their Joint Motion for Order pursuant to Rule 2004 Compelling Attendance of Document Production by Celadon Trucking Services, Inc. [R. Dkt. # 96]. This matter arises out of Celadon’s breach of the sales agreement and pertains to the Debtors’ causes of action against Celadon and is one of the Retained Assets.

5.19 On July 15, 2016, the UCC filed its Motion to Terminate Compensation payments to Insiders. [R. Dkt. # 135]. The Debtors opposed the relief. The Court entered its Order on August 23, 2016 [R. Dkt. # 234]

5.20 On July 28, 2016, ATTIC filed its Motion for Relief from Automatic Stay to make a direct demand on the Debtors’ D & O Insurance. [R. Dkt. # 163]. The Debtors have made a demand on the Insurance carrier, Westchester Surplus Lines Insurance Company (“Westchester”), and are opposing the motion in order to preserve the D &O Insurance as an asset of the Estate. The demand against Westchester is also a Retained Asset, as defined herein.

5.20 The Debtors filed their Joint Plan on July 29, 2016. [R. Dkt. # 166].

5.21 The Debtors filed their Joint Disclosure Statement on the same day. [R.Dkt. #167]. Objections were filed by the UCC [R. Dkt. # 255], Navistar Leasing Company [R. Dkt. # 254], and Lori Taravella [R. Dkt, # 256].

5.22 On September 15, 2016, the Debtors and the UCC settled the WARN Act litigation through mediation. The parties are currently preparing the settlement documents and will file, on or before October 17, 2016, a joint motion for an order approving the Settlement Agreement pursuant to Bankruptcy Rule 9019 and 7023. The Settlement will include the following:

The parties will agree to certification of a settlement class consisting of approximately 108 employees to be reflected on Schedule 1 to the Settlement and defined as follows: all employees laid off from the facility located at 6009 Financial Plaza, Shreveport, LA 71129 beginning on September 30, 2015 through November 28, 2015 and who suffered an “employment loss” as

defined by the WARN Act and were either not offered or were denied employment with the entity that purchased certain of Tango Transport LLC's assets, and who do not opt-out (the "Settlement Class Members".)

The Settlement Amount will be equal to four hundred thousand dollars (\$400,000), payable by Tango Transport LLC, or any successor in interest, to Class Counsel (Lankenau & Miller, LLP and The Gardner Firm, P.C.) as follows: a) three hundred thousand dollars (\$300,000.00), to be paid within five business days of entry by the Bankruptcy Court of a Final Order approving this Settlement and b) an additional one hundred thousand dollars (\$100,000.00) to be paid to Class Counsel at the rate of fifty percent (50%) of the first two hundred thousand dollars (\$200,000) collected by Debtors or any successor in interest, including any Plan Trustee or Liquidating Trustee, on any claim or cause of action, demanded or filed on or after September 15, 2016, by the Debtors or any successor in interest.

Once payments on the Settlement Amount have been received by Class Counsel, such amounts shall be distributed by Class Counsel in two distributions as follows: (a) a one-time payment of \$5,000 each to Lori Taravella and Sasha Cark for their services rendered in this action (the "Service Payments") and (b) the balance, minus one third attorney fees, plus expenses of litigation, shall be divided among the proposed Settlement Class Members who do not opt-out of the settlement, as indicated on Schedule 1 to the Settlement. Amounts from the Settlement paid to Settlement Class Members will be reflected on an IRS Form 1099 to each. Tango will provide Class Counsel with the Social Security numbers for each Settlement Class member within 10 days of execution for us in preparation of the IRS Form 1099s.

In exchange for the rights and benefits created by the Settlement, the Settlement Class Members who do not opt out of the Settlement release Tango, and its respective officers, directors, shareholders, affiliates, agents, employees, partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors, successors and assigns, from any and all claims, demands, debts, liabilities, obligations, liens, actions and causes of action, costs, expenses, attorneys' fees and damages of whatever kind or nature, at law, in equity and otherwise, whether known or unknown, anticipated, suspected or disclosed, which the Settlement Class Members had or may now have against the Released Parties, which relate to or are based on the WARN Act.

The parties will cooperate to cause a joint motion to be filed with the Bankruptcy Court on or before October 17, 2016, for an order approving the Settlement Agreement pursuant to Bankruptcy Rules 9019 and 7023 (the "Settlement Motion") and Class Counsel will mail the Class Notice, once Bankruptcy Court-approved, to all proposed Settlement Class members.

The rights and obligations of any Class Member who elects to opt-out of the proposed settlement ("Opt-out") will be unaffected by the Settlement Agreement and such Opt-out will have the same rights and obligations as the Opt-out would have had if this litigation had never been filed and this Settlement never agreed to. The Debtors likewise will retain all rights, claims and defenses they have against any and all Opt-out Class Member.

5.23 On October 3, 2016, under section 1121(d)(2), the deadline to obtain acceptances for the Plan expired. Accordingly, the Debtors no longer have the exclusive right to file a Plan under the Bankruptcy Code.

ARTICLE VI

ANALYSIS AND VALUATION OF PROPERTY

6.01 Liquidation Value of Assets. The Debtors will distribute cash to the creditors pursuant to the Classifications set out below. Therefore, Debtors believe that each holder of a Claim or Interest will receive 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 Debtors were liquidated under chapter 7 of title 11, U.S.C. on such date. A liquidation analysis is attached at **Attachment 3**.

6.02 Sale of All the Personal and Real Assets. The Debtors continue to sell all of their real and personal assets, including their sole remaining business, known as the IP Warehouse Operation (“IP Warehouse”).

6.02.1 Real Estate.

- (a) **Sibley Louisiana Terminal and Maintenance Facility (“Sibley”).** On May 17, 2016, the Debtor filed a motion seeking the authority to sell Sibley free and clear of liens to LJH Acquisitions, Inc., for \$1.4 million. [**Docket No. 47**]. By Order dated June 22, 2016 [R. Dkt. # 105], the Bankruptcy Court approved the sale. At the time of closing, costs and the commission to Burr & Temkin South, Inc. as broker for the sale were paid from the proceeds. Pursuant to the Order granting the *Consent Motion to Enter into Agreement to Escrow Net Sale Proceeds* [R. Dkt. # 106], the net proceeds were deposited into an escrow account with any further distribution subject to a Bankruptcy Court Order. The amount of net proceeds realized was \$1,324,246.35.
- (b) **Madisonville Kentucky Office Building and Adjacent Land.** The property consists of four parcels of land. By Order dated August 19, 2016 [R. Dkt. # 225], the Debtor was granted the authority to sell lot # 4 to Marty and Donna Vincent for \$45,000 and sell lot #5 to Lonnie and Lori Strader for \$46,000. At the closing of the sales, costs and the commission to Ken Gibson Realtors will be deducted from the proceeds. The net sale proceeds from the sale of lot #3 were \$ 38,616.86. The Debtors have not closed on any of the other parcels.

6.02.2 IP Warehouse Operation. The IP Warehouse operates profitably at \$3 million annual sales, with \$350,000 annual cash flow. Estimated sales’ value is difficult to determine and could be as high as \$250,000.00 or as low as \$100,000.00. The present contract under which the IP Warehouse is operating is on a month-to-month basis, and the leased premises upon which the IP Warehouse is operated is under a rolling 90-day lease.

Within the operation, the Debtor runs ten (10) owned tractors, some rented trailers and about eighteen (18) owned trailers. The tractors have a combined value of \$175,000.00.

6.02.3 Trailers. The Debtors currently control thirty-seven (37) trailers that are unencumbered.

6.02.4 Miscellaneous Assets. The Debtor owns computers, telephones, various business machines and devices, office supplies, and furniture, which have a nuisance or no value.

6.02.5 Items sold pursuant to Bankruptcy Court Order during the pendency of these Bankruptcy Cases. The Debtors have already sold the following machinery, vehicles and equipment pursuant to Orders of the Bankruptcy Court:

Order Docket #	Sale Items	Amount
156	Forklift to Wintech International, LLC	\$22,000
157	Kenworth Day Cab to Wingfield Truck & Equipment	\$4,000
158	Komatsu Forklift to Newt Brown Contractors	\$6,000
159	Four Flatbed Trailers to Dwayne Bush of Equipment Solutions	\$40,000
160	Miscellaneous Truck Parts to Red River Trailer Services, Inc.	\$17,500
179	Fontaine Flatbed to John Henley	\$3,500
	Total	\$93,000

6.03 Other Causes of Action. The Debtors have numerous causes of action which are identified and described in Article XXI herein. Debtors may have other causes of action which they have not yet identified.

ARTICLE VII SUMMARY OF THE PLAN, CLASSIFICATION AND TREATMENT OF CLASSES

7.01 Brief Summary of the Plan. The Debtors intend to liquidate all assets of the Estate and distribute the funds to Allowed Claims pursuant to their priority as set forth in the Bankruptcy Code. The Plan is attached hereto as **Attachment 1**. The Allowed Claims against the Debtors will be paid from the Plan Funds.

7.02 Cramdown. If the Plan is rejected by one or more impaired classes of Claims or Interests, the Plan or a modification thereof may still be confirmed by the Court under Section 1129(b) of the Bankruptcy Code, if the Court determines, among other things, that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting class or classes of Claims or Interests

impaired by the Plan. Accordingly, the Debtors have requested herein, and will request at the hearing on Confirmation of the Plan, such a determination (commonly referred to as a "cramdown") under Section 1129(b) of the Code, if the Plan or modification thereof is not accepted by all of the impaired classes of Claims or Interests.

7.03 Classification of Claims and Interests. For purposes of organization, voting, and all Plan Confirmation matters, except as otherwise provided herein, all Claims and all Equity Interests shall be classified as set forth in the Plan. Any Claim or Equity Interest is in a particular class only to the extent such Claim or Equity Interest fits within the description of such class and is in such other and different class to the extent that the remainder of such Claim or Equity Interest fits within the description of such other class, unless otherwise specified in the Plan. Any dispute with respect to classification of Claims or Equity Interest shall be resolved by the Bankruptcy Court upon motion of the holder of the Claim affected thereby, upon notice and hearing.

The following is a designation of Classes of Claims. A listing of the Claimants and the assets are set forth in the Schedules filed with this Court. For purposes of each Plan, Claims and Equity Interests are classified into mutually exclusive classes as follows:

All Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in the following Classes. Pursuant to Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims, as described above in Article II of the Plan, have not been classified and thus are excluded from the following Classes. A Claim is classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim qualifies within the description of such other Classes. A Claim is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is a Claim in that Class and has not been paid in full, released or otherwise satisfied prior to the Effective Date.

7.03.1 Class 1 - Other Priority Claims. Class 1 consists of all Other Priority Claims, except any allowed Section 507(a)(4) or 507(a)(5) claims related to the Warn Act Litigation.

7.03.2 Class 2 - Secured Claims. Class 2 consists of all Secured Claims.

7.03.3 Class 3 - General Unsecured Claims. Class 3 consists of all Claims not otherwise classified in Class 3 consists of all Claims not otherwise classified in Article III and not described in Article II of the Plan..

7.03.4 Class 4 - WARN ACT Claims. Class 4 consists of all allowed priority claims arising from violations of the WARN Act.

7.03.4 Class 5 - Equity Interests. Class 5 consists of all Equity Interests.

ARTICLE VIII TREATMENT OF CLAIMS AND EQUITY INTERESTS

8.01 Class 1 - Other Priority Claims.

(a) Impairment and Voting. Class 1 is Unimpaired by the Plan. For purposes of the Plan, each holder of an Other Priority Claim in Class 1 is conclusively presumed to have accepted the Plan as a holder of a Class 1 Claim and is not entitled to vote to accept or reject the Plan.

(b) Distributions. The Plan Trustee, on behalf of the Debtors, shall distribute Cash to each holder of an Allowed Other Priority Claim in an amount equal to the unpaid portion of such Claim, pursuant to the distribution procedures contained in the Plan Trust Agreement and subject to the provisions of the Plan. Debtors do not believe there are any Other Priority Claims.

8.02 Class 2 - Secured Claims.

(a) Impairment and Voting Class 2 is Unimpaired by the Plan. For purposes of the Plan, each holder of a Secured Claim in Class 2 is conclusively presumed to have accepted the Plan as a holder of a Class 2 Claim and is not entitled to vote to accept or reject the Plan.

(b) Distributions Notwithstanding any contractual provision or applicable law entitling a holder of an Allowed Secured Claim to demand or receive accelerated payment of an Allowed Secured Claim after the occurrence of a default, the Debtors or the Plan Trustee on behalf of the Debtors, as the case may be, shall either: (i) (A) cure with such funds previously set aside in segregated accounts on behalf of such Claims any and all defaults that have occurred with respect to all Allowed Secured Claims, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code, (B) reinstate the maturity of each Allowed Secured Claim as such maturity existed before any such default, (C) compensate from such funds previously set aside in segregated accounts on behalf of such claims each holder of an Allowed Secured Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law, and (D) otherwise leave unaltered the legal, equitable or contractual rights to which such Allowed Secured Claim entitles such holder; (ii) turnover or surrender the collateral that is subject to the Allowed Secured Claim in satisfaction of the secured portion of the Claim; (iii) pay cash equal to the Allowed amount of its Secured Claim; or (iv) such treatment as otherwise agreed to such holder. Debtors believe the Claims comprising Class 2 have been paid, but to the extent they have not, any such Secured Claims shall be paid as provided herein.

8.03 Class 3 - General Unsecured Claims.

(a) Impairment and Voting. Class 3 is Impaired by the Plan. Each holder of an Allowed Claim in Class 3 is entitled to vote to accept or reject the Plan.

(b) Distributions. Each holder of an Allowed Class 3 Claim against the Debtors shall receive in full satisfaction thereof, unless such holder agrees to accept lesser treatment of such Claim, a Pro Rata share of Available Cash (if any) available after payment in full of or reserve for all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Class 1 Other Priority

Claims, and all Plan Trust expenses. The timing of any distribution shall be within the discretion of the Plan Trustee.

8.04 Class 4 – WARN Act Claims.

(a) Impairment and Voting Class 4 is Impaired by the Plan. Each holder of an Allowed Claim in Class 4 is entitled to vote to accept or reject the Plan.

(b) Distributions. Each holder of an Allowed Class 4 Claim against the Debtors shall receive in full satisfaction thereof their share of the Settlement Funds, according to the terms of the WARN Act Litigation Settlement, as described in Article V herein and in the Settlement Motion.

8.05 Class 5 - Equity Interests.

(a) Impairment and Voting Class 5 is Impaired by the Plan. For purposes of the Plan, each holder of an Equity Interest is conclusively presumed to have rejected the Plan as a holder of an Equity Interest and is not entitled to vote to accept or reject the Plan.

(b) Distributions Because the value of the Debtors' assets is less than the total value of its debts and liabilities, the holders of Equity Interests will not receive any distributions on account of such Equity Interests. The Plan Trustee may request that the Bankruptcy Court make a finding that the Debtors' equity securities have no value. On the date the Debtors are dissolved, the common stock certificates, the preferred stock certificates and other instruments evidencing Equity Interests in the Debtors shall be deemed canceled without further act or action under any applicable agreement, law, regulation, order or rule, and the Equity Interests in the Debtors evidenced thereby shall be extinguished.

ARTICLE IX ESTABLISHMENT OF PLAN TRUST AND DESIGNATION OF PLAN TRUSTEE

9.01 Establishment of Plan Trust.

(a) On the Effective Date, the Debtors shall (i) execute the Plan Trust Agreement, (ii) take all other steps necessary or appropriate to establish the Plan Trust, (iii) transfer, deliver and assign to the Plan Trust on behalf of the creditors of the Debtors all of their right, title and interest in, to, under and in connection with all of the remaining assets free and clear of any interest in such property of any other person or entity, including the Retained Claims and Causes of Action. For federal income tax purposes, the beneficiaries of the Plan Trust shall be treated as the grantors of the Plan Trust and deemed to be the owners of the assets of the Plan Trust, and the Debtors will treat the transfer of the assets of the Debtors to the Plan Trust as a deemed transfer to such beneficiaries followed by a deemed transfer by such beneficiaries to the Plan Trust. The costs and expenses incurred by the Plan Trust on and after the Effective Date shall be paid in the ordinary course of business from the Plan Trust Expense Reserve.

9.02 Purpose of Plan Trust. The Plan Trust shall be established for the purpose of liquidating the assets of the Debtors and will include Retained Claims and Causes of Action. The Plan Trust, through the Plan Trustee, shall (i) collect and reduce the assets of the Plan Trust to Cash, (ii) including the Retained Claims and Causes of Action., (iii) make distributions on account of Allowed Claims under the Plan Trust and in accordance with the Plan and (iv) take all such actions as are reasonably necessary to accomplish the purpose hereof, as more fully provided in the Plan Trust Agreement.

9.03 Powers and Obligations of Plan Trust. In addition to all powers enumerated in the Plan Trust Agreement and in the provisions hereof, from and after the Effective Date, the Plan Trust shall succeed to all of the rights of the Debtors necessary to effectuate the Plan. As of the Effective Date, the Plan Trust shall be responsible for the winding up and dissolution of the Debtors' Estates, for liquidating the assets of the Plan Trust in accordance with the Plan Trust Agreement, for making distributions to holders of Allowed Claims against the Debtors and for settling, resolving and objecting to Claims against the Debtors. The Plan Trust shall have the authority without further Bankruptcy Court approval to sell the assets of the Plan Trust, to hire counsel and other advisors, to prosecute and settle objections to Disputed Claims against the Debtors, to pursue causes of action and otherwise to take such other actions as shall be necessary to administer the Debtors' cases and effect the closing of the Debtors' cases.

9.04 Plan Trustee.

(a) Appointment. Prior to the Confirmation Date, the Committee, the Debtor and any creditor shall nominate one or more persons to individually or jointly serve as the Plan Trustee. The Court shall then determine at Confirmation the Plan Trustee. The Committee believes that the selection of the Plan Trustee should be made by the Committee, subject to Court approval.

(b) Service. The Confirmation Order shall provide for the appointment of the Plan Trustee for and on behalf of the Debtors. From and after the Effective Date, the Plan Trustee will continue to serve in accordance with the terms of the Plan Trust Agreement. The Plan Trustee will retain all rights and powers conferred by the Plan Trust Agreement. The Plan Trustee shall also possess such other and further rights and powers as detailed in the Plan and in the Plan Trust Agreement, including, without limitation to those powers and rights conferred by the Plan Trust Agreement, all rights and powers pursuant to 11 U.S.C. § 1123(b)(3)(A) and (B), including the right and power in its reasonable discretion to:

(i) exercise all power and authority that may be exercised, and take all proceedings and acts that may be taken, by any officer, director, or shareholder of each Debtor, including, without limitation, the amendment of the certificate of incorporation and bylaws of each Debtor to provide for, among other things, the inclusion of all provisions required to be included under Section 1123(a)(6) of the Bankruptcy Code;

(ii) invest the Estates' and the Debtors' Cash (including, without limitation, Cash in the reserves) in (A) direct obligations of the United States of America or obligations of any agency or instrumentality thereof which are guaranteed by the full faith and credit of the United States of America; (B) money market deposit accounts, checking

accounts, savings accounts or certificates of deposit, or other time deposit accounts that are issued by a commercial bank or savings institution organized under the laws of the United States of America or any state thereof; or (C) any other investments that may be permissible under (I) the Bankruptcy Code or (II) any order of the Bankruptcy Court entered in the Chapter 11 Cases;

(iii) calculate and pay all distributions required or permitted to be made under the Plan, the Plan Trust Agreement and/or orders of the Bankruptcy Court;

(iv) subject to the provisions of the Plan and the Plan Trust Agreement, establish, fund, and/or administer the reserves and such other reserves, accounts and escrows as may be authorized by the Plan Trust Agreement, the Plan or order of the Bankruptcy Court;

(v) employ, supervise and compensate professionals and other Persons retained to represent the interests of and serve on behalf of the Debtors and waive any conflicts of interest as deemed necessary and appropriate in his discretion;

(vi) make and file tax returns for any of the Debtors;

(vii) object to or seek to re-characterize, reclassify or subordinate Claims or Equity Interests filed against any of the Estates on any basis, and, pursuant to Bankruptcy Rule 9019(b) and Section 105(a) of the Bankruptcy Code, to compromise and settle any such Claims or Equity Interests including Disputed Claims;

(viii) seek estimation of contingent or unliquidated Claims under Section 502 (c) of the Bankruptcy Code;

(ix) seek determination of tax liability under Section 505 of the Bankruptcy Code;

(x) prosecute, settle, dismiss, abandon or otherwise dispose of turnover actions under Sections 542 and 543 of the Bankruptcy Code;

(xi) prosecute, settle, dismiss, abandon or otherwise dispose of any and all causes of action of the Debtors;

(xii) dissolve any and all of the Debtors;

(xiii) perform any and all acts necessary or appropriate for the conservation and protection of the assets of the Estates and the Debtors;

(xiv) exercise all powers and rights, and take all actions contemplated by or provided for in the Plan Trust Agreement;

(xv) take any and all other actions necessary or appropriate to implement or consummate the Plan and the Plan Trust Agreement;

(xvi) consider and act on the compromise, settlement or payment of any claim against the Debtors;

(xvii) take any and all other actions necessary or appropriate to implement or consummate any Alternative Dispute Resolution Program (“ADR Program”) approved by the Court and to exercise all powers and rights accorded the Plan Trustee under such ADR Program wherein the Plan Trustee and the Debtors’ insurers will attempt to settle through negotiation various tort claims brought against the Debtors; and

(xviii) exercise all powers and rights accorded by the Bankruptcy Code, including, but not limited to, Section 105 of the Bankruptcy Code, and, notwithstanding the applicable law of the state of incorporation of any Debtor, all powers and rights accorded under Texas Law and under any applicable law of the state of incorporation of such Debtor not inconsistent with Texas Law.

(c) Compensation. The Plan Trustee shall be compensated from the Plan Trust Expense Reserve pursuant to the terms of the Plan Trust Agreement, and any agents, financial advisors, attorneys, consultants, independent contractors, representatives and other professionals retained or utilized by the Plan Trustee (the “Administrator Professionals”) shall be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred from the Plan Trust Expense Reserve. After the Effective Date, the payment of the fees and expenses of the Plan Trustee and the Administrator Professionals shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court. The Plan Trustee shall file with the Bankruptcy Court periodic statements containing a detailed invoice for services performed (a “Statement”). In the event any party in interest objects to the compensation received by the Plan Trustee as detailed in a Statement, the matter shall be presented to the Bankruptcy Court for determination. Any such objection must be filed with the Bankruptcy Court within twenty (20) days after the filing of the Statement upon which the objection is based. Upon the request of any party in interest or the Plan Trustee, the Bankruptcy Court, after notice and a hearing, may, with the consent of the Plan Trustee, alter the amount, terms, or conditions of the Plan Trustee’s compensation. Any successor Plan Trustee shall receive such reasonable compensation and reimbursement of expenses in the same manner for service as the Plan Trustee.

(d) Indemnification. **An indemnification of the Plan Trustee and the Administrator Professionals shall be as set forth in paragraph 8.3 of the Plan Trust Agreement.**

(e) Insurance. The Plan Trustee shall be authorized to obtain all reasonably necessary insurance coverage for himself and the Administrator’s Professionals, including, but not limited to, coverage with respect to (i) any property that is or may in the future become the property of the Debtors and (ii) the liabilities, duties and obligations of the Plan Trustee, and the Administrator’s Professionals (in the form of an errors and omissions policy or otherwise), the latter of which

insurance coverage may, at the sole option of the Plan Trustee, remain in effect for a reasonable period after the conclusion of the Plan Trustee's service.

9.05 Plan Trust Expense Reserves. On or as soon as practicable after the Effective Date and prior to making any distributions, the Plan Trustee shall set aside, deduct and reserve an amount of Cash equal to the estimated amount of Plan expenses. The Plan Trust Expense Reserve shall be deposited in a segregated, interest-bearing account in order to fund the fees and expenses of the Plan Trust (including, without limitation, compensation for the Plan Trustee and fees and expenses incurred in connection with the duties and actions of the Plan Trustee (including, without limitation, fees and expenses of legal counsel and accountants)) and to pay insurance, taxes and other expenses arising in the ordinary course of business in maintaining and disposing of the remaining assets. Any Cash remaining in the Plan Trust Expense Reserve prior to the closing of the Chapter 11 Cases shall be distributed to holders of Claims in accordance with the provisions of the Plan.

9.06 Resignation, Death or Removal of Plan Trustee. The Plan Trustee may be removed by the Bankruptcy Court upon application for good cause shown. In the event of the resignation, removal, death or incapacity of a Plan Trustee, the Bankruptcy Court shall designate another Person to become Plan Trustee and thereupon the successor Plan Trustee, without any further action, shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor.

9.07 Role of Committee. Upon the Effective Date, the Committee shall be dissolved; provided, however, that before dissolution, the Committee shall appoint one or more members (the "Committee Representatives") to continue to act in a consulting capacity (without compensation) with the Plan Trustee. The Plan Trustee may consult on a periodic basis with the Committee Representatives regarding the liquidation of the remaining assets, the disposition of claims and any other matters concerning the Plan. The Committee Representatives shall retain the right to consult with the Plan Trustee concerning the following matters: pursuing Retained Claims and Causes of Action and recoveries from litigation or the Debtors' insurers, as well as provide any requested consultation on closing matters.

In the event of a dispute between the Committee Representatives and the Plan Trustee, any such dispute shall be submitted to the Bankruptcy Court for resolution.

ARTICLE X MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

10.01 Substantive Consolidation. Consistent with the substantive consolidation of the Debtors provided for by the Plan, on the Effective Date, the consolidation of the Debtors' estates shall be effective and effectuated pursuant to the Confirmation Order without any further action by the stockholders or directors of any of the Debtors. The analysis is set forth in **Attachment 4** of this Disclosure Statement

10.02 Dissolution of Corporate Entities. As soon as practicable after the Effective Date, the Plan Trustee shall take all actions necessary or appropriate to effect the dissolution of each of the Debtors under the appropriate state laws.

10.03 Corporate Action. Upon entry of the Confirmation Order, the transfers and dissolutions contemplated by this Article shall be deemed authorized and approved in all respects. On the Effective Date, the matters provided under the Plan involving the capital and corporate structures of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable laws without any requirement of further action by the stockholders or directors of the Debtors. On the Effective Date, the Plan Trustee shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan and the Disclosure Statement.

10.04 Canceled Documents. As of the Effective Date, any security, note, instrument or other document evidencing a Claim against or Equity Interest in a Debtor shall be canceled, null and void, except for the right, if any, to receive a distribution under the Plan.

10.05 Release of Liens. Except as otherwise provided in the Plan or in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens or other security interests against the property of the Debtors' estates shall be released, and all the right, title and interest of any holder of such mortgages, deeds of trust, Liens or other security interests shall revert to the Plan Trust and its successors and assigns.

10.06 Vesting of Assets. On the Effective Date, all right, title and interest in and to all of the remaining assets of the Debtors and their Estates shall vest in the Plan Trust, free and clear of any and all Liens and other interests.

10.07 Assignments to the Plan Trust; No Liability

(a) On the Effective Date, the Debtors shall assign to the Plan Trust and the Plan Trust shall assume all of the Debtors' right, title and interest in, to, under and in connection with all of the remaining assets of the Debtors' Estates free and clear of any interest in such property of any other person or entity.

(b) The Plan Trust shall not be liable for any Claim or liability of the Debtors, or any cost or expense incurred in respect of resolving or litigating such Claim other than as expressly set forth in the Plan.

10.08 Continuing Existence. From and after the Confirmation Date and through the Effective Date, each then current officer of the Debtors shall continue to serve in his or her respective capacity. Upon the Effective Date, such officers shall be deemed to be terminated and each replaced respectively by the appointment of the Plan Trustee pursuant to the Confirmation Order.

10.09 Funding for the Plan. The Plan shall be funded in accordance with the provisions of the Plan from (a) Available Cash on the Effective Date, and (b) Cash available after the Effective Date

from, among other things, any reserves established by the Plan Trustee, the liquidation of the Debtors' remaining assets, the prosecution and enforcement of causes of action of the Debtors, and any release of funds from the Disputed Claims Reserve after the Effective Date. All Available Cash realized from (x) the liquidation of the Debtors' remaining assets (provided that it does not constitute Collateral for the Secured Claims), (y) the prosecution and enforcement of causes of action of the Debtors, and (z) the release of funds from the Disputed Claims Reserve (to the extent not otherwise payable to holders of Secured Claims) shall be maintained by the Plan Trustee for distribution to the holders of Allowed Claims as provided in the Plan and the Plan Trust Agreement.

10.10 Accounts. From and after the Effective Date, the Plan Trustee may establish or maintain one or more interest-bearing accounts as he determines may be necessary or appropriate to effectuate the provisions of the Plan consistent with Section 345 of the Bankruptcy Code and any orders of the Bankruptcy Court.

10.11 Closing of the Chapter 11 Cases. Upon Substantial Consummation, the Plan Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules. In the interim, the Plan Trustee is authorized to close the affiliated cases and keep open the lead case, Tango Transport, LLC, 16-40642 since the cases are substantively consolidated upon the Effective Date pursuant to the Plan.

ARTICLE XI PROVISIONS GOVERNING DISTRIBUTIONS

11.01 Distributions. Subject to Bankruptcy Rule 9010, all distributions under the Plan shall be made by the Plan Trustee, on behalf of the Debtors, pursuant to the terms and conditions contained in the Plan and the Plan Trust Agreement; provided, however, that no distribution shall be made on behalf of any Claim which may be subject to disallowance under Section 502(d) of the Bankruptcy Code. At the close of business on the Effective Date, the Claims register shall be closed, and there shall be no further changes in the record holders of any Claims or Equity Interests. The Plan Trustee shall have no obligation to recognize any transfer of any Claims or Equity Interests occurring after the Effective Date. The Plan Trustee shall instead be entitled to recognize and deal for all purposes under the Plan (except as to voting to accept or to reject the Plan pursuant to Article V of the Plan) with only those record holders stated on the Claims register as of the close of business on the Effective Date.

11.02 Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributed thereon, the Plan Trustee shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements.

11.03 Effective Date Payments. As soon as is practicable after the Effective Date, subject to the reservation of adequate reserves as provided herein, the Plan Trustee shall remit the proceeds of Collateral, or deliver the Collateral to the holders of Allowed Claims in Class 2 and shall remit

Available Cash (in accordance with the provisions of the Plan) to holders of Allowed Claims in Classes 1 and 3 entitled to such distributions pursuant to the Plan. Distributions to any holder of an Allowed Claim shall be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest (but solely to the extent that interest is an allowable portion of such Allowed Claim). All payments shall be made in accordance with the priorities established by the Plan.

11.04 Distributions on a Subsequent Distribution Date. Unless otherwise provided in the Plan, to the extent that proceeds of Collateral and/or Available Cash or other reasonably distributable assets are available subsequent to the date of making the payment required by Section 8.03 of the Plan (the “Initial Distribution Date”), the Plan Trustee shall, on a subsequent date (a “Subsequent Distribution Date”), which shall be as soon as practicable, distribute such proceeds of Collateral and/or Available Cash or other assets to the holders of Claims entitled to distributions under the Plan that were Allowed on the Initial Distribution Date or subsequently have become Allowed Claims on or before the Subsequent Distribution Date in amounts necessary to cause such holders to have received aggregate distributions of Cash in respect of such Allowed Claims on the Initial Distribution Date if (a) such proceeds of Collateral and/or Available Cash had been available for distribution on the Initial Distribution Date, (b) such Allowed Claims had been Allowed on the Initial Distribution Date in the amounts in which they are Allowed on the Subsequent Distribution Date, and (c) Claims or portions thereof that have become disallowed subsequent to the Initial Distribution Date and on or before the Subsequent Distribution Date had been disallowed on the Initial Distribution Date; provided, however, no distribution need be made if the amount of proceeds of Collateral and/or Available Cash would result in less than a one quarter percent (.25%) distribution to any holder of an Allowed Claim entitled to distribution under the Plan, taking into account all previous distributions; provided further, however, that in no event shall the foregoing impair the right of the Plan Trustee to use funds in any reserve to satisfy the costs of administering the Plan.

11.05 Distributions on the Final Distribution Date. Unless otherwise provided in the Plan, to the extent that proceeds of Collateral and/or Available Cash or other reasonably distributable assets are available subsequent to the Initial Distribution Date, any Subsequent Distribution Date and after the liquidation of any and all assets of the Debtors, the Plan Trustee shall establish a final distribution date (the “Final Distribution Date”) upon which the Plan Trustee shall distribute such proceeds of Collateral and/or Available Cash or other assets to the holders of Claims entitled to distributions under the Plan that were Allowed on the Effective Date or subsequently have become Allowed Claims on or before the Final Distribution Date in amounts necessary to cause such holders to have received aggregate distributions of Cash in respect of such Allowed Claims on the Initial Distribution Date if (a) such proceeds of Collateral and/or Available Cash had been available for distribution on the Initial Distribution Date, (b) such Allowed Claims had been Allowed on the Initial Distribution Date in the amounts in which they are Allowed on the Final Distribution Date, and (c) Claims or portions thereof that have become disallowed subsequent to the Initial Distribution Date and on or before the Final Distribution Date had been disallowed on the Initial Distribution Date, taking into account all previous distributions; provided, however, that in no event shall the foregoing impair the right of the Plan Trustee to use funds in any reserve to satisfy the costs of administering the Plan. Within 10 business days prior to making the final

distribution, the Plan Trustee shall notify the Court that the Plan Trustee deems all assets to be liquidated and that the Plan Trustee intends to establish a Final Distribution Date.

11.06 Delivery of Distributions and Undeliverable Distributions. Unless otherwise provided for in the Plan, distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the schedules filed with the Bankruptcy Court unless superseded by the address as set forth on the proofs of claim filed by such holders or by notifying the Plan Trustee of a change of address pursuant to the notice provisions of the Plan. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Plan Trustee is notified by the holder of such holder's then current address within 30 days of the postmark of the returned distribution. Claims held by holders whose distributions are returned as undeliverable and who fail to notify the Plan Trustee of their respective correct addresses within the 30-day period provided shall be expunged. All unclaimed property shall, in the discretion of the Plan Trustee, be used to satisfy the costs of administering the Plan or become Available Cash for distribution in accordance with the Plan, and the holder of any expunged Claim shall not be entitled to any other or further distribution under the Plan on account of such expunged Claim.

11.07 Time Bar to Cash Payments. Checks issued by the Plan Trustee in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. After such date, all funds held on account of such voided check may, in the discretion of the Plan Trustee, be reallocated and used in accordance with the provisions of the Plan.

11.08 Setoffs. The Plan Trustee, on behalf of the Debtors, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtors may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such claims, rights and causes of action that the Debtors may possess against such holder; and provided further, however, that any claims of the Debtors arising before the Petition Date shall first be set off against Claims against the Debtors arising before the Petition Date.

11.09 Distributions after Allowance. Distributions to each holder of a Disputed Claim, to the extent that such Claim ultimately becomes Allowed, shall be made in accordance with the provisions of the Plan governing the Class of Claims to which such holder belongs.

11.10 Disputed Payment. If any dispute arises as to the identity of a holder of an Allowed Claim who is to receive any distribution, the Plan Trustee may, in lieu of making such Distribution to such person, make such distribution into an escrow account until the disposition thereof shall be determined by the Bankruptcy Court or by written agreement among the interested parties to such dispute.

11.11 No Recourse to Estates, Debtors or Plan Trustee. Notwithstanding that the Allowed amount of any particular Disputed Claim may be reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or Allowed in an amount for which there is insufficient Cash in the relevant account to provide a recovery equal to that received by other

holders of Allowed Claims in the relevant Class, no such holder shall have recourse to the Estates, the Debtors or the Plan Trustee or any of their respective professionals, or their successors or assigns, or the holder of any other Claim, or any of their respective property. Nothing in the Plan, however, shall modify any right of a holder of a Claim under Section 502(j) of the Bankruptcy Code.

11.12 Distributions of Cash. Any payment to be made by the Plan Trustee on behalf of the Debtors pursuant to the Plan will be in U.S. dollars and may be made, at the sole discretion of the Plan Trustee, by draft, check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law.

11.13 Transactions on Business Days. If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day, and shall be deemed to have been completed as of the required date.

11.14 Minimum Distributions. If a distribution to be made to a given holder of an Allowed Claim on or after the Initial Distribution Date or any Subsequent Distribution Date or the Final Distribution Date would be \$25.00 or less in the aggregate, notwithstanding any contrary provision in the Plan or the Plan Trust Agreement, no such distribution will be made to such holder. If the amount of the Final Distribution is less than \$25.00, then the Plan Trustee shall make the distribution at that time.

11.15 No Distribution in Excess of Allowed Amount of Claim. Notwithstanding anything to the contrary herein, no holder of an Allowed Claim shall receive in respect of such Claim any distribution in excess of the Allowed amount of such Claim.

ARTICLE XII PROCEDURES REGARDING DISPUTED CLAIMS

12.01 No Distributions Pending Allowance. Notwithstanding any other provision of the Plan, no distributions by Cash or otherwise shall be made under the Plan on account of any Disputed Claim, unless and until such Claim becomes an Allowed Claim.

12.02 Estimation. The Plan Trustee may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Plan Trustee has previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Plan Trustee may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. On and after the Effective Date, Claims which have been

estimated subsequently may be compromised, settled, withdrawn or otherwise resolved without further order of the Bankruptcy Court.

12.03 Resolution of Disputed Claims. Subject to further order of the Bankruptcy Court, from and after the Effective Date the Plan Trustee, on behalf of the Debtors, shall have the exclusive right to make and file objections to Claims with the Bankruptcy Court, including, but not limited to, objections regarding the allowance, classification or amount of Claims, and shall serve such objections upon holders of each of the Claims to which objections are made within 180 days after the Effective Date. The 180-day deadline may be extended upon written notice by the Plan Trustee to the Bankruptcy Court. All objections by the Plan Trustee shall be litigated to a Final Order except to the extent the Plan Trustee, in his discretion, elects to withdraw any such objection or compromise, settle or otherwise resolve any such objection, in accordance with the terms of the Plan Trust Agreement, in which event the Plan Trustee may settle, compromise or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court.

ARTICLE XIII TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

13.01 Executory Contracts and Unexpired Leases. On the Confirmation Date, all executory contracts and unexpired leases that exist between the Debtors and any Entity shall be deemed rejected as of the Confirmation Date, except for any executory contract or unexpired lease (a) which has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date, or (b) as to which a motion for approval of the assumption of such contract or lease has been filed and served prior to the Confirmation Date.

13.02 Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to Section 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Section 10.01 of the Plan.

13.03 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court no later than thirty (30) days after the Effective Date. Any Claims not filed within such applicable time period will be forever barred from assertion against the Debtors and the Estates.

ARTICLE XIV CONDITIONS TO EFFECTIVENESS OF THE PLAN

The following are conditions precedent to the Effective Date of the Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order confirming the Plan in form and substance satisfactory to the Debtors and the Committee;

(b) Except as waived in writing by the Debtors, the Confirmation Order shall have become a Final Order; and

(c) All documents, instruments and agreements provided for under, or necessary to implement, the Plan shall have been executed and delivered by the parties thereto, in form and substance satisfactory to the Plan Trustee, unless such execution or delivery has been waived by the parties benefited thereby.

ARTICLE XV EFFECT OF CONFIRMATION

15.01 No Discharge. The Confirmation Order shall not discharge Debtors from any debt and liability that arose before confirmation, as provided in Section 1141(d)(3)(A) of the Bankruptcy Code. Additionally, the Plan does not release any non-debtor guarantor of any obligation nor does the Plan impose an injunction of any claims that have been brought or may be brought against any non-debtor guarantor on any obligation of any Joint Debtor. For completeness, the Plan also does not limit, prohibit or enjoin any non-debtor guarantor of any obligation respecting any Joint Debtor from fully and completely defending and asserting any rights, defenses, or affirmative claims against any Person who has sued or may sue such non-debtor guarantor of any of the Debtors' obligations.

15.02 Release of Assets. Until the Bankruptcy Court closes this case, the Bankruptcy Court shall retain jurisdiction of the Debtors, their assets and properties.

15.03 Binding Effect. Except as otherwise provided in Section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, any Debtor and its respective successors and assigns whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

15.04 Term of Injunctions or Stays. Unless expressly modified or lifted by the Bankruptcy Court, all injunctions or stays provided for in the Chapter 11 Case pursuant to Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Bankruptcy Court closes this case.

15.05 Rights of Action. On and after the Confirmation Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any Claim, debt, right or cause of action.

ARTICLE XVI RETENTION OF JURISDICTION

The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Cases, the Plan and the Plan Trust Agreement pursuant

to, and for the purposes of, Sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) to determine the allowance or classification of Claims and to hear and determine any objections thereto;

(b) to hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases, and the allowance of any Claims resulting therefrom;

(c) to determine any and all motions, adversary proceedings, applications, contested matters and other litigated matters in connection with the Chapter 11 Cases that may be pending in the Bankruptcy Court on, or initiated after, the Effective Date;

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

(e) to issue such orders in aid of the execution, implementation and consummation of the Plan to the extent authorized by Section 1142 of the Bankruptcy Code or otherwise;

(f) to construe and take any action to enforce the Plan;

(g) to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(h) to modify the Plan pursuant to Section 1127 of the Bankruptcy Code, or to remedy any apparent non-material defect or omission in the Plan, or to reconcile any non-material inconsistency in the Plan so as to carry out its intent and purposes;

(i) to hear and determine all applications for compensation and reimbursement of expenses of professionals under Sections 330, 331, and 503(b) of the Bankruptcy Code;

(j) to determine any other requests for payment of Priority Tax Claims, Other Priority Claims or Administrative Expense Claims;

(k) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan;

(l) to consider and act on the compromise and settlement or payment of any Claim against any Debtor or any Estate;

(m) to recover all assets of Debtors and property of the Estates, wherever located;

(n) to consider and act on the compromise and settlement of claims negotiated for the benefit of creditors of the Estates or the Debtors by the Plan Trustee against third party defendants;

(o) to determine all questions and disputes regarding title to the assets of the Debtors or the Estates;

(p) to issue injunctions, enter and implement other orders or to take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

(q) to remedy any breach or default occurring under the Plan;

(r) to resolve and finally determine all disputes that may relate to, impact on or arise in connection with, the Plan;

(s) to hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under Section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the Final Distribution Date);

(t) to determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(u) to hear any other matter consistent with the provisions of the Bankruptcy Code; and

(v) to enter a final decree closing the Chapter 11 Cases.

ARTICLE XVII MISCELLANEOUS PROVISIONS

17.01 Deletion of Classes. Any Class of Claims that does not contain as an element thereof an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018 as of the date of the commencement of the Confirmation Hearing shall be deemed deleted from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class under Section 1129(a)(8) of the Bankruptcy Code.

17.02 Effectuating Documents and Further Transactions. From and after the Confirmation Date until the Effective Date, the Debtors or the Plan Trustee shall be authorized to execute, deliver, file, or record such contracts, instruments, releases and other agreements or documents and take such actions on behalf of the Debtors as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, without any further action by or approval of the board of directors of the Debtors.

17.03 Exemption from Transfer Taxes. Pursuant to Section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

17.04 Exculpation.

(a) Subject to limitations required by applicable ethical rules and standards of conduct, and except as limited in Section 17.04(b) below, none of the Debtors, the Committee, the Plan Trustee, nor any of the respective members, officers, directors, employees, attorneys, advisors, representatives, accountants, financial advisors or agents or any of the Debtors, the Plan Trustee, who were members, officers, directors, employees, attorneys, advisors or agents, as the case may be, during the Chapter 11 Cases shall have or incur any liability to the Debtors or any holder of a Claim or Equity Interest for any act or omission from and after the Petition Date in connection with, or arising out of, the Chapter 11 Cases, the commencement of the Chapter 11 Cases, the operation of the Debtors during the pendency of the Chapter 11 Cases, the administration of the Chapter 11 Cases, the pursuit of the approval of the sales of the Debtors' assets (and the related asset purchase agreements), the consummation of the sales of the Debtors' assets (and the related asset purchase agreements), the pursuit of confirmation of the Plan and the liquidation of the Debtors' and their subsidiaries' assets, including, without limitation, the sale or disposition of the Debtors' property and the property of the Debtors' subsidiaries, both within and outside the United States, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan except for willful misconduct or gross negligence, and, in all respects, the Debtors, Committee and the Plan Trustee and each of their respective members, officers, directors, employees, advisors and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

(b) The exculpatory provisions contained in Section 17.04(a) of the Plan (i) shall not limit the claims and rights, if any, of the United States, and (ii) shall apply to any person or entity who was not the beneficiary of a post-petition indemnification obligation of the Debtors only to the extent provided in Section 17.04(c).

(c) Any claims that would otherwise be subject to the exculpatory provisions contained in Section 17.04(a) but for the provisions of Section 17.04(b)(ii) may only be asserted in the Bankruptcy Court and only if filed on or before sixty days after the Effective Date. In the event that any such claims are not filed timely in the Bankruptcy Court, the exemption contained in Section 17.04(b)(ii) shall be terminated with respect to such claims, and such claims shall be deemed subject to the exculpatory provisions contained in Section 17.04(a).

(d) Any non-exculpated claims against the parties set forth in Section 17.04(a) arising from or related to the matters set forth in Section 17.04(a) may only be asserted and filed in the Bankruptcy Court.

17.05 Payment of Statutory Fees. All fees payable pursuant to 28. U.S.C. § 1930, as determined by the United States Trustee for this District, shall be paid from Cash on the Effective Date and through the entry of a final decree closing the Chapter 11 Cases.

17.06 Modification of the Plan.

(a) The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Plan Trustee may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of an Allowed Claim or Equity Interest that is deemed to have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

(b) In the event that any Impaired Class or Classes of Allowed Claims or Equity Interest shall not accept the Plan, at the written election of the Debtors filed with the Bankruptcy Court with respect to any one or more of said non-accepting Classes and Classes junior to such non-accepting Classes, the Plan shall be modified and amended automatically and without further notice to provide such treatment, as determined necessary by the Bankruptcy Court, sufficient to assure that the Plan does not discriminate unfairly, and is fair and equitable, with respect to the Classes rejecting the Plan, and, in particular, the treatment necessary to meet the requirements of Sections 1129(a) and (b) of the Bankruptcy Code with respect to (i) the rejecting Classes and (ii) any other Classes adversely affected by such modifications. In particular, the treatment of any non-accepting Classes or adversely affected Classes shall be modified and amended from that set forth in in Article IV of the Plan, even if less favorable, to the minimum treatment necessary to meet the requirements of Sections 1129(a) and (b) of the Bankruptcy Code.

17.07 Withdrawal or Revocation. The Debtors may withdraw or revoke the Plan at any time prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then the Plan shall be deemed null and void in all respects. In such event, nothing contained herein shall or shall be deemed to (a) constitute a waiver or release of any Claim by or against, or any Equity Interest in, the Debtors or any other Entity, or (b) prejudice in any manner the rights of Debtors or any other Entity in any further proceedings involving Debtors.

17.08 Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

17.09 Notices. Any notices required or permitted to be provided under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, all charges prepaid.

17.10 Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any term or provision of this Plan is invalid, void or unenforceable, the Bankruptcy Court shall, at the request of the Debtors, or the Committee, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder or the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a final judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

17.11 Headings. Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

17.12 Releases. Nothing herein or the Plan is intended to release any party other than the Debtors of any liability, guaranty, or third-party action.

ARTICLE XVIII ALTERNATIVES TO THE PLAN - LIQUIDATION OR CONVERSION

18.01 General. To arrive at a judgment on whether to vote for or against the proposed Plan, a creditor or other party-in-interest should have an understanding of what would be realized by the Estate of the Debtors, if (i) the property of the Debtors was foreclosed upon by the secured Claimants; or (ii) the Debtors' case was converted to Chapter 7.

18.02 Sale of Debtors' Assets or Conversion to Chapter 7. Each holder of a Claim will receive under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the amount that such a holder would so receive or retain if the Debtors were liquidated under Chapter 7 of title 11, U.S.C. on such date, and conversion to Chapter 7 would be neither necessary nor beneficial to the creditors in that it would create another level of Administrative Expenses and delay resolution of the case.

18.03 Dismissal of Chapter 11. Dismissal of the Debtors' Chapter 11 proceedings would result in, among other things, immediate demand for payment by numerous creditors. Litigation costs would dramatically increase, and the payment of the Claims would be delayed.

18.04 Another Plan. The Debtors believe that the Plan described in this Disclosure Statement represents the best alternative for repayment of the Debtors' creditors, the most feasible plan, and

the best Plan and treatment for the benefit of creditors. Finally, the Plan will allow for prompt resolution of the Chapter 11 Cases and speedy distribution to creditors.

ARTICLE XIX RISKS TO CREDITORS UNDER THE PLAN

19.01 General. Certain significant risk factors are inherent in the consummation of any plan in a Chapter 11 case. The primary risks include the risk of liquidating assets for less than their projected value and Claims being allowed in an amount different from the sums projected by the Debtors.

ARTICLE XX TAX CONSEQUENCES TO THE DEBTORS AND ITS CREDITORS

20.01 In General. There may be federal and other income tax consequences to the Debtors and its creditors upon Confirmation and consummation of the Plan. The tax consequences to the Debtors are probably minimal; tax consequences to the creditors, as a result of Plan treatment and payments, will depend upon the circumstances of the individual creditors. The Debtors have not obtained rulings from the IRS with respect to any of these matters.

CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO TAX CONSEQUENCES OF THE CONSUMMATION OF THE PLAN UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS.

ARTICLE XXI RETAINED CLAIMS AND CAUSES OF ACTION

21.1 Retained Claims and Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, the Debtors and the Plan Trust shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Claims and Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated below, and such rights to commence, prosecute, or settle such claims and Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Debtors and Plan Trustee may pursue such Claims and Causes of Action, as appropriate, in accordance with the best interests of the Debtors. **No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Claims or Causes of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Claims and Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Claims and Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Claims and Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Court order, including, without limitation, the Debtors or Plan Trustee, as applicable, expressly reserve all Claims and Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res

judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Claims and Causes of Action upon, after, or as a consequence of the confirmation or consummation. Notwithstanding the foregoing however, nothing in the Plan is intended to or shall be interpreted to limit the rights, claims, affirmative claims or defenses of any Entity or potential defendant of and in any Retained Claims and Causes of Action.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Claims and Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Debtors and Plan Trust. The applicable Debtors, through their authorized agents or representatives, including the Plan Trustee, shall retain and may exclusively enforce any and all such Causes of Action. The Debtors or the Plan Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Claims and Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court. The retained Claims and Causes of Action include, without limitation:

- Causes of Action, including Avoidance Claims, as defined in the Plan;
- Objections to Claims and Equity Interests under the Plan;
- Any and all litigation, claims, or Causes of Action of the Debtors and any rights, suits, damages, remedies, or obligations, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, relating to or arising from the acts, omissions, activities, conduct, claims, or Causes of Action listed or described in the Plan, Disclosure Statement, this Exhibit, or the Confirmation Order;
 - Any other litigation, claims or Causes of Action, whether legal, equitable or statutory in nature, arising out of, or in connection with the Debtors' businesses, assets or operations or otherwise affecting the Debtors, including, without limitation, possible claims or Causes of Action against the following types of parties for the following types of claims:
 - Possible claims against vendors, customers or suppliers for warranty, indemnity, back charge, set-off issues, overpayment or duplicate payment issues and collections, accounts receivables matters;
 - Possible claims against utilities or other persons or parties for wrongful or improper termination of services to the Debtors;
 - Possible claims for any breaches or defaults arising from the failure of any persons or parties to fully perform under contracts with the Debtors before the assumption or rejection of the subject contracts;
 - Possible claims for deposits or other amounts owed by any creditor, lessor, utility, supplier, vendor, factor or other person;

- Possible claims for damages or other relief against any party arising out of environmental, asbestos and product liability matters;
- Actions against insurance carriers relating to coverage, indemnity or other matters;
- Counterclaims and defenses relating to notes or other obligations;
- Possible claims against local, state and federal taxing authorities (including, without limitation, any claims for refunds of overpayments);
- Contract, tort, or equitable claims which may exist or subsequently arise;
- Any claims of the Debtors arising under Section 362 of the Bankruptcy Code;
- Equitable subordination claims arising under Section 510 of the Bankruptcy Code or other applicable law;
- Any and all claims arising under chapter 5 of the Bankruptcy Code and all similar actions under applicable law, including, but not limited to, preferences under Section 547 of the Bankruptcy Code, turnover Claims arising under Sections 542 or 543 of the Bankruptcy Code, and fraudulent transfers under Section 548 of the Bankruptcy Code, including but not limited, to the transfers listed in Schedules 3(b) and 3(c) of the Debtors' Statement of Financial Affairs [Dkt. Nos. 36, 44, 152-153 and 187-188]; and
- Any derivative Causes of Action, of the Debtors or the Debtors in Possession pursuant to the Bankruptcy Code or any other statute or legal theory or theory under equity, including any avoidance or recovery actions under sections 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, any rights to, claims, or Causes of Action for recovery under any policies of insurance issued to or on behalf of the Debtors or the Debtors in Possession, including without limitation all tax refunds and insurance proceeds, and any rights, Claims, and Causes of Action against any third parties including, without limitation to, any rights, and Causes of Actions, and any other Causes of Action.

21.2 Preservation of All Claims and Causes of Action Not Expressly Settled, Released or Transferred

Unless a Claim or Cause of Action against a creditor or other Entity is expressly waived, relinquished, released, compromised, settled or transferred in the Plan or any other Final Order, the Debtors and the Plan Trustee, as applicable, expressly reserve such Claim or Cause of Action for later pursuit by the Plan Trust, and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Claims or Causes of Action upon or after the confirmation date or Effective Date of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order. In addition, the Plan Trust and the Debtors, as applicable, expressly reserve the right to pursue or adopt any claims of the Debtors or the Debtors in Possession, as trustees for or on behalf of the creditors (and any defenses), not so specifically

and expressly waived, relinquished, released, compromised, settled or transferred that are alleged in any lawsuit in which the Debtors are a defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or codefendants in such lawsuits.

Any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase or sale of goods, tort, breach of contract or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or who has transacted business with the Debtors, or leased equipment or property from the Debtors should assume that such obligation, transfer, or transaction may be reviewed by the Debtors or the Plan Trustee subsequent to the Effective Date and may, to the extent not theretofore waived, relinquished, released, compromised, settled or transferred, be the subject of an action or claim or demand after the Effective Date, whether or not (a) such Entity has filed a proof of claim against the Debtors in the Chapter 11 Cases, (b) such Entity's proof of claim has been objected to, (c) such Entity's Claim was included in the Debtors' Schedules, or (d) such Entity's scheduled Claim has been objected to by the Debtors or the Plan Trustee or has been identified by the Debtors as disputed, contingent, or unliquidated.

21.3. Specific Reservations

Without limiting the foregoing reservations of Claims and Causes of Actions, for the avoidance of doubt, the following Claims and Causes of Action are retained by the Debtors and vested in the Debtors or Plan Trust, as applicable, pursuant to the Plan:

- a. **TANGO v. ATTIC.** The Debtors possess equity interests in ATTIC, which they value at approximately \$450,000.00. Additionally, the Debtors are entitled to \$285,000.00 for premium refund.
- b. **TANGO v. NAVISTAR ENTITIES and ITA TRUCK SALES & SERVICE, L.L.C.** The Debtors have claims for damages arising from the defective MaxxForce Engines for tractors purchased by the Debtors from Navistar, Inc. On October 7, 2014, certain Debtors filed a petition in Louisiana state court against Navistar International Corporation, Navistar, Inc., Navistar Leasing Company, Navistar Financial Corporation, Navistar Leasing Services Corporation and ITA Truck Sales Services, LLC. On August 20, 2015, the Debtors entered into a settlement agreement with Navistar, Inc. which released Navistar, Inc. The Debtors believe that the settlement agreement should be set aside as a fraudulent conveyance under Bankruptcy or state law. If the settlement agreement is set aside, the Debtors believe they have a valid cause of action against Navistar and its Dealer for damages that exceed \$100,000,000.00.

Navistar Leasing Company asserts that these claims were fully settled and released in the August 20, 2015 "Receipt, Release and Settlement of All Claims and Indemnity Agreement" between the Joint Debtors, Navistar Leasing Company and other non-debtor entities.

- c. **TANGO v. CELADON TRUCKING SERVICES, INC.** The Debtors may have a cause of action for damages, arising from breach of the Asset Purchase/Transition Services Agreement, dated September 30, 2015, for, *inter alia*, failure to remit amounts owed and for conversion of the Debtors' trailers. The damages are possibly \$5,000,000.00.
- d. **TANGO v. FORMER MANAGEMENT.** The Debtors may have causes of action against its restructuring management firm, Morris Anderson and Dan Dooley, the Board of Directors and the professionals engaged by Mr. Dooley for breach of their fiduciary duties while operating the Debtors from March 30, 2015 to March 31, 2016.
- e. **TANGO v. INSIDERS.** The Debtors may have causes of action against B.J. Gorman, Robert Gorman and any other former or current director or officer of one or more of the Debtors for breach of fiduciary duties, as well as diversion of corporate opportunities and corporate assets. In addition, the books and records of the Debtors reflect loans or account receivable in favor of the Debtors owed by B.J. Gorman, Robert Gorman and/or Gorman Farms. B.J. Gorman denies he breached his fiduciary duties to any of the Debtors. B.J. Gorman further denies that he diverted any corporate assets or opportunities of any of the Debtors. B.J. Gorman denies he owes any loans or receivables to any of the Debtors.
- f. **TANGO v. POWER TRANSPORT LLC, GORMAN GROUP, INC. AND CHRIS GORMAN.** On October 26, 2015, Power Transport LLC ("Power Transport") and Chris Gorman ("Purchasers") entered into that certain Asset Purchase Agreement with Tango Motor Transit, LLC and TMT Logistics, Inc., as Sellers for a promise to pay \$450,000.00. To secure the payment, the Purchasers executed two notes, secured by Chris Gorman's home and the acquired assets of the Company. Additionally, to facilitate the transaction and as further consideration, the Debtors granted a security interest to Tab Bank and TAB Bank took the two notes to hold as security. The Gorman Group, Inc and Chris Gorman entered into an agreement to the purchase the outstanding shares of TMT Logistics, Inc., for \$175,000.00. And, finally, Power Transport entered an agreement with the Debtors for transition services at a cost of \$3,000.00 per month. The Purchasers defaulted on all agreements in April 2016 by failing to make interest and rent payments. The Debtors have asserted claims against Chris Gorman and Power Transport LLC., and demanded payment. The Purchasers responded by asserting that they possess certain defenses. As a result the Debtors will bring an action against the Purchasers to collect the Debt and foreclose on its collateral, including the Gorman home. Debtors will also exercise their secured claim against the secured assets, including any proceeds Chris Gorman or Power Transport LLC might realize from the sale of any other assets secured by the Debtors' liens.

- g. **TANGO V. KPMG.** KPMG conducted annual audits of The Gorman Group, Inc. and Tango Leasing Corp through December 2012. The Debtors may have causes of action related to these audits.
- h. **TANGO V. PNC BANK AND TAB BANK.** The Debtors made certain transfers to PNC Bank and TAB Bank that may be recoverable or avoidable under the Bankruptcy Code or the applicable state law. More particularly, PNC Bank provided a line of credit to the Debtors based on the amount of accounts receivable. In return for the line of credit, the Debtors granted PNC Bank a blanket lien on their assets. In July of 2015, PNC Bank informed the Debtors that it would no longer continue to advance monies and that the Debtors must find replacement financing to pay off the line of credit. To facilitate this transaction PNC required that the Debtors hire the firm of Morris Anderson & Associates. Dan Dooley of Morris Anderson arranged, once he took charge of the Debtors as Chief Restructuring Officer, a factoring arrangement with TAB Bank, who paid off the PNC Bank amount outstanding under the line of credit, along with a sizeable penalty for early termination. The Debtors then began factoring their receivables with TAB Bank until November 2015, when they paid off the obligation to TAB Bank, along with an excessive penalty for early termination. The actions of PNC Bank in concert with Morris Anderson and TAB Bank may also constitute improper acts that are actionable.
- i. **RETAINERS, CASH DEPOSITS, AND ACCOUNTS RECEIVABLE.** The Debtors have substantial bonds, retainers, accounts receivables, and Letters of Credit with various Entities. A list of Accounts Receivable and the entity that owes it is set forth as (**Attachment 5**) of the Disclosure Statement. The Debtors or Plan Trustee, as applicable, will seek to recover these amounts from the specific parties listed in the attachment. Additionally, other entities are holding retainers or cash deposits of the Debtors. Lincoln/MTU is holding \$345,000.00 in cash and Liberty Mutual is holding approximately \$216,447.00. The Debtors also believe there is a \$15,000.00 retainer paid to Gardere & Wynne and a \$100,000.00 retainer with Morris- Anderson & Associates LLC.

**ARTICLE XXII
SUMMARY**

22.1 Conclusion. Debtors have filed this Disclosure Statement and the Plan, and favors approval of this Disclosure Statement and Confirmation of the Plan. There exists no other option that offers a more favorable distribution to unsecured creditors than that proposed in this Disclosure Statement and the Plan. Creditors will receive larger sums faster under the Plan than if the Debtors were liquidated under a Chapter 7.

DATED: October 12, 2016.

Respectfully submitted,
THE HARVEY LAW FIRM, P.C.

/s/Keith W. Harvey _____

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