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THIS IS NOT A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN FOR TAUREN EXPLORATION, INC. ACCEPTANCES OR REJECTIONS OF ANY SUCH PLAN MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§ CASE NO. 16-32188-HDH
TAUREN EXPLORATION, INC. § (Chapter 11)
Debtor(s) § Judge Harlin D. Hale
§

**DISCLOSURE STATEMENT FOR PLAN OF LIQUIDATION PURSUANT
TO CHAPTER 11 OF THE BANKRUPTCY CODE
PROPOSED BY GLORIA'S RANCH, LLC**

Respectfully submitted,

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Dated: December 12, 2016

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<u>Appendix</u>	<u>Name</u>
1	Index of Defined Terms

<u>Exhibit</u>	<u>Name</u>
A	Chapter 11 Plan

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING THE PLAN, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE DISCLOSURE STATEMENT AND THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THE TRANSMISSION OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. AFTER THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL BE MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED NOR DISAPPROVED BY THE SEC, NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR WITH “*ADEQUATE INFORMATION*” (AS DEFINED IN THE BANKRUPTCY CODE) SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING, SECURITIES OF THE DEBTOR SHOULD NOT RELY UPON THIS DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, AS A STIPULATION OR AS A WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER

PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE LIQUIDATION OR THE PLAN ON HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR.

[continued next page]

**I.
INTRODUCTION**

A. Overview

On June 3, 2016, Tauren Exploration, Inc. (the “Debtor”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas. The Debtor is operating its properties as the debtor in possession.

This Disclosure Statement is submitted pursuant to section 1125 of the Bankruptcy Code for the solicitation of votes on the Plan filed concurrently with this Disclosure Statement. The Plan is attached to this Disclosure Statement as **Exhibit A**.

This Disclosure Statement describes certain aspects of the Plan, the Debtor’s operations, history and significant events that occurred during the Debtor’s chapter 11 case, the process relating to confirmation of the Plan by the Bankruptcy Court, and related matters. This introduction is intended solely as a summary of the Plan and is qualified in its entirety by the Plan and the other portions of this Disclosure Statement. If there is any inconsistency between the Plan (including the exhibits and schedules attached thereto and any supplements to the Plan) and the descriptions in the Disclosure Statement, the terms of the Plan (and the exhibits and schedules attached thereto and any supplements to the Plan) will control.

Capitalized terms used in this Disclosure Statement and not otherwise defined herein are defined in Appendix 1 – Defined Terms.

For a description of the Plan as it relates to Holders of Claims against and Equity Interests in the Debtor, please see Article VI (*Summary of the Plan*).

FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT, THE PLAN, AND THE EXHIBITS THERETO IN THEIR ENTIRETY.

This Disclosure Statement, the Plan and any documents attached or referred to in the Disclosure Statement and the Plan are the only materials that Creditors should use to determine whether to vote to accept or reject the Plan. A Ballot for accepting or rejecting the Plan is being submitted to Holders of Claims that the Proponent believes are entitled to vote to accept or reject the Plan.

The last day to vote to accept or reject the Plan is _____ 2017. To be counted, your Ballot must actually be received by the Voting Agent (identified below) by the Voting Deadline. _____ 2017 at 5:00 p.m. (prevailing Central Standard Time). Any Ballots received after the Voting Deadline will not be counted. Claimants must return their Ballots to the Voting Agent in accordance with the Voting Instructions that accompany the Ballots. _____ 2017 is the Voting Record Date, which is the date on which the identity of Holders of Claims against the Debtor will be determined for the purpose of establishing an entitlement, if any, to receive certain notices and vote on the Plan.

By the Disclosure Statement Approval Order dated _____, the Bankruptcy Court approved this Disclosure Statement for dissemination to Holders of Claims against the Debtor. Approval of this Disclosure Statement by the Bankruptcy Court does not constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. The

Proponent believes that approval of the Plan maximizes the recovery to Creditors.

The Proponent strongly urges Creditors to vote to accept the Plan by completing and returning their Ballots so that they will be received on or before the Voting Deadline: _____ 2017, at 5:00 p.m., prevailing Central Standard Time.

B. Qualification Concerning Summaries Contained in this Disclosure Statement

This Disclosure Statement contains summaries of certain provisions of the Plan, certain statutory provisions, certain documents related to the Plan, certain events in the chapter 11 case, and certain financial information. Although the Proponent believes that the summaries of the Plan and related document summaries contained herein are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents, statutory provisions or financial information. All of the exhibits to the Plan and this Disclosure Statement and other pleadings and orders relating to the Debtor's chapter 11 case are available for inspection during regular business hours (9:00 a.m. to 4:00 p.m. weekdays, except legal holidays) at the Office of the Clerk of the Court, United States Bankruptcy Court for the Northern District of Texas, 1100 Commerce Street, 14th Floor, Courtroom #3, Dallas, Texas, 75242, or online at <http://www.txnb.uscourts.gov>. A PACER password is required to access case information, which can be obtained at www.pacer.psc.uscourts.gov, or by calling 1-800-676-6856.

C. Source of Information Contained in this Disclosure Statement

Factual information contained in this Disclosure Statement has been provided from numerous sources, including (1) pleadings filed with the Bankruptcy Court in the Debtor's bankruptcy Case, (2) public records, including pleadings filed in other courts. The Proponent is unable to warrant or represent that the information contained herein, including the financial information, is without any inaccuracy or omission.

D. Reliance on Disclosure Statement

This Disclosure Statement may not be relied on for any purpose other than to determine whether to vote to accept or reject the Plan, and nothing stated herein shall constitute an admission of any fact or liability by any party, or be admissible in any proceeding involving Debtor or any other party other than proceedings to approve this Disclosure Statement and confirm the Plan, or be deemed evidence of the tax or other legal effects of the Plan on Debtor or Holders of Claims or Equity Interests. Holders of Claims entitled to vote should read this Disclosure Statement and the Plan carefully and in their entirety and may wish to consult with counsel prior to voting on the Plan.

E. No Duty to Update

The statements contained in this Disclosure Statement are made by the Proponent as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. Proponent has no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

F. Representations and Inducements Not Included in this Disclosure Statement

No representations concerning or related to Debtor, the Debtor's chapter 11 case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. You should not rely on any representations or inducements made to secure your acceptance or rejection of the Plan not contained in this Disclosure Statement.

Further, the Liquidating Trust Agreement and various of the other agreements or forms referred to herein are exhibits hereto and/or to the Plan and are incorporated herein by reference. The summary of certain provisions of these documents is qualified in its entirety by reference thereto. The descriptions of these documents and the copies of these documents included as exhibits hereto and/or to the Plan have been included to provide information regarding the terms of these documents. These documents contain representations and warranties made by and to the parties thereto as of specific dates. The representations and warranties of each party set forth in each document have been made solely for the benefit of the other party to such document. In addition, such representations and warranties (1) may have been qualified by confidential disclosures made to the other party in connection with such document, (2) may be subject to a materiality standard which may differ from what may be viewed as material by other readers, (3) were made only as of the date of such documents or such other date as is specified therein and (4) may have been included in such documents for the purpose of allocating risk between or among the parties thereto rather than establishing matters as facts.

G. Authorization of Information Contained in this Disclosure Statement

For the purposes of this Disclosure Statement and the confirmation of the Plan, no representations or other statements concerning Debtor, the Debtor's chapter 11 case, or the Plan, including, but not limited to, representations and statements regarding asset valuation, are authorized by Proponent, other than those expressly set forth in this Disclosure Statement.

H. Legal or Tax Advice

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Creditor or Equity Holder should consult his, her, or its own legal counsel and accountant as to legal, tax and other matters concerning his, her, or its Claim or Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

I. Forward-Looking Statements

This Disclosure Statement contains forward-looking statements with respect to the Plan. Forward-looking statements include:

- descriptions of plans and litigation;
- projections of income tax and other contingent liabilities, and other financial items; and
- any descriptions of assumptions underlying or relating to any of the foregoing.

Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements often include words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could,"

“may,” “should,” “will,” “would” or similar expressions. Forward-looking statements should not be unduly relied upon. They indicate the Proponent’s expectations about the future and are not guarantees. Forward-looking statements speak only as of the date they are made and the Proponent has no obligation to update them to reflect changes that occur after the date they are made. There are several factors, many beyond the Proponent’s control, which could cause results to differ significantly from expectations. For examples of such factors refer to Article VII, “*Certain Factors to be Considered.*”

II.

THE PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Equity Interests

This Disclosure Statement is being transmitted to Holders of certain Claims against and Equity Interests in the Debtor. The primary purpose of this Disclosure Statement is to provide those parties voting on the Plan with adequate information to make a reasonably informed decision with respect to the Plan before voting to accept or to reject the Plan.

On _____ 2017, the Bankruptcy Court entered the Disclosure Statement Approval Order approving this Disclosure Statement, finding that it contains information of a kind and in sufficient detail to enable the Holders of Claims against and Equity Interests in the Debtor that are entitled to vote to make an informed judgment about the Plan. THE BANKRUPTCY COURT’S APPROVAL OF THIS DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, NOR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

IF CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN EACH OF THE DEBTOR, WHETHER OR NOT THEY ARE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS, YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT CAREFULLY. IN PARTICULAR, HOLDERS OF IMPAIRED CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO, THE PLAN, AND ANY EXHIBITS TO THE PLAN CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR TO REJECT THE PLAN.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING OR CONTAINS OR MAY CONTAIN ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS.

Except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur after the date hereof and that may have a material impact on the information contained in this Disclosure Statement. Further, the Proponent does not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement shall not under any

circumstance imply that the information herein is correct or complete as of any time after the date hereof.

B. Solicitation Package

In addition to approving this Disclosure Statement, the Bankruptcy Court approved certain voting procedures, scheduled the Confirmation Hearing at which the Bankruptcy Court will consider confirmation of the Plan, and approved the form of the Confirmation Hearing Notice. Accompanying this Disclosure Statement are copies of (1) the Plan (**Exhibit A**); (2) the Confirmation Hearing Notice, which provides notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time and place of the hearing to consider confirmation of the Plan and related matters, and the time for filing objections to confirmation of the Plan; and (3) for Creditors whose Claims are classified in an Impaired Class, one or more Ballots (and return envelopes) to be used in voting to accept or to reject the Plan. If you did not receive a Ballot and believe that you should have, please contact the Voting Agent identified below in the next subsection.

C. Voting Procedures, Ballots and Voting Deadline

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, please (1) indicate your acceptance or rejection of the Plan by checking the appropriate boxes and providing requested information on the enclosed Ballot and (2) complete and sign your **original** Ballot (copies will not be accepted) and return it in the envelope provided to the Voting Agent (defined below) so that it is **RECEIVED** by the Voting Deadline (as defined below).

Each Ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded Ballot or Ballots sent to you with this Disclosure Statement. If you believe you received the wrong Ballot, please contact the Voting Agent.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ACCOMPANYING THE BALLOT AND RECEIVED NO LATER THAN THE VOTING DEADLINE, _____ 2017, AT 5:00 P.M., PREVAILING CENTRAL STANDARD TIME, BY THE VOTING AGENT, JOHN S. HODGE, at the following address:

Via Post office:

John S. Hodge
Wiener, Weiss & Madison, APC
P.O. Box 21990
Shreveport, LA 71120

Via FedEx or hand-delivery:

John S. Hodge
Wiener, Weiss & Madison, APC

333 Texas Street, Ste. 2350
Shreveport, LA 71101

Any Ballot that is executed and returned but does not indicate an acceptance or rejection of the Plan will not be counted.

If you have any questions about the procedure for voting your Impaired Claim or with respect to the packet of materials that you have received, please contact the Voting Agent at (318) 226-9100.

If you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)), an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact the Voting Agent.

D. Confirmation Hearing and Deadline for Objections to Confirmation

The Bankruptcy Court has scheduled the Confirmation Hearing for _____, **2017, at 10:00 a.m. (prevailing Central Standard Time)**, or as soon thereafter as counsel may be heard, before the Honorable Harlin D. Hale, United States Bankruptcy Judge, in the United States Bankruptcy Court, 1100 Commerce Street, 14th Floor, Courtroom #3, Dallas, Texas, 75242. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan must be filed with the Clerk of the Bankruptcy Court, in accordance with the electronic filing requirements as set forth online at <http://www.txnb.uscourts.gov> and served so that they are **RECEIVED on or before _____, 2017 at 4:00 p.m. (prevailing Central Standard Time)** by:

Counsel for Proponent:

United States Trustee:

**Wiener, Weiss & Madison,
APC**
333 Texas Street, Ste. 2350
Shreveport, Louisiana 71101
Facsimile: (318)424-5128
Attn.: R. Joseph Naus
John S. Hodge

**Office of the United States Trustee
for the Northern District of Texas**
1100 Commerce St., Room 976
Dallas, TX 75242

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

III.

OVERVIEW OF THE PLAN

The purpose of the Plan is to liquidate, collect and maximize the Cash value of the remaining assets of the Debtor and make distributions in respect of any Allowed Claims against the Debtor's Estate. The Plan is premised on the satisfaction of Claims through creation of the Liquidating Trust (pursuant to the Liquidating Trust Agreement) and distribution of the proceeds raised from the sale and liquidation of the Debtor's remaining assets, claims and causes of action.

On the Effective Date, the Debtor will transfer and assign to the Liquidating Trust substantially all property and assets of the Debtor. While the Proponent may designate that certain assets remain with the Debtor, proceeds of those assets will constitute Liquidating Trust assets.

Pursuant to the Plan, the Liquidating Trust will pay all Allowed Priority Claims and Administrative Expense Claims in full that have not previously been paid by the Debtor. To the extent there are assets remaining in the Liquidating Trust after payment of all Allowed Priority Claims, Administrative Expense and expenses of the Liquidating Trust, all Holders of Allowed Unsecured Claims shall receive a Pro Rata Share distribution of the remaining assets of the Liquidating Trust. The Holders of Equity Interests shall not receive any distributions from the Liquidating Trust. To the extent there are assets remaining in the Liquidating Trust after payment of all Allowed Priority Claims, Administrative Expenses and expenses of the Liquidating Trust and all Allowed Unsecured Claims, all Holders of Allowed Subordinated Claims shall receive a Pro Rata Share distribution of the remaining assets of the Liquidating Trust.

The following table divides the Claims against and Equity Interests in the Debtor into six (6) separate Classes and summarizes the treatment for each Class. The table also identifies which Classes are entitled to vote on the Plan based on the Bankruptcy Code. Finally, the table indicates an estimated recovery for each Class, expressed as a percentage of the estimated, aggregate Allowed Claims in such Class. Certain unclassified Claims, including Administrative Claims and Priority Tax Claims will be paid in full in Cash to the extent such Claims are Allowed Claims. The recoveries described in the following table represent the Debtor's best estimates based on the information available at this time, and certain significant assumptions described throughout this Disclosure Statement.

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS (\$)	ESTIMATED RECOVERY (%)
Not classified	Administrative Claims (including fees for Professionals)	Unimpaired; payment in full, in cash, of the allowed amount of such claim (or as otherwise agreed).	No.	N/A ^{1 and 2}	100%
Not classified	Priority Tax Claims	Unimpaired; payment in full, in cash, to the extent and in the manners allowed by §1129 of the Bankruptcy Code (or as otherwise agreed).	No.	\$0	100%
1	Priority Non-Tax Claims	Unimpaired; payment in full, in cash, of the allowed amount of such claim (or as otherwise agreed).	No.	\$0	100%
2	Secured Claims Other than Gloria's Ranch	Unimpaired; payment in full, in cash, of the allowed amount of such claim (or as otherwise agreed), or return of the collateral.	No.	N/A – return of collateral	100%
3	Gloria's Ranch Secured claims	Impaired; Trustee will liquidate collateral and will keep \$10,000 for the benefit of the Liquidating Trust Interests.	Yes	Value of Collateral unknown – Plan provides for liquidation less carve out for Trust	Less than 100% (\$10,000 carve out for Liquidating Trust Interests)
4	Unsecured Claims	Impaired; shall receive pro rata share of Trust Interests	Yes.	\$22,000,000 to \$23,000,000	Unknown – litigation

5	Equity Interests	Impaired; shall receive no distribution	No.	N/A	0%
6	Subordinated Claims	Impaired; shall receive pro rata share of Trust	No.	\$0	0%

¹ Prior to the Disclosure Statement hearing, the Proponent will submit an amended Disclosure Statement with a completed version of this chart detailing the estimated amount of claims and recoveries.

² The Proponent cannot estimate at this time what the amount of Allowed Administrative Claims will aggregate on the Effective Date because the Administrative Claims Bar Date has not yet passed.

ALTHOUGH THE PROPONENT BELIEVES FROM ITS REVIEW OF THE CLAIMS THAT ITS ESTIMATION OF CLAIMS AND RECOVERIES IS REASONABLE, THERE IS NO ASSURANCE THAT THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN EACH CLASS WILL NOT MATERIALLY EXCEED THE ESTIMATED AGGREGATE AMOUNTS SHOWN HEREIN. THE PROPONENT IS CONTINUING ITS INVESTIGATION OF THE CLAIMS AND HAVE NOT MADE A FINAL DETERMINATION OF ALL THE CLAIMS THAT MAY BE OBJECTED TO, AS SUCH DETERMINATION MAY BE MADE BY THE PROPONENT. THE ACTUAL RECOVERIES UNDER THE PLAN WILL BE DEPENDENT UPON A VARIETY OF FACTORS INCLUDING, BUT NOT LIMITED TO, WHETHER, AND IN WHAT AMOUNT, CONTINGENT CLAIMS, IF ANY, AGAINST ANY OF THE DEBTOR BECOME NON-CONTINGENT AND FIXED AND WHETHER, AND TO WHAT EXTENT DISPUTED CLAIMS, IF ANY, ARE RESOLVED IN FAVOR OF THE ESTATE RATHER THAN THE CLAIMANTS. ACCORDINGLY, NO REPRESENTATION CAN BE OR IS BEING MADE WITH RESPECT TO WHETHER EACH ESTIMATED RECOVERY SHOWN IN THE TABLE ABOVE WILL BE REALIZED BY THE HOLDER OF AN ALLOWED CLAIM IN ANY PARTICULAR CLASS.

IV.

HISTORY OF THE DEBTOR AND COMMENCEMENT OF THE CASE

A. Overview of Prepetition Operations

1. Debtor's Business

Prior to the Petition Date, Tauren Exploration Inc. is an oil and natural gas exploration, production, and procurement company. The company is headquartered in Dallas, Texas with an additional office in Garland. Calvin A. Wallen, III, serves as its Chief Executive Officer. Since the filing of this Bankruptcy Case, the Debtor has continued to operate its business and manage its properties as a debtor in possession, pursuant to §§ 1107 and 1108 of the bankruptcy code. As of the date hereof, no trustee, examiner or statutory committee has been appointed in this case.

B. Capital Structure

1. Equity

The Debtor is a corporation organized under the laws of the State of Texas. According to disclosures made by the Debtor to the Bankruptcy Court, Calvin A. Wallen, III is the sole officer, director and shareholder of the Debtor.

2. Debt

The Debtor filed schedules of liabilities filed pursuant to section 521 of the Bankruptcy Code is attached hereto. By its terms, those schedules indicate that the Debtor has liabilities in excess of \$22,000,000, including disputed claims.

C. Events Leading to Chapter 11 Filing

According to pleadings filed in the Bankruptcy Case by the Debtor and other records in the Bankruptcy Case:

1. The Debtor's core business historically has been in the oil and gas industry, an industry that currently is facing significant distress. Much of the Debtor's oil and gas business concerned Louisiana oil and gas leases and production.
2. Prior to the last quarter of 2015 the Debtor's primary asset consisted of a significant equity ownership position in Cubic Energy, Inc., an oil and gas company engaged in the development and production of, and exploration for, crude oil and natural gas. Cubic Energy's oil and gas activity are concentrated primarily in Texas, Louisiana and New Mexico.
3. On December 11, 2015, as a result of the plummeting of oil and gas prices, Cubic Energy and all of its affiliates filed for Chapter 11 in the District of Delaware, lead case number 15-12500.
4. Cubic Energy reorganized under a prepackaged plan that cancelled all equity, including the equity owned by the Debtor and Langtry Mineral and Development, LLC.
5. The Debtor holds a promissory note issued by Langtry Mineral and Development, LLC as maker with the Debtor as payee. Because Langtry owned a substantial equity interest in Cubic Energy, Langtry defaulted on the note when Cubic Energy cancelled Langtry's equity interest in Cubic Energy. In its pleadings file with the Bankruptcy Court, the Debtor has asserted that the Langtry promissory note is "wholly uncollectible."
6. A Louisiana court, in that certain action styled "*Gloria's Ranch, LLC vs. Tauren Exploration, Inc., Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc.*" Suit No. 541,768-A, First Judicial District Court, State of Louisiana, Parish of Caddo Parish, entered a final judgment against the Debtor and Wells Fargo Energy Capital, Inc., *in solido* (jointly and severally) for an amount exceeding \$20,000,000. The Debtor filed an appeal of the final judgment but did not post a bond to stay the execution of the judgment.
7. Gloria's Ranch holds a Lien on any and all immovable property of the Debtor located within Bossier, Caddo or DeSoto Parishes, State of Louisiana by virtue of the final judgment recorded in the mortgage records of: (i) Caddo Parish on February 18, 2016, as Registry No. 2585617, (ii) Bossier Parish on August 26, 2015, as Registry No. 1126958 and on February 18, 2016, as Registry No. 1137651 and (iii) DeSoto Parish on February 18, 2016 as Registry No. 735074.
8. The final judgment against the Debtor in favor of Gloria's Ranch is the subject of an appeal. However, the final judgment has not been stayed during the pendency of an

appeal because the Debtor did not post a bond or obtain an order staying the execution of the judgment pending the appeal.

9. Following the entry of the final judgment, Gloria's Ranch commenced efforts to execute the judgment and seize property of the Debtor to satisfy the final judgment.
10. On June 3, 2016, the Debtor filed a voluntary petition for relief under chapter 11 of the bankruptcy code.

V.

THE CHAPTER 11 CASE

A. Cessation of Manufacturing Activities; Stay of Litigation and Enforcement of Creditors' Rights

Since the Petition Date, the Debtor has continued to manage its properties as a debtor in possession.

An immediate effect of the filing of the voluntary chapter 11 was the imposition of the automatic stay under the Bankruptcy Code, which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by Creditors, the enforcement of liens against property of the Debtor and the continuation of litigation against the Debtor. The automatic stay of an act against property of the Debtor's Estate remains in effect, unless modified by the Bankruptcy Court, until such property no longer is property of the Debtor's Estate; the stay of all other acts encompassed by the automatic stay continues until the earlier of the time the Debtor's chapter 11 case is closed or dismissed.

B. Parties In Interest and Advisors

Described below are the primary parties that have played significant roles in the Debtor's chapter 11 case to date.

1. The Bankruptcy Court

The Debtor's involuntary chapter 7 case and its subsequent conversion to a chapter 11 case were filed in the United States Bankruptcy Court for the Northern District of Texas, located in Shreveport, Louisiana. The Honorable Harlin D. Hale, United States Bankruptcy Judge, is presiding over the Debtor's chapter 11 case.

2. Counsel to the Debtor

The Debtor retained Franklin L. Broyles, 222 W. Las Colinas Blvd., 1650 East Tower, Irving, TX 75039 as bankruptcy counsel for the Debtor's chapter 11 case.

C. Exclusivity

The Bankruptcy Code grants a debtor an initial period of 120 days after the commencement of a chapter 11 case during which the debtor has the exclusive right to propose and to file a plan of reorganization. If a debtor proposes and files a plan within this initial 120-day exclusivity period, then the debtor has until the end of the period ending on the 180th day after the commencement of

a chapter 11 case to solicit and to obtain acceptances of such plan. These exclusive periods may be extended for a limited period of time by an order of the court. In this case, the Debtor did not file a plan or disclosure statement within the exclusivity period. Therefore, the Proponent has filed its own Plan and Disclosure Statement.

D. Claims Process and Bar Date

1. Schedules and Statements

On June 17, 2016, the Debtor filed with the Bankruptcy Court a statement of financial affairs, and schedules of assets, liabilities and executory contracts and unexpired leases (collectively, the “Schedules”). On August 29, 2016, Debtor filed with the Bankruptcy Court amended statements. On September 29, 2016 Debtor filed with the Bankruptcy Court amended schedules.

2. Bar Date

The Bankruptcy Court has set the general deadline for filing prepetition proofs of claim as November 3, 2016.

3. Preparation of Claims Estimates and Recoveries

Article III of this Disclosure Statement provides a chart detailing the estimated amount of claims and recoveries. Because the Bar Date for filing prepetition proofs of claim had not occurred by the time of the preparation of this Disclosure Statement, the Proponent used its schedules as a basis to estimate Claims.

The Proponent prepared its estimates of Claims and recoveries by Holders of such Claims based primarily on the following: (a) projections based on anticipated future Claim reconciliations and Claim objections, and (b) other legal and factual analyses unique to particular types of Claims.

The Proponent’s estimates of Allowed Claims are identified in the chart set forth in Article III (*Overview of the Plan*) above and form the basis of projected recoveries in Classes 1 (Priority Non-Tax Claims), 2 (Secured Claims Exclusive of Gloria’s Ranch) and 3, (Gloria’s Ranch Secured Claims) 4 (Unsecured Claims) and 6 (Subordinated Claims). Notwithstanding the Proponent’s efforts in developing its Claims estimates, the preparation of such estimates is inherently uncertain, and, accordingly, there is no assurance that such estimates accurately will predict the actual amount of Allowed Claims in the Debtor’s chapter 11 case. As a result, the actual amount of Allowed Claims may differ materially from the Proponent’s Claims estimates contained herein.

E. Post-Petition Date Litigation

1 16AP-03144 Adversary Complaint

Following the commencement of the Bankruptcy Case, the Debtor removed a pre-petition lawsuit to the Bankruptcy Court. As a result of the removal, the Bankruptcy Court is presiding over that certain adversary proceeding styled “*Gloria’s Ranch, LLC vs. Tauren Exploration, Inc., Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc.*” Case No. 16AP-03144, United States Bankruptcy Court for the Northern District of Texas. The claims asserted in that proceeding include claims by Gloria’s Ranch against Wallen, Fossil and Langtry on the ground that the Debtor, Fossil, Langtry and others are *alter egos* of Wallen and constitute a single business enterprise with Wallen. The *alter ego* claims asserted by Gloria’s Ranch in this proceeding are

now property of the Debtor's bankruptcy estate. *In re Shimmelpennick*, 183 F.3d 347, 365-366 (5th Cir. 1999). As alternative relief in this proceeding, monetary damages are sought in the cumulative amount of all donations, distributions or other property rights transferred, directly or indirectly, by the Debtor to Fossil, Langtry and/or Wallen, plus attorney's fees and expenses, *in solido*, against the defendants.

F. Estimated Value of Debtor's Assets

The Proponent is not in a position to place a value on the Debtor's assets. However, the Proponent believes that the Debtor and its Estate hold valuable claims against certain insiders and others. Those claims include the following:

1. **Recovery and Other Claims Against Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc.** All claims asserted in that certain adversary proceeding styled "*Gloria's Ranch, LLC vs. Tauren Exploration, Inc., Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc.*" Case No. 16AP-03144, United States Bankruptcy Court for the Northern District of Texas, including claims asserted by Gloria's Ranch against Wallen, Fossil and Langtry on the ground that the Debtor, Fossil, Langtry and others are *alter egos* of Wallen and constitute a single business enterprise with Wallen. The *alter ego* claims asserted by Gloria's Ranch in the Collection Action are now property of the Debtor's bankruptcy estate. *In re Shimmelpennick*, 183 F.3d 347, 365-366 (5th Cir. 1999). As alternative relief in this proceeding, monetary damages are sought in the cumulative amount of all donations, distributions or other property rights transferred, directly or indirectly, by the Debtor to Fossil, Langtry and/or Wallen, plus attorney's fees and expenses, *in solido*, against the defendants.
2. **Avoidance, Recovery and Other Claims Against Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc.** Any and all claims against the Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc. or any other insider, affiliate, third party, or other person or entity whatsoever, including, without limitation those acting in concert with the Debtor and Calvin A. Wallen, III to transfer, assign or waste the assets of the Debtor or affiliate of the Debtor, along with their present, former, and future parent corporations, divisions, subsidiaries, affiliates, associates, representatives, beneficiaries, settlors, conservators, predecessors, successors, heirs, owners, assigns, executors, administrators, their present, former, or future directors, officers, agents, employees, contractors, partners, principals, employees, trustees, insurers and reinsurers, shareholders, representatives, attorneys, and all persons acting by, through, under or in concert with any of the above-listed persons or entities, including any and all claims, rights, expenses, liens, demands, causes of actions, damages, and losses, in law or in equity, whether arising in tort, in contract, or by statute, and of, and from, obligations and liabilities of every kind and character, whether actual or potential, presently known or unknown, disclosed or undisclosed, suspected or unsuspected, accrued or unaccrued which the Debtor may now have or may hereinafter claim to have or have acquired against Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc. or any other insider, affiliate or third party. Such claims and causes of action include, but are not limited to: Claims arising under applicable state law and/or arising under chapter 5 of the Bankruptcy Code, including: (1) Avoidance Actions; (2) Causes of Action; (3) Trust Claims; (4) claims for

the avoidance and recovery of transfers made to any of said parties; (5) claims for subordination; (6) fraud claims; (7) piercing the corporate veil claims; (8) alter ego claims; and (9) single business enterprise claims, including claims that Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc. is (are) the alter ego(s) of the Debtor. Specifically, the Retained Causes of Action include, but are not limited to the avoidance and recovery of the following transfers:

- A. \$20,000.00 to Calvin A. Wallen, III on December 1, 2014; Statement of Financial Affairs, as amended, D.E. 51 (“SOFA”), response to Question 13;
- B. \$280,000.00 to Fossil Operating, Inc.; SOFA, response to Question 4;
- C. \$554,785.00 to Fossil Operating, Inc.; SOFA, response to Question 6;
- D. Purported Confirmation And Grant Of Operator’s Lien dated March 7, 2016; and
- E. Tauren Assignment And Transfer of Properties [Allegedly] In Lieu of Foreclosure to Fossil Operating, Inc. dated March 7, 2011.

The Proponent reasonably believes that the Trust will realize Net Recoveries in amount sufficient to make a meaningful distributions to the stakeholders in this case. Of course, by its nature, it is impossible to predict the outcome of any litigation, much less the amount of Net Recoveries resulting from that litigation. However, considering the litigation’s possibility of success and with due consideration for the uncertainty in the outcome of the litigation, the Proponent reasonably believes that the Trust will realize material Net Recoveries from the pursuit of the Retained Causes of Action.

VI.

SUMMARY OF THE PLAN

A. Introduction

This Article provides a summary of the terms and provisions of the Plan, including the classification and treatment of Claims and Equity Interests under the Plan and the means for implementation of the Plan. The summary is qualified in its entirety by reference to the Plan, which is attached to this Disclosure Statement as **Exhibit A**. The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms of the Plan or the documents referred to therein; reference is made to the Plan and to such documents for the full and complete statements of such terms.

The Plan itself and the documents referred to therein control the actual treatment of Claims against and Equity Interests in the Debtor under the Plan and will, upon the Effective Date, be binding upon all Holders of Claims against and Equity Interests in the Debtor, its Estate and other parties in interest.

After careful review of the estimated recoveries in a chapter 11 reorganization scenario and a chapter 7 liquidation scenario, the Debtor has concluded that the recoveries to Creditors will be maximized by consummating and making distributions pursuant to the Plan. The Debtor believe that its Estate has value that would not be fully realized by Creditors in a chapter 7 liquidation primarily due to: (1) the additional administrative expenses that would be incurred in a chapter 7 liquidation; (2) the non-pursuit of certain litigation claims in a chapter 7 liquidation, which would

not allow full value to be realized on such assets as would be realized under the Plan; and (3) the additional delay in distributions that would occur if the Debtor's chapter 11 case was converted to a case under chapter 7.

Accordingly, the Proponent believes that the Estate is worth more to its stakeholders if the Debtor's liquidation is completed as described above, and distributions are made, under chapter 11 pursuant to the Plan.

B. Overall Structure of The Plan

The Plan provides for the creation of a Liquidating Trust, into which shall be transferred substantially all of the Debtor's remaining assets that have not been either abandoned or sold prior to the Effective Date. The Debtor may designate that certain assets remain with the Debtor with all proceeds of those assets deemed Liquidating Trust assets. The Liquidating Trust shall liquidate all Liquidating Trust assets for the benefit of the Debtor's creditor's net proceeds generated by the Liquidating Trustee shall be distributed to Allowed Unsecured Claims (Class 3).

The Classes of Claims against and Equity Interests in the Debtor created under the Plan, the treatment of those Classes under the Plan, the means for implementation of the Plan and the Distributions to be made under the Plan are described in more detail below.

C. Classification and Treatment of Claims and Equity Interests under the Plan

1. Classification Generally

Under the Plan, Claims against and Equity Interests in the Debtor is divided into different Classes. Classification of Claims and Equity Interests in the Plan are for all purposes, including voting, confirmation and distribution pursuant to the Plan.

A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class only to the extent that any portion of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is placed in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled prior to the Effective Date. Notwithstanding any Distribution provided for in the Plan, no Distribution on account of any Claim or Equity Interest is required or permitted unless and until such Claim or Equity Interest becomes an Allowed Claim or Allowed Equity Interest, as the case may be, which might not occur, if at all, until after the Effective Date.

The classification of Claims and Equity Interests set forth in the Plan and explained below shall apply separately to each of the Debtor. All of the potential Classes for the Debtor are set forth in the Plan and explained below.

2 Unclassified Claims Under the Plan

a. Administrative Claims

The Bankruptcy Court has set _____, 2017 at 5:00 p.m. (prevailing Central Standard Time) as the deadline for the Holders of Administrative Claims to file proofs of such Administrative Claims with the Bankruptcy Court. On, or as soon as reasonably practicable after

(i) the Initial Distribution Date, if an Administrative Claim is an Allowed Administrative Claim as of the Effective Date, or (ii) the date on which such Administrative Claim becomes an Allowed Administrative Claim or as otherwise determined by the Debtor or Liquidating Trustee, as applicable, each Holder (other than a Professional) of an Allowed Administrative Claim shall receive, in full settlement, satisfaction and release of, and in exchange for, such Allowed Administrative Claim, (A) Cash in an amount equal to the unpaid amount of such Allowed Administrative Claim or (B) such other treatment as may be agreed upon in writing by such Holder and the Debtor or the Liquidating Trustee, as applicable; provided, however, that the Liquidating Trustee shall be authorized to pay Allowed Administrative Claims that arise in the ordinary course of the Debtor's business, in full, in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions, post-confirmation.

The Debtor cannot estimate at this time what the amount of Allowed Administrative Claims will aggregate on the Effective Date because the Administrative Claims Bar Date has not yet passed and the Debtor has been paying undisputed Administrative Claims in the ordinary course of the Debtor's business.

b. Professional Fees

Notwithstanding any other provision of the Plan concerning Administrative Claims, any Professional seeking an award by the Bankruptcy Court of an Allowed Administrative Claim on account of Professional Fees incurred from the Petition Date through and including the Effective Date (1) shall, no later than forty-five (45) days after the Effective Date, File a final application for allowance of compensation for services rendered and reimbursement of expenses incurred through and including the Effective Date and (2) shall receive, as soon as reasonably practicable after such claim is Allowed, in full settlement, satisfaction and release of, and in exchange for, such Allowed Administrative Claim, Cash in an amount equal to the unpaid amount of such Allowed Administrative Claim in accordance with the Order relating to or allowing any such Administrative Claim.

c. Priority Tax Claims

On, or as soon as reasonably practicable after (1) the Initial Distribution Date, if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (2) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim against Debtor shall receive: (A) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (B) Cash in an amount agreed to by such Holder and agreed to and paid by the Debtor or the Liquidating Trust, as applicable, provided that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date without any further notice to or action, order, or approval of the Bankruptcy Court; or (C) at the sole discretion of the Debtor or Liquidating Trustee, as applicable, Cash paid by the Liquidating Trust in the aggregate amount of such Allowed Priority Tax Claim, payable in installment payments over a period not more than five (5) years from the Petition Date with payment of interest at a fixed annual rate to be determined by the Bankruptcy Court, all in accordance with section 1129(a)(9)(C) of the Bankruptcy Code.

The Proponent estimates that on the Effective Date, the Allowed amount of Priority Tax Claims will aggregate approximately \$0.00

3. Summary of Classes

Pursuant to the Plan, Holders of Claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Secured Claims) are unimpaired, and therefore, the Holders of such Claims are “conclusively presumed” to have voted to accept the Plan.

Pursuant to the Plan, Holders of Claims in Class 3 (Gloria’s Ranch Secured Claims) and Class 4 (Unsecured Claims) are impaired and entitled to vote to accept or reject the Plan.

Pursuant to the Plan, Holders of Equity Interests in Class 5 (Equity Interests) are receiving no distributions under the Plan. A class is deemed to reject a plan under section 1126(g) of the Bankruptcy Code if the holders of claims or interests in such class do not receive or retain property under the plan on account of their claims or equity interests. Holders of Claims or Equity Interests in Class 5 (Equity Interests) are not entitled to vote on the Plan and are deemed to have rejected the Plan.

Pursuant to the Plan, Holders of Claims in Class 5 (Subordinated Claims) are impaired and entitled to vote to accept or reject the Plan.

4. Classification Under the Plan

a Class 1 - Priority Non-Tax Claims (Unimpaired; not entitled to vote)

On or as soon as practicable after the Effective Date, each Holder of an Allowed Priority Non-Tax Claim shall receive, in full and final satisfaction of such Claim, one of the following treatments, in the sole discretion of the Liquidating Trustee: (i) full payment in Cash of its Allowed Priority Non-Tax Claim or (ii) treatment of its Allowed Priority Non-Tax Claim in a manner that leaves such Claim Unimpaired. Holders of Class 1 Priority Non-Tax Claims are Unimpaired and conclusively deemed to have accepted the Plan. The Proponent estimates that on the Effective Date, the Allowed amount of Class 1 Priority Non-Tax Claims will aggregate approximately \$0.00.

b Class 2 - Secured Claims (Unimpaired; not entitled to vote)

Each Holder of an Allowed Secured Claim will be placed in a separate subclass, and each subclass will be treated as a separate class for Distribution purposes. Except to the extent that a Holder of an Allowed Secured Claim agrees to a different treatment, on or as soon as practicable after the Effective Date, each Holder of an Allowed Secured Claim shall receive, in full and final satisfaction of such Claim, in the sole discretion of the Liquidating Trustee:

- (i) the collateral securing such Allowed Secured Claim;
- (ii) Cash in an amount equal to the value of the collateral securing such Allowed Secured Claim; or
- (iii) such other treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired.

Holders of Class 2 Secured Claims are Unimpaired and conclusively deemed to have accepted the Plan. The Proponent estimates that on the Effective Date, the Liquidating Trustee will not pay the Holders of Allowed Class 2 Claims any money but will, instead, simply surrender the collateral securing such Allowed Secured Claims. To the extent that the Holder of an Allowed Secured Claim has a Deficiency Claim in addition to its Class 2 Claim, the Deficiency Claim shall be treated under this Plan in Class 4.

c. Class 3 - Gloria's Ranch Secured Claims (Impaired; entitled to vote)

Class 3 consists of Secured Claims held by Gloria's Ranch, LLC ("**Gloria's Ranch Secured Claims**") which holds a Lien on any and all immovable property of the Debtor located within Bossier, Caddo or DeSoto Parishes, State of Louisiana by virtue of the judgment recorded in the mortgage records of: (i) Caddo Parish on February 18, 2016, as Registry No. 2585617, (ii) Bossier Parish on August 26, 2015, as Registry No. 1126958 and on February 18, 2016, as Registry No. 1137651 and (iii) DeSoto Parish on February 18, 2016 as Registry No. 735074. As soon as practical after the Effective Date, the Liquidating Trustee shall liquidate the collateral securing the Allowed Secured Claim of Gloria's Ranch, LLC and shall distribute the proceeds in the following order: (i) first, all fees and expenses of the Liquidating Trust incurred in connection with the disposition or liquidation of said collateral; (ii) second, \$10,000 to the Trust for the benefit of all holders of Liquidating Trust Interests; and (iii) third, the remainder to the holder of the Allowed Gloria's Ranch Secured Claim. Thus, this Plan proposes to pay Gloria's Ranch, LLC on terms which alter the legal, equitable, or other rights to which such Claim is entitled. Class 3 is Impaired, and the Holder of an Allowed Gloria's Ranch Secured Claim is entitled to vote to accept or reject the Plan. To the extent that Gloria's Ranch holds an Allowed Secured Claim which exceeds the value of the Collateral recovered by it, such Claim shall be treated as a Deficiency Claim in accordance with the provisions of this Plan. Thus, to the extent that the Holder of an Allowed Gloria's Ranch Secured Claim has a Deficiency Claim in addition to its Class 3 Claim, the Deficiency Claim shall be treated under this Plan in Class 4.

d. Class 4 Unsecured Claims (Impaired; entitled to vote)

Each Holder of an Allowed Unsecured Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata Share of the Liquidating Trust Interests. Holders of Class 4 Unsecured Claims are Impaired and are entitled to vote to accept or reject the Plan. The Proponent estimates that on the Effective Date, the Allowed amount of Class 4 Unsecured Claims will aggregate approximately \$22,000,000 to \$23,000,000.

e. Class 5 Equity Interests (Impaired; not entitled to vote)

Holders of Equity Interests shall neither receive nor retain any property under the Plan. All Equity Interests shall be cancelled and of no further force or effect and all Claims filed on account of Equity Interests shall be deemed disallowed by operation of the Plan. Class 5 Equity Interests are Impaired and Holders of Equity Interests are conclusively deemed to reject the Plan.

f. Class 6 Subordinated Claims (Impaired; entitled to vote)

Holders of Subordinated Claims shall receive, in full and final satisfaction of such Claim, its Pro Rata Share of the Liquidating Trust Interests after payment of all Allowed Unsecured Claims in Class 4. Holders of Class 6 Subordinated Claims are Impaired and are conclusively deemed to reject the Plan.

D Means for Implementation of the Plan

1. Vesting of Assets and Dissolution

On the Effective Date, the Liquidating Trust Assets shall vest in the Liquidating Trust free and clear of all Claims, Equity Interests, Liens, charges or other encumbrances, except as set forth in this Plan.

On the Effective Date, the Retained Appellate Interests will vest in the Liquidating Debtor free and clear of all Claims, Equity Interests, Liens, charges or other encumbrances. For so long as any Retained Appellate Interests exist, the Liquidating Debtor will continue to exist and the Liquidating Trustee on the Effective Date will be appointed the sole member, director and officer of the Liquidating Debtor but with no power to affect the Retained Appellate Interests. Upon the cessation of the Retained Appellate Interests, the Liquidating Trustee is authorized, without the need for any further action or formality which might otherwise be required under applicable non-bankruptcy laws, to dissolve the Liquidating Debtor or to merge the Liquidating Debtor into the Liquidating Trust.

As of the Effective Date, or as soon as practicable thereafter, and without the need for any further order of the Bankruptcy Court, action or formality which might otherwise be required under applicable non-bankruptcy laws, the Debtor may be (a) dissolved without the need for any filings with the Secretary of State or other governmental official in Debtor's state of incorporation, (b) merged into or with the Liquidating Debtor or the Liquidating Trust, or (c) sold.

On the Effective Date or as soon as practicable thereafter, the Liquidating Debtor or the Liquidation Trustee, as applicable, shall consummate, pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, those transactions and sales of property, if any, set forth in the Plan Supplement.

On the Effective Date, any provision in any operating agreements, partnership agreements, limited liability company agreements or any other organizational document (as the same may be amended or restated from time to time):

- (a) is deemed waived and of no further force and effect and
- (b) any action taken to prevent or revoke such potential dissolution or liquidation by the Debtor or Liquidating Debtor or potential withdrawal of the Debtor or Liquidating Debtor from the applicable limited liability company or partnership is ratified and deemed effective to prevent such dissolution or liquidation and the Debtor or Liquidating Debtor shall continue its existence regardless of any such provision.

2. Reservation of Rights Regarding Causes of Action

The Estate and, after the Effective Date, the Liquidating Trustee, on behalf of the Liquidating Trust, reserve the rights to pursue any and all Causes of Action and Retained Causes of Action, and on behalf of the Estate, the Proponent hereby reserves the rights of the Liquidating Trust and the Liquidating Trustee, on behalf of the Liquidating Trust, to pursue, administer, settle, litigate, enforce and liquidate consistent with the terms and conditions of the Plan and the Liquidating Trust Agreement such Causes of Action and Retained Causes of Action. The Liquidating Trustee shall, pursuant to Section 1123 and all applicable law, have the requisite standing to prosecute, pursue, administer, settle, litigate, enforce and liquidate any and all Causes of Action, including specifically, but not limited to, all of the retained Causes of Action (the "**Retained Causes of Action**") listed on **Exhibit B** attached to this Plan.

Unless Causes of Action against a Person or Entity are expressly waived, relinquished, released, compromised or settled in the Plan, or any Final Order, the Estate (before the Effective Date) and the Liquidating Trustee, on behalf of the Liquidating Trust (after the

Effective Date), expressly reserve all Causes of Action for later adjudication and therefore, no preclusion doctrine or other rule of law, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or *laches*, shall apply to such Causes of Action upon, after, or as a result of the confirmation or Effective Date of the Plan, or the Confirmation Order. In addition, the Estate and the Liquidating Trustee, on behalf of the Liquidating Trust and any successors in interest thereto, expressly reserve the right to pursue or adopt any Causes of Action not so waived, relinquished, released, compromised or settled that are alleged in any lawsuit in which the Debtor is a defendant or an interested party, against any Person or Entity, including, without limitation, the plaintiffs and co-defendants in such lawsuits.

3. The Liquidating Trust

a Establishment and Administration of Liquidating Trust

On the Effective Date, the Liquidating Trust shall be established pursuant to the Liquidating Trust Agreement for the purpose of, among other things, (i) investigating and, if appropriate, pursuing Trust Claims and Causes of Action, (ii) administering and pursuing the Liquidating Trust Assets, (iii) resolving all Disputed Claims and (iv) making all Distributions from the Liquidating Trust as provided for in the Plan and the Liquidating Trust Agreement. The Liquidating Trust Agreement is incorporated herein in full and is made a part of this Plan as if set forth herein. Notwithstanding any provision in this Plan or the Liquidating Trust Agreement, the purposes of the Liquidating Trust shall include the following:

- (1) to own, hold, pursue, manage and dispose of the Liquidating Trust Assets for the benefit of the creditors of the Estate.
- (2) to litigate, prosecute, settle or otherwise resolve the Causes of Action belonging to the Liquidating Trust;
- (3) to defend any counterclaims relating to the Causes of Action belonging to the Liquidating Trust;
- (4) to own, hold and vote shares or membership interest (if applicable); and
- (5) to do anything necessary, related or incidental to the foregoing.

Upon execution of the Liquidating Trust Agreement, the Liquidating Trustee shall be authorized to take all steps necessary to complete the formation of the Liquidating Trust; provided, that, prior to the Confirmation Date, the Debtor or the Liquidating Trustee, as applicable, may act as organizers of the Liquidating Trust and take such steps in furtherance thereof as may be necessary, useful or appropriate under applicable law to ensure that the Liquidating Trust shall be formed and in existence as of the Confirmation Date. The Liquidating Trust shall be administered by the Liquidating Trustee in accordance with the Liquidating Trust Agreement. From and after the Effective Date, the Liquidating Trustee shall be vested with the powers of the sole officer and director of the Liquidating Debtor. The Liquidating Trust shall have authority to incur indebtedness in furtherance of its objectives.

It is intended that the Liquidating Trust be classified for federal income tax purposes as a “liquidating trust” within the meaning of Treasury Regulations Section 301.7701-4(d) and as a “grantor trust” within the meaning of Sections 671 through 679 of the Internal Revenue Code. In furtherance of this objective, the Liquidating Trustee shall, in its business judgment, make continuing best efforts not to unduly prolong the duration of the Liquidating Trust. All assets held by the Liquidating Trust on the Effective Date shall be deemed for federal income tax purposes to have been distributed by the Debtor on a Pro Rata Share basis to Holders of Allowed Unsecured Claims and then contributed by such Holders to the Liquidating Trust in exchange for the Liquidating Trust Interests. All Holders have agreed to use the valuation of the assets transferred to the Liquidating Trust as established by the Liquidating Trustee for all federal income tax purposes. The beneficiaries will be treated as the deemed owners of the Liquidating Trust. The Liquidating Trust will be responsible for filing information on behalf of the Liquidating Trust as grantor trust pursuant to Treasury Regulation Section 1.671-4(a).

b Assets of the Liquidating Trust

On the Effective Date, or as soon as reasonably practicable thereafter, the Debtor will transfer and assign to the Liquidating Trust the Liquidating Trust Assets, which shall be deemed vested in the Liquidating Trust. On and after the Effective Date, the Liquidating Trustee shall have discretion with respect to the timing of the transfers of Liquidating Trust Assets. Any checks of the Debtor issued prior to the Effective Date that remain un-cashed three (3) months after the Confirmation Date shall revert to the Liquidating Trust. The Liquidating Trust will hold and administer, among other things, (i) Cash in bank account(s) and (ii) the Disputed Claims Reserve.

c Liquidating Trust Interests

On the Effective Date, each Holder of an Allowed Unsecured Claim shall, by operation of the Plan, receive its Pro Rata Share of the Liquidating Trust Interests. Liquidating Trust Interests shall be reserved for Holders of Disputed Unsecured Claims and issued by the Liquidating Trust to, and held by the Liquidating Trustee in, the Disputed Claims Reserve pending allowance or disallowance of such Claims. No other entity, shall have any interest, legal, beneficial, or otherwise, in the Liquidating Trust, its assets or causes of action upon their assignment and Transfer to the Liquidating Trust.

The Liquidating Trust Interests shall be uncertificated and shall be nontransferable except upon death of the Holder or by operation of law. Holders of Liquidating Trust Interests, in such capacity, shall have no voting rights with respect to such interests. The Liquidating Trust shall have a term of five (5) years from the Effective Date, without prejudice to the rights of the Proponent to extend such term.

d Liquidating Trust Distributions

Initial Distributions. On the Initial Distribution Date, the Liquidating Trustee shall make, or shall make adequate reserves in the Disputed Claims Reserve for, the Distributions required to be made under the Plan to Holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed Unsecured Claims and Allowed Secured Claims.

Interim Distributions. The Liquidating Trustee shall make interim Distributions of Cash (i) to Holders of the Liquidating Trust Interests at least once each calendar year, but solely in accordance with the Liquidating Trust Agreement and (ii) from the Disputed Claims Reserve in accordance with Article VII.D. hereof.

Final Distributions. The Liquidating Trust shall be dissolved and its affairs wound up and the Liquidating Trustee shall make the Final Distributions, upon the earlier of (i) the date which is five (5) years after the Effective Date, and (ii) that date when, (A) in the reasonable judgment of the Liquidating Trustee, substantially all of the assets of the Liquidating Trust have been liquidated and there are no substantial potential sources of additional Cash for Distribution; and (B) there remain no substantial Disputed Claims. Notwithstanding the foregoing, on or prior to a date not less than six (6) months prior to such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Liquidating Trust for one or more finite terms based upon the particular facts and circumstances at that time, if an extension is necessary to the liquidating purpose of the Liquidating Trust. The date on which the final Distributions are made is referred to as the “**Trust Termination Date**”. On the Trust Termination Date, the Liquidating Trustee shall

- (i) distribute all Cash held by the Liquidating Trust to the Holders of Liquidating Trust Interests in accordance with the Plan and the Liquidating Trust Agreement; and
- (ii) promptly thereafter, request the Bankruptcy Court enter an order closing the Bankruptcy Case (unless this has already been done).

After Final Distributions have been made in accordance with the terms of the Plan and the Liquidating Trust Agreement, if the amount of remaining cash is less than \$5,000, the Liquidating Trustee, may donate such amount to a charity.

e. Reporting Requirement of Liquidating Trust

The Liquidating Trust’s formation documents will require that bi-annual financial statements or similar reports of the Liquidating Trust be filed with the Bankruptcy Court and made available to any Holder of Liquidating Trust Interests that so requests.

5. Cancellation of Existing Agreements and Existing Common Stock

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, stock, instruments, certificates, and other documents evidencing any Claims or Equity Interests shall be canceled, shall be of no further force, whether surrendered for cancellation or otherwise, and the obligations of the Debtor thereunder or in any way related thereto shall be discharged.

6. Exemption from Certain Fees and Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

E. Procedures for Resolving Disputed Claims

1 Prosecution of Objections to Claims on and After the Effective Date

As of the Effective Date, objections to, and requests for estimation of any Claims may be interposed and prosecuted only by the Liquidating Trust. Such objections and requests for estimation shall be served on the respective claimant and filed with the Bankruptcy Court on or before the later of (a) one hundred twenty (120) days after the Effective Date and (b) such other date as may be fixed by the Bankruptcy Court upon a motion filed by the Liquidating Trust. On the Effective Date, all outstanding objections to, and requests for estimation of Claims will vest in the Liquidating Trust.

F. Treatment of Executory Contracts and Unexpired Leases

1. Rejection of Executory Contracts and Unexpired Leases

Any executory contract or unexpired lease which has not expired by its own terms on or prior to the Effective Date, which has not been assumed, assumed and assigned, or rejected with the approval of the Bankruptcy Court, or which the Debtor has obtained the authority to reject but have not rejected as of the Effective Date, or which is not the subject of a motion to assume the same pending as of the Effective Date, shall be deemed rejected by the Debtor on the Confirmation Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejection pursuant to sections 365(e) and 1123(b)(2) of the Bankruptcy Code.

2. Rejection Damages Claims

Proofs of all Claims arising out of the rejection of an executory contract or an unexpired lease pursuant to the Plan shall be filed with the Claims Agent and served upon the Liquidating Trust not later than thirty (30) days after the date on which notice of the occurrence of the Confirmation Date has been served. Any such Claims covered by the preceding sentence not filed within such time shall be forever barred from assertion against the Debtor, its Estate, the Liquidating Trust, and their respective properties and interests.

3. Indemnification Obligations

Any obligations of the Debtor pursuant to its corporate charters and bylaws or agreements, including amendments, entered into any time prior to the Effective Date, to indemnify, reimburse, or limit the liability of any Covered Persons pursuant to the Debtor certificates of incorporation, bylaws, policy of providing employee indemnification, applicable state law, or specific agreement in respect of any claims, demands, suits, causes of action, or proceedings against such Covered Persons based upon any act or omission related to such Covered Persons service with, for, or on behalf of the Debtor prior to the Effective Date with respect to all present and future actions, suits, and proceedings relating to the Debtor shall continue as obligations of the Liquidating Trust, and shall, in any event, survive confirmation of the Plan and except as set forth herein, remain unaffected thereby, and shall not be discharged, irrespective of whether such defense, indemnification, reimbursement, or limitation of liability accrued or is owed in connection with an occurrence before or after the Petition Date, provided, however, that all monetary obligations under this Article V.C. shall be limited solely to available insurance coverage and neither the Liquidating Trust, the Liquidating Trustee nor any of their assets shall be liable for any such obligations. Any Claim based on the Debtor's

obligations set forth in this Article V shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. This provision for Indemnification Obligations shall not apply to or cover any Claims, suits or actions against a Covered Person that result in a final order determining that such Covered Person is liable for fraud, willful misconduct, gross negligence, bad faith, self-dealing or breach of the duty of loyalty.

G. Condition Precedent to Confirmation

The Plan shall not be confirmed, and the Confirmation Date shall not be deemed to occur, unless and until the Confirmation Order, in form and substance satisfactory to the Proponent, has been entered on the docket maintained by the Clerk of the Bankruptcy Court.

1 Conditions Precedent to the Effective Date

The Effective Date shall not occur and the Plan shall not become effective unless and until the following conditions have been satisfied in full:

- a. the Confirmation Order, in form and substance satisfactory to the Proponent, shall be entered by the Bankruptcy Court, shall become a Final Order, shall be in full force and effect and shall not be subject to a stay or an injunction which would prohibit the transactions under the Plan;
- b. the Confirmation Order shall, among other things, provide that all transfers of property by the Debtor (i) to the Liquidating Trust (A) are or shall be legal, valid, and effective transfers of property, (B) vest or shall vest the Liquidating Trust with good title to such property free and clear of all liens, charges, claims, encumbrances or interests, except as expressly provided in the Plan or Confirmation Order, (C) do not and shall not constitute voidable transfers under the Bankruptcy Code or under applicable non-bankruptcy law, (D) shall be exempt from any transfer, sales, stamp or other similar tax (which exemption shall also apply to the transfers by the Liquidating Trust) and (E) do not and shall not subject the Liquidating Trustee or Holders of Claims to any liability by reason of such transfer under the Bankruptcy Code or under applicable non-bankruptcy law, including, without limitation, any laws affecting successor or transferee liability and (ii) to Holders of Claims under the Plan are for good consideration and value;
- c. the final version of the Plan, the Plan Supplement and all of the documents and exhibits contained therein shall have been Filed and in a form and substance satisfactory to the Proponent;
- d. all actions and transfers and all agreements, instruments, or other documents necessary to implement the terms and provisions of the Plan, including all transfers to the Liquidating Trust, shall have been effected or executed and delivered, as applicable, in form and substance satisfactory to the Proponent;
- e. all payments required by the Plan to be made on the Effective Date shall have been made; and
- f. all authorizations, consents, and regulatory approvals, if any, required by the Proponent in connection with the consummation of the Plan shall have been obtained and not revoked.

2. Waiver of Conditions

Any of the conditions to Confirmation of the Plan and/or to the Effective Date set forth in Articles VIII.A. and VIII.B. of the Plan, other than entry of the Confirmation Order in form and

substance satisfactory to the Proponent, may be waived with the express written consent of the Proponent without leave or order of the Bankruptcy Court, and without any formal action.

3. Satisfaction of Conditions

Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If the Proponent determine that one of the conditions precedent set forth in Articles VIII.A. and VIII.B. of the Plan cannot be satisfied and the occurrence of such condition is not waived or cannot be waived, then the Proponent shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

4. Effect of Nonoccurrence of Conditions

If each of the conditions to occurrence of the Effective Date set forth in Article VIII.B. of the Plan has not been satisfied or duly waived on or before the first Business Day that is 180 days after the Confirmation Date, or such later date as shall be determined by the Proponent, the Confirmation Order may be vacated by the Bankruptcy Court. If the Confirmation Order is so vacated, the Plan shall be null and void in all respects, and nothing contained in the Plan shall constitute a waiver or release of any Claims or Equity Interests against any of the Debtor or release of any claims or interests by the Debtor or the Estate.

H. Settlement, Release, Injunction and Related Provisions

1 Compromise and Settlement of Claims, Equity Interests and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the classification, distributions, releases, and other benefits provided pursuant to the Plan, on the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Equity Interests, and controversies resolved pursuant to the Plan or relating to the contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Claim or Equity Interest, or any distribution to be made on account of such Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtor, its Estate, and Holders of Claims and Equity Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Liquidating Trustee may compromise and settle Claims against the Debtor and its Estate and Trust Claims against other Entities.

2 No Discharge of the Debtor and No Injunction

a. Discharge

Notwithstanding any provision in this Plan to the contrary, in accordance with section 1141(d)(3), of the Bankruptcy Code, the Confirmation Order shall not discharge the Debtor. The Debtor shall not receive a discharge of any debt that arose before the date of the Confirmation Order or any debt of a kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code.

b. Injunction

Notwithstanding any provision in this Plan to the contrary, the Debtor shall not receive a discharge injunction in accordance with section 524 of the Bankruptcy Code.

3. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, and except where such Causes of Action have been expressly released, the Liquidating Trustee shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, including the Retained Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Liquidating Trustee's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Liquidating Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Liquidating Trust beneficiaries. No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Estate or the Liquidating Trustee, as applicable, will not pursue any and all available Causes of Action against them. Except with respect to Causes of Action as to which the Debtor has released any Entity on or prior to the Effective Date, the Estate or the Liquidating Trustee, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Causes of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Liquidating Trustee expressly reserves all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppels (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

VII.

CERTAIN FACTORS TO BE CONSIDERED

ALL HOLDERS OF IMPAIRED CLAIMS AND EQUITY INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

A. Financial Information; Disclaimer

Although the Proponent has used its best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in this Disclosure Statement has not been audited and is based upon an analysis of data available to the Proponent at the time of the preparation of the Plan and Disclosure Statement. While the Proponent expect that such financial information fairly reflects the financial condition of the Debtor, the Proponent is unable to warrant or represent that the information contained herein and attached hereto is without inaccuracies.

B. Failure to Confirm Plan

Even if the impaired Classes accept or could be deemed to have accepted the Plan, the Plan may not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, (1) that the confirmation of the Plan not be followed by liquidation or a need for further financial reorganization, unless, as is the case here, the Plan provides for such liquidation or reorganization, (2) that the value of distributions to dissenting holders not be less than the value of distributions to such holders if the Debtor were liquidated under chapter 7 of the Bankruptcy Code, and (3) that the Plan and the Proponent of the Plan, otherwise comply with the applicable provisions of the Bankruptcy Code. Although the Proponent believes that the Plan will meet all applicable tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

C. Nonconsensual Confirmation

Pursuant to the “cramdown” provisions of section 1129(b) of the Bankruptcy Code, the Bankruptcy Court can confirm the Plan notwithstanding the nonacceptance of the Plan by an Impaired Class of Claims or Equity Interests if at least one other Impaired Class has accepted the Plan (with such acceptance being determined without including the acceptance of any insider (as defined in section 101(31) of the Bankruptcy Code) in such Class) and, as to each Impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to Impaired Classes. In accordance with section 1129(a)(8) of the Bankruptcy Code, the Proponent intends to request confirmation of the Plan in accordance with section 1129(b) of the Bankruptcy Code.

Although the Proponent believes that the Plan satisfies the requirements of section 1129(b), there is no guaranty that the Bankruptcy Court will reach that conclusion. Moreover, although the Proponent encourages all Creditors in an impaired Class to vote in favor of the Plan and the Proponent believes that it is likely to have at least one impaired Class vote in favor of the Plan, there is no guaranty that this will occur. If no impaired Class votes in favor of the Plan, the Plan cannot be confirmed as written.

D. Delays of Confirmation or Effective Date

Any delays of either confirmation or effectiveness of the Plan could result in, among other things, increased administrative costs, including professional fee claims. These negative effects of delays of either confirmation or effectiveness of the Plan could endanger the ultimate approval of the Plan by the Bankruptcy Court.

E. Certain Bankruptcy Considerations

Although the Proponent believes that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes. In addition, although the Proponent believes that the Effective Date will occur during the last calendar quarter of 2017, there can be no assurance as to such timing.

F. Certain Tax Considerations

There are a number of material United States federal income tax considerations, risks and

uncertainties associated with consummation of the Plan. Interested parties should read carefully the discussion set forth in Article VIII of this Disclosure Statement (“*Certain United States Federal Income Tax Consequences of the Plan*”) for a discussion of the material United States federal income tax consequences and risks for Holders of Claims resulting from the transactions occurring in connection with the Plan.

G. The Proponent Has No Duty to Update

The statements contained in this Disclosure Statement are made by the Proponent as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Proponent have no duty to update this Supplemental Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

H. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtor, the chapter 11 case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

I. Claims Could Be More Than Projected, Assets Could Be Less Than Projected

The Allowed amount of Claims in each Class could be greater than projected, which in turn, could cause the amount of distributions to creditors to be reduced substantially. Likewise, the amount of cash realized for the liquidation of the Debtor’s assets could be less than projected, which could cause the amount of distributions to creditors to be reduced substantially.

J. No Legal Or Tax Advice Is Provided To You By This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Claim or Equity Interest Holder should consult his, her, or its own legal counsel and accountant as to legal, tax, and other matters concerning his, her, or its Claim or Equity Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

VIII.

**CERTAIN UNITED STATES FEDERAL INCOME
TAX CONSEQUENCES OF THE PLAN**

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN AND THE OWNERSHIP AND DISPOSITION

OF PROCEEDS FROM CLAIMS INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN (NON-US) TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

The following discussion addresses certain United States Federal income tax consequences of the consummation of the Plan. This discussion is based upon the United States Tax Code, as amended, existing and proposed regulations thereunder, current administrative rulings, and judicial decisions as in effect on the date hereof, all of which are subject to change, possibly retroactively. No rulings or determinations by the Internal Revenue Service have been obtained or sought by the Proponent with respect to the Plan. An opinion of counsel has not been obtained with respect to the tax aspects of the Plan. This discussion does not purport to address the federal income tax consequences of the Plan to particular classes of taxpayers (such as foreign persons, s corporations, mutual funds, small business investment companies, regulated investment companies, broker-dealers, insurance companies, tax-exempt organizations and financial institutions) or the state, local or foreign income and other tax consequences of the Plan.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED TO OR WRITTEN TO BE USED, AND CANNOT BE USED, BY SUCH HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE PLAN; AND (C) SUCH HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Federal Income Tax Consequences to Holders of Claims and Interests

A Holder of an Allowed Claim or Equity Interest will generally recognize ordinary income to the extent that the amount of cash or property received (or to be received) under the Plan is attributable to interest that accrued on a claim but was not previously paid by the Debtor or included in income by the Holder of the allowed claim or interest. A Holder of an Allowed Claim or Equity Interest will generally recognize gain or loss equal to the difference between the Holder's adjusted basis in its claim and the amount realized by the Holder upon consummation of the Plan that is not attributable to accrued but unpaid interest. The amount realized will equal the sum of cash and the fair market value of other consideration received (or to be received).

The character of any gain or loss that is recognized will depend upon a number of factors, including the status of the Holder, the nature of the Claim or Equity Interest in its hands, whether the Claim was purchased at a discount, whether and to what extent the Holder has previously claimed a bad debt deduction with respect to the Claim, and the Holder's holding period of the Claim or Equity Interest. If the Claim or Equity Interest in the Holder's hands is a capital asset, the gain or loss realized will generally be characterized as a capital gain or loss. Such gain or loss will constitute long-term capital gain or loss if the Holder held such Claim or Equity Interest for longer than one year or short-term capital gain or loss if the Holder held such Claim or Equity Interest for one year or less. If the Holder realizes a capital loss, the Holder's deduction of the loss may be subject to limitation.

A Holder of an Allowed Claim or Equity Interest who receives, in respect of its claim, an amount that is less than its tax basis in such claim or equity interest may be entitled to a bad debt deduction under section 166(a) of the Tax Code or a worthless securities deduction under section 165(g) of the Tax Code. The rules governing the character, timing, and amount of these deductions depend upon the facts and circumstances of the Holder, the obligor, and the instrument with respect to which a deduction is claimed. Accordingly, Holders are urged to consult their tax advisors with respect to their ability to take such a deduction if either: (1) the Holder is a corporation; or (2) the Claim or Equity Interest constituted (a) a debt created or acquired (as the case may be) in connection with a trade or business of the Holder or (b) a debt the loss from the worthlessness of which is incurred in the Holder's trade or business. A Holder that has previously recognized a loss or deduction in respect of its claim or equity interest may be required to include in its gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the Holder's adjusted basis in such Claim or Equity Interest.

Holders of Claims who were not previously required to include any accrued but unpaid interest in their gross income on a Claim may be treated as receiving taxable interest income to the extent any consideration they receive under the Plan is allocable to such interest. Holders previously required to include in their gross income any accrued but unpaid interest on a claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan. Under the Plan, to the extent that any Allowed Claim entitled to a Distribution is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for federal income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the Distribution exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

A Holder of a Claim constituting any installment obligation for tax purposes may be required to currently recognize any gain remaining with respect to such obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of section 453b of the Tax Code.

Whether the Holder of Claims or Equity Interests will recognize a loss, a deduction for worthless securities or any other tax treatment will depend upon facts and circumstances that are specific to the nature of the Holder and its Claims or Equity Interests. Accordingly, Holders of Claims and Equity Interests should consult their own tax advisors.

Under backup withholding rules, a Holder of an Allowed Claim may be subject to backup withholding with respect to payments made pursuant to the Plan unless such Holder (i) is a corporation or is otherwise exempt from backup withholding and, when required, demonstrates this fact or (ii) provides a correct taxpayer identification and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of failure to report all dividend and interest income. Any amount withheld under these rules will be credited against the Holder's federal income tax liability. Holders of Claims may be required to establish an exemption from backup withholding or to make arrangements with regard to payment thereof.

B. Federal Income Tax Consequences to Debtor

The Debtor may realize cancellation of debt income to the extent of any debt forgiveness. To the extent there is cancellation of debt income, the same will reduce the Federal tax attributes

of the Debtor's operating loss carry-forwards and the tax bases of their assets; if cancellation of debt income exceeds these attributes, it will be exempt from tax.

Pursuant to the Plan, all of the Debtor's remaining assets other than those sold or abandoned prior to the Effective Date will be transferred directly or indirectly to Holders of Allowed Claims in liquidation of the Debtor. For federal income tax purposes, any such assets transferred to the Liquidating Trust will be treated by the Debtor and by Holders of Allowed Claims as having been transferred to Holders of Allowed Claims, with such Holders then transferring the assets to the Liquidating Trust in exchange for beneficial interests in the Liquidating Trust. The Debtor will not retain a beneficial interest in the Liquidating Trust; instead, the beneficial interest in the Liquidating Trust will be held by Holders of Allowed Claims in Class 4 and Class 6. It is intended that the Liquidating Trust thereafter be treated as a liquidating trust and as a grantor trust for federal income tax purposes.

The Debtor's transfer of their assets pursuant to the Plan will constitute a taxable disposition of such assets. It is not known at the present time whether the transfer of the Debtor's assets will result in any gain to the Debtor. If such a transfer results in gain, it is not known at the present time whether the Debtor will have sufficient losses or loss carryforwards to offset that gain. If the transfer results in gain and the Debtor does not have losses or loss carryforwards to offset that gain, the transfer of such assets will result in federal income tax liability.

C. Consequences of the Liquidating Trust

The Liquidating Trust will be organized for the primary purpose of liquidating the assets transferred to it with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Thus, the Liquidating Trust is intended to be classified for federal income tax purposes as a "liquidating trust" within the meaning of Treasury Regulation Section 301.7701- 4(d). The provisions of the Liquidating Trust Agreement and the Plan are intended to satisfy the guidelines for classification as a liquidating trust that are set forth in Revenue Procedure 94-45, 1994-2 C.B. 684. Under the Plan, all parties are required to treat the Liquidating Trust as a liquidating trust, subject to contrary definitive guidance from the IRS. In general, a liquidating trust is not a separate taxable entity but rather is treated as a grantor trust, pursuant to Sections 671 et seq. of the Tax Code, owned by the persons who are treated as transferring assets to the Trust.

No request for a ruling from the IRS will be sought on the classification of the Liquidating Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Liquidating Trust. If the IRS were to challenge successfully the classification of the Liquidating Trust as a grantor trust, the federal income tax consequences to the Liquidating Trust and the Holders of Claims could vary from those discussed herein (including the potential for an entity-level tax).

Each Holder of a beneficial interest in the Liquidating Trust must report on its federal income tax return its allocable share of income, gain, loss, deduction and credit recognized or incurred by the Liquidating Trust. None of the Debtor's loss carryforwards will be available to reduce any income or gain of the Liquidating Trust. Moreover, upon the sale or other disposition (or deemed disposition) of any Liquidating Trust asset, each Holder of a beneficial interest in the Liquidating Trust must report on its federal income tax return its share of any gain or loss measured by the difference between (1) its share of the amount of cash and/or the fair market

value of any property received by the Liquidating Trust in exchange for the Liquidating Trust asset so sold or otherwise disposed of and (2) such Holder's adjusted tax basis in its share of the Liquidating Trust asset. The character of any such gain or loss to the Holder will be determined as if such Holder itself had directly sold or otherwise disposed of the Liquidating Trust asset. The character of items of income, gain, loss, deduction and credit to any Holder of a beneficial interest in the Liquidating Trust, and the ability of the Holder to benefit from any deductions or losses, may depend on the particular circumstances or status of the Holder.

Given the treatment of the Liquidating Trust as a grantor trust, each Holder of a beneficial interest in the Liquidating Trust has an obligation to report its share of the Liquidating Trust's tax items (including gain on the sale or other disposition of a Liquidating Trust asset) which is not dependent on the distribution of any cash or other Liquidating Trust assets by the Liquidating Trust. Accordingly, a Holder of a beneficial interest in the Liquidating Trust may incur a tax liability as a result of owning a share of the Liquidating Trust assets, regardless of whether the Liquidating Trust distributes cash or other assets. Although the Liquidating Trust Agreement provides that the Liquidating Trust will generally make distributions of cash at least quarterly, due to the requirement that the Liquidating Trust maintain certain reserves, the Liquidating Trust's ability to make current cash distributions may be limited or precluded. In addition, due to possible differences in the timing of income on, and the receipt of cash from the Liquidating Trust assets, a Holder of beneficial interest in the Liquidating Trust may be required to report and pay tax on a greater amount of income for a taxable year than the amount of cash received by the Holder during the year.

The Liquidating Trust will file annual information tax returns with the IRS as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Liquidating Trust assets (*e.g.*, income, gain, loss, deduction and credit). Each Holder of a beneficial interest in the Liquidating Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Liquidating Trust will pertain to Holders of beneficial interests who received their interests in connection with the Plan.

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

IX.

PROCESS OF VOTING AND CONFIRMATION

The following is a brief summary regarding the voting procedures and the requirements for confirmation of the Plan. Holders of Claims and Holders of Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code or to consult their own attorneys. Additional

information regarding voting procedures is set forth in the Notice accompanying this Disclosure Statement.

A. Voting Instructions

This Disclosure Statement, accompanied by a Ballot to be used for voting on the Plan, is being distributed to Holders of Allowed Claims in Class 3. Only such Holders of Allowed Claims are entitled to vote to accept or reject the Plan, and may do so by completing the Ballot and returning it to the Voting Agent:

Via Post office:

Wiener, Weiss & Madison,
A Professional Corporation
Attn.: John S. Hodge
P. O. Box 219690
Shreveport, LA 71120

Via FedEx or hand-delivery:

Wiener, Weiss & Madison
A Professional Corporation
Attn.: John S. Hodge
333 Texas Street, Ste. 2350
Shreveport, LA 71101

In light of the benefits to be attained under the Plan by the Holders in each Impaired Class of Claims, the Proponent recommends that Holders of Claims in the Impaired Classes vote to accept the Plan and return the Ballot prior to the Voting Deadline referred to below.

BALLOTS MUST BE RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE OF _____, 2017 AT 5:00 P.M., (PREVAILING CENTRAL STANDARD TIME). ANY BALLOTS RECEIVED AFTER THE FOREGOING TIME MAY NOT BE COUNTED. ANY BALLOT WHICH IS EXECUTED BY THE HOLDER OF AN ALLOWED CLAIM BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL NOT BE COUNTED AS AN ACCEPTANCE OR REJECTION OF THE PLAN. A BALLOT TRANSMITTED TO THE VOTING AGENT BY FACSIMILE, EMAIL OR OTHER ELECTRONIC METHOD WILL NOT BE COUNTED.

Except to the extent permitted by the Bankruptcy Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtor in connection with the Proponent's request for confirmation of the Plan. The Proponent expressly reserves the right to amend, at any time and from time to time, the terms of the Plan (subject to compliance with the requirements of section 1127 of the Bankruptcy Code). If the Proponent makes a material change to the terms of the Plan or if the Proponent waives a material condition thereof, the Proponent will disseminate additional solicitation materials and will extend the Voting Deadline, in each case to the extent required by law.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact,

officer of a corporation or other Person or Entity acting in a fiduciary or representative capacity, such person must so indicate and, unless otherwise determined by the Proponent, must submit evidence satisfactory to the Proponent of such person's authority.

Except as provided below or as ordered by the Bankruptcy Court, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Proponent may, in its discretion, reject such Ballot as invalid and decline to recognize such Ballot in connection with confirmation of the Plan by the Bankruptcy Court.

In the event that a Claim is disputed or a designation is requested under section 1126(e) of the Bankruptcy Code, any vote cast to accept or reject the Plan with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Bankruptcy Court orders otherwise.

The method of delivery of Ballots to be delivered to the Voting Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when actually received by the Voting Agent. Instead of effecting delivery by mail, it is recommended that such Holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery.

Any Holder of Impaired Claims that has delivered a valid Ballot may withdraw its vote solely in accordance with Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

Subject to any contrary order of the Bankruptcy Court, the Proponent reserves the absolute right to reject any and all Ballots not proper in form and the acceptance of which would, in the opinion of the Proponent or its counsel, not be in accordance with the provisions of the Bankruptcy Code. Subject to contrary order of the Bankruptcy Court, the Proponent further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot unless otherwise directed by the Bankruptcy Court. Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Proponent (or the Bankruptcy Court) determine. Neither the Proponent, nor any other Person or Entity, will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots and neither the Proponent, nor any other Person or Entity, will incur any liability for failure to provide such notice. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots as to which any irregularities have not theretofore been cured or waived will not be counted.

B. Confirmation Hearing

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

The Confirmation Hearing in respect of the Plan has been scheduled for _____, 2015 at __:00 _m. (prevailing Central Standard Time), or as soon thereafter as counsel may be heard, before the Honorable Harlin D. Hale, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Northern District of Texas, 1100 Commerce Street, 14th Floor, Courtroom #3, Dallas, Texas, 75242. The Confirmation Hearing may be adjourned from time to time by the

Bankruptcy Court without further notice except for any announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

Objections to confirmation of the Plan must be filed and served on or before _____, 2017 at 4:00 p.m. (prevailing Central Standard Time) in accordance with the Notice accompanying this Disclosure Statement. UNLESS OBJECTIONS TO CONFIRMATION OF THE PLAN ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE DISCLOSURE STATEMENT APPROVAL ORDER, THEY WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied. If so, the Bankruptcy Court shall enter the Confirmation Order. The Proponent believes that the Plan satisfies or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtor has complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made under the Plan for services or for costs and expenses in or in connection with the Debtor's chapter 11 case have been disclosed to the Bankruptcy Court and any such payment made before the confirmation of the Plan is reasonable or if such payment is to be fixed after the confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court.
- With respect to each Class of Impaired Claims, either each Holder of a Claim in such Class had accepted the Plan or each such Holder will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the Debtor was liquidated on such date under chapter 7 of the Bankruptcy Code.
- Each Class of Claims that is entitled to vote on the Plan has either accepted the Plan or is not impaired under the Plan.
- Except to the extent that the Holder of a particular Claim agrees to a different treatment of such Claim, the Plan provides that Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Non-Tax Priority Claims and Allowed Secured Claims will be paid in full on the Effective Date or as soon thereafter as practicable.
- At least one Class of Impaired Claims (not including any acceptance of the Plan by any Insider (as defined in section 101(31) of the Bankruptcy Code) holding a Claim in such Class) has accepted the Plan.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.
- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

The Proponent believes that (1) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (2) they have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (3) the Plan has been proposed in good faith.

1 Best Interests of Creditors Test

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each Holder of a Claim in such Class either (a) has accepted the Plan or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtor liquidated under chapter 7 of the Bankruptcy Code.

In chapter 7 liquidation cases, unsecured creditors and equity interest holders of a debtor are paid from available assets generally in the following order, with no lower class receiving any payments until all amounts due to senior classes have been paid fully or payment has been provided for:

- Secured creditors (to the extent of the value of their collateral).
- Priority creditors.
- Unsecured creditors.
- Debt expressly subordinated by its terms or by order of the Bankruptcy Court.
- Equity interest holders.

This is a liquidating plan. In any event, whether by the Liquidating Trust, or a chapter 7 trustee, the Debtor's Estate's assets will be liquidated. Accordingly, there is no reorganization value to be calculated, or distribution scenarios related thereto. In addition, the activities of the Liquidating Trust Committee and the Liquidating Trustee after the Effective Date are the very same ones that would be pursued by a chapter 7 trustee. However, unlike a chapter 7 trustee, who may seek to charge statutory fees of up to 3% of disbursements, the members of the Liquidating Trust Committee will not be compensated for their services. Additionally, it is likely that a chapter 7 trustee will retain counsel who would likely be required to spend a significant amount of time and expense becoming familiar with the case time and expense that would not be required if the Plan is confirmed.

After careful review of the estimated recoveries in a chapter 11 liquidation scenario and a chapter 7 liquidation scenario, the Proponent has concluded that the recoveries to Creditors will be maximized by completing the liquidation of any remaining assets of the Debtor under chapter 11 of the Bankruptcy Code and making distributions pursuant to the Plan. The Proponent

believes that the Debtor's Estate has value that would not be fully realized by Creditors in a chapter 7 liquidation primarily because, among other reasons, (i) additional administrative expenses would be incurred in a chapter 7 liquidation, specifically those of a chapter 7 trustee charging statutory fees of up to 3% of disbursements and any costs of counsel to the chapter 7 trustee to become familiar with the facts and circumstances of this case, and (ii) the additional delay in distributions that would occur if the Debtor's chapter 11 case was converted to a case under chapter 7.

D. Plan Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successors to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. The Plan provides for a liquidation of the Debtor's remaining assets and a distribution of the Cash proceeds to creditors in accordance with the priority scheme of the Bankruptcy Code and the terms of the Plan and Liquidating Trust Agreement. The Debtor will not be conducting any business operations after the Effective Date.

The ability to make distributions described in the Plan therefore does not depend on future earnings or operations of the Debtor, but only on the orderly liquidation of the Debtor's remaining assets. Accordingly, the Proponent believes that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

E. Section 1129(b): Unfair Discrimination and the "Fair and Equitable" Test

The Proponent will request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code, and they have reserved the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification. The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by an Impaired Class of Claims or Equity Interests if the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class.

1. No Unfair Discrimination

The "unfair discrimination" test applies to Impaired Classes of Claims or Equity Interests that are of equal priority and are receiving disparate treatment under the Plan. The test does not require that the treatment of such Classes be the same or equivalent, but only that the treatment be "fair." The Plan does not classify separately Claims against the Debtor, into two or more Impaired Classes of equal priority. Accordingly, there is no basis for any Claimant to assert that the Plan unfairly discriminates. Accordingly, the Plan does not discriminate (let alone unfairly) and satisfies the "unfair discrimination" test. Simply put, all Claims of equal rank are classified in the same Class and are treated equally.

2. Fair and Equitable Test: "Cramdown"

The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cramdown" tests for dissenting classes of secured creditors, unsecured creditors and equity holders. As to each dissenting class, the test prescribes

different standards, depending on the type of claims or equity interests in such class:

Secured Creditors. With respect to each class of secured claims that rejects the plan, the plan must provide (i)(a) that each holder of a Secured Claim in the rejecting class retain the liens securing those claims, whether the property subject to those liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such secured claim and (b) that the Secured Creditor receives on account of its secured claim deferred cash payments having a value, as of the effective date of the plan, of at least the value of the allowed amount of such secured claim; (ii) for the sale of any property that is subject to the liens securing the claims included in the rejecting class, free and clear of such liens, with such liens to attach to the proceeds of the sale, and the treatment of such liens on proceeds under clause (i) or (iii) of this subparagraph; or (iii) for the realization by the Secured Creditor of the “indubitable equivalent” of its Secured Claim.

Unsecured Creditors. With respect to each Impaired Class of unsecured Claims that rejects the plan, the plan must provide (A) that each holder of a claim in the rejecting class will receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (B) that no holder of a claim or interest that is junior to the claims of such rejecting class will receive or retain under the Plan any property on account of such junior claim or interest.

Equity Interests. With respect to each Impaired Class of equity interests that rejects the plan, the plan must provide (I) that each holder of an equity interest included in the rejecting class receive or retain on account of that equity interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such equity interest; or (II) that no holder of an equity interest that is junior to the equity interests of such rejecting class will receive or retain under the plan any property on account of such junior interest.

The Proponent believes that the Plan may be confirmed pursuant to the above-described “cramdown” provisions, over the dissent of certain Classes of Claims and Equity Interests, in view of the treatment proposed for such Classes. The Proponent believes that the treatment under the Plan of the Holders of Classes 3, 4 and 5 will satisfy the “fair and equitable” test. Additionally, as noted above, the Proponent does not believe that the Plan unfairly discriminates against any dissenting Class because all dissenting Classes of equal rank are treated equally under the Plan.

X.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Liquidation Under Chapter 7

If no chapter 11 plan can be confirmed, the Debtor’s chapter 11 case may be converted to a case under chapter 7 of the Bankruptcy Code to liquidate the assets of the Debtor for distribution in accordance with the priorities established by the Bankruptcy Code. The Proponent believes that liquidation under chapter 7 would result in lower distributions being made to creditors than those provided for in the Plan because, among other reasons, (1) additional administrative expenses would be incurred in a chapter 7 liquidation, specifically those of a chapter 7 trustee charging

statutory fees of up to 3% of disbursements and any costs of counsel to the chapter 7 trustee to become familiar with the facts and circumstances of this case, and (2) the additional delay in distributions that would occur if the Debtor's chapter 11 case was converted to a case under chapter 7.

B. Alternative Plan of Reorganization

The Proponent, with the assistance of their professionals, have considered their options and have concluded that the Plan offers the best and highest recoveries for Creditors. The Proponent has concluded that the Plan provides greater potential recoveries for Creditors than any feasible alternative.

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RECOMMENDATION

In the opinion of the Proponent, the Plan is preferable to the alternatives described herein. It provides for larger distribution to the Holders than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to the Holders of Claims. **Accordingly, the Proponent recommends that Holders of Claims entitled to vote to accept or reject the Plan support confirmation of the Plan and vote to accept the Plan.**

Dated: December 12, 2016

Gloria's Ranch, LLC
a Louisiana limited liability company

By: /s/ Ron Lepow
Name: Ron Lepow
Its: Manager

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 12, 2016, a true and correct copy of the foregoing was served by electronic submission through the Court's automated Case management and Electronic Docketing System for the U.S. Bankruptcy Court of the Northern District of Texas, Dallas Division or via e-mail or first class mail on the parties appearing on the service list below.

/s/ R. Joseph Naus

R. Joseph Naus

SERVICE LIST

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**APPENDIX 1 – DEFINED TERMS, RULES OF INTERPRETATION AND
COMPUTATION OF TIME**

DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Rules of Interpretation

For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference in the 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; (c) any reference in the Plan to an existing document or exhibit Filed, or to be Filed, shall mean such document or exhibit, as it may have been or may be amended, modified, supplemented or restated; (d) unless otherwise specified, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (e) the words **“hereof”**, **“herein”**, **“hereto”**, **“hereunder”** and comparable terms refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) the words **“include”**, **“includes”** and **“including”** shall not be limiting and shall be deemed to be followed by **“without limitation”** whether or not they are, in fact, followed by such words or words of like import; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (i) any capitalized term used in the Plan that is not defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (j) in the event of any inconsistency between the terms of the Plan and the terms of the Disclosure Statement, the terms of the Plan shall control and (k) in the event of any inconsistency between the terms of the Plan and the terms of the Liquidation Trust Agreement, the terms of the Plan shall control.

B. Computation of Time.

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

C. Defined Terms.

When used in capitalized form in the Plan, the following terms shall have the respective meanings assigned to such terms below:

“Administrative Claim” means a Claim for payment of an administrative expense of a kind specified in Bankruptcy Code section 503(b) and entitled to priority in payment under Bankruptcy Code sections 507(a)(1), 507(b) or 1114(e)(2), including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the business of the Debtor (such as wages, salaries or commissions for services and payments for goods and other services and leased premises); (b) any indebtedness or obligations incurred or

assumed by the Debtor in the ordinary course of business in connection with the conduct of its business; (c) any Professional Fees incurred before the Effective Date; (d) all fees and charges assessed against the Estate under Chapter 123 of title 28 of the United States Code, sections 1911-30; (e) obligations designated as Allowed Administrative Claims pursuant to an order of the Bankruptcy Court and (f) Claims under Section 503(b)(9) of the Bankruptcy Code.

“Allowed” means, with reference to any Claim, except as otherwise provided herein:

(a) a Claim that has been Scheduled by a Debtor in its Schedules as other than disputed, contingent or unliquidated and as to which Debtor, Liquidating Trustee or any other party in interest has not timely Filed an objection in accordance with Article VII.A. of the Plan;

(b) a Claim that either is not a Disputed Claim or has been allowed by a Final Order;

(c) a Claim that is allowed (i) in any stipulation with a Debtor concerning the amount and nature of such Claim executed prior to the Confirmation Date and approved by the Bankruptcy Court upon proper notice to the Debtor and other parties in interest; (ii) in any stipulation with a Debtor concerning the amount and nature of such Claim executed on or after the Confirmation Date and, to the extent necessary, approved by the Bankruptcy Court or (iii) in any contract, instrument, indenture or other agreement entered into or assumed pursuant to the Plan;

(d) a Claim relating to a rejected executory contract or unexpired lease that (i) is not a Disputed Claim or (ii) has been allowed by a Final Order, in either case only if a Proof of Claim has been timely Filed in accordance with Article V.B. of the Plan or has otherwise been deemed timely Filed under applicable law; or

(e) a Claim that is allowed pursuant to the terms of the Plan; *provided, however*, unless otherwise specified herein or by order of the Bankruptcy Court, the term “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, premiums or late charges on such Claim from and after the Petition Date.

“Avoidance Actions” means (a) any and all actions that are Filed or that may be Filed pursuant to the provisions of Bankruptcy Code sections 502(d), 542, 544, 545, 547, 548, 549, 550, 551 and 553, or applicable non-bankruptcy law that may be incorporated or brought under the foregoing sections of the Bankruptcy Code; or (b) any other similar actions or proceedings filed to recover property for or on behalf of the Estate or to avoid a lien or transfer.

“Bankruptcy Case” means, collectively, the Debtor’s bankruptcy case under Chapter 11 of the Bankruptcy Code pending in the Bankruptcy Court under Case No. 16-32188-HDH.

“Bankruptcy Code” means title 11 of the United States Code and applicable portions of titles 18 and 28 of the United States Code.

“Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Texas.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended from time to time, as applicable to the Bankruptcy Case,

promulgated under 28 U.S.C. § 2075 and the Local Rules of the Bankruptcy Court.

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

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

“Causes of Action” mean all of the Debtor’s (and/or the Estate’s) actions, causes of action, choses in action, liabilities, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Bankruptcy Case, through and including the Effective Date, including, but not limited to, the Avoidance Actions and Trust Claims and the Retained Causes of Action listed on **Exhibit B** attached to this Plan.

“Claim” means a “claim” against the Debtor, as defined in Bankruptcy Code section 101(5), whether or not asserted.

“Claims Agent” means Wiener, Weiss & Madison, A P.C. as counsel for the Proponent or an entity designated by order of the Bankruptcy Court to process Proofs of Claim.

“Class” means a category of Claims or Equity Interests described in Article III of the Plan.

“Committee” means the official committee of unsecured creditors if one is appointed by the United States Trustee in the Bankruptcy Case pursuant to section 1102 of the Bankruptcy Code, including its official members and its *ex officio* members. *As of the date of the filing of this Plan, no statutory committee has been appointed in this case.*

“Confirmation” means the entry of the Confirmation Order, subject to all conditions specified in Article VIII.A of the Plan having been (i) satisfied or (ii) waived pursuant to Article VIII.C.

“Confirmation Date” means the date of entry of the Confirmation Order on the docket of the Bankruptcy Case within the meaning of Bankruptcy Rules 5003 and 9021.

“Confirmation Hearing” means the hearing held by the Bankruptcy Court pursuant to Bankruptcy Code section 1128(a) to consider Confirmation of the Plan in accordance with Bankruptcy Code section 1129, as such hearing may be adjourned or continued from time to time.

“Confirmation Hearing Date” means the date on which the Confirmation Hearing is first commenced.

“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.

“Covered Persons” means (i) all directors and officers of the Debtor, whenever serving, but solely in the amount and to the extent covered by the Debtor’s directors and officers insurance policies and (ii) employees employed by or serving the Debtor as of the Petition Date.

“Creditor” means the Holder of a Claim against the Debtor or its Estate.

“Debtor” means Tauren Exploration, Inc., in its individual capacity, as a debtor and debtor in possession in the Bankruptcy Case and the Estate.

“Deficiency Claim” means an Allowed Claim held by any Party in an amount equal to the amount by which the aggregate Allowed Claims of such Holder exceeds the value of the Collateral recovered by said Holder.

“Disallowed Claim” means (a) a Claim, or any portion thereof, that has been disallowed by a Final Order, (b) a Claim that is Scheduled as zero or as contingent, disputed, or unliquidated and as to which 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 other applicable bankruptcy law, (c) a Claim that has not been Scheduled and as to which 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 other applicable bankruptcy law or (d) a Claim disallowed in accordance with section 502(d) of the Bankruptcy Code pursuant to Article VII.F. of the Plan.

“Disbursing Agent” means the Liquidating Trustee, or the entity or entities chosen by the Liquidating Trustee to make or facilitate distributions pursuant to the Plan.

“Disclosure Statement” means the written disclosure statement (including all exhibits and schedules thereto) that relates to the Plan, as the same may be amended, supplemented, revised or modified from time to time, as approved by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order.

“Disclosure Statement Approval Order” means the Final Order approving, among other things, the adequacy of the Disclosure Statement pursuant to Bankruptcy Code section 1125.

“Disputed Claim” means a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, and in relation to a Class, a Disputed Claim in the particular Class described.

“Disputed Claims Reserve” means a segregated account for the payment of Disputed Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust and maintained by the Liquidating Trustee for the benefit of the Holders of Disputed Claims.

“Distribution” means the distributions to be made in accordance with the Plan of, as the case may be: (a) Cash or (b) any other consideration or residual value distributed to Holders of Allowed Claims under the terms and provisions of the Plan.

“Distribution Record Date” means the record date for the purpose of determining Holders of Allowed Claims entitled to receive Distributions under the Plan on account of Allowed Claims which date shall be ten (10) business days prior to the Confirmation Hearing Date originally scheduled by the Bankruptcy Court in the Disclosure Statement Approval Order.

“Effective Date” means that date following the Confirmation Date on which all conditions to consummation to the Plan shall have been satisfied or waived as provided in Article VIII.B. and Article VIII.C. hereof.

“Entity” means an “entity,” as defined in section 101(15) of the Bankruptcy Code.

“Equity Interest” means, with respect to a Debtor, as of the Petition Date, any membership interest or other ownership interest in Debtor, whether or not transferable, and any option, call, warrant or right to purchase, sell or subscribe for an ownership interest or other equity security in Debtor, and any redemption, conversion, exchange, voting, participation, dividend rights, and liquidation preferences relating to such membership interest or other ownership interest.

“Estate” means the estate of the Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Bankruptcy Case.

“File” or **“Filed”** means file or filed on the Bankruptcy Court’s docket for the Bankruptcy Case.

“Final Order” means an order of the Bankruptcy Court (x) as to which the time to appeal, petition for certiorari, or move for reargument, rehearing or new trial has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument, rehearing or new trial shall then be pending; (y) as to which any right to appeal, petition for certiorari, reargue, rehear or retry shall have been waived in writing; or (z) in the event that an appeal, writ of certiorari, reargument, rehearing or new trial has been sought, as to which (i) such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order is appealed, (ii) certiorari has been denied as to such order, or (iii) reargument or rehearing or new trial from such order shall have been denied, and the time to take any further appeal, petition for certiorari or move for reargument, rehearing or new trial shall have expired without such actions having been taken.

“Holder” means any Entity holding a Claim, an Equity Interest or a Liquidating Trust Interest.

“Impaired Class” means a Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Initial Distribution Date” means the Effective Date or the date, occurring as soon as practicable after the Effective Date, on which the initial Distributions are made to Holders of Allowed Claims.

“Internal Revenue Code” means title 26 of the United States Code, as amended from time to time.

“IRS” means the Internal Revenue Service.

“**Lien**” means a charge against or interest in property to secure payment of a debt or performance of an obligation.

“**Liquidating Debtor**” means the Debtor Tauren Exploration, Inc. after the Effective Date.

“**Liquidating Trust**” means the trust described in Article IV.C. of the Plan to be established under Texas trust law that will effectuate the wind down of the Debtor, and make distributions pursuant to the terms of the Plan and Liquidating Trust Agreement. With respect to any action required or permitted to be taken by the Liquidating Trust, the term includes the Liquidating Trustee or any other person authorized to take such action in accordance with the Liquidating Trust Agreement.

“**Liquidating Trust Agreement**” means the agreement, substantially in the form annexed hereto as Exhibit A, establishing the Liquidating Trust in conformity with the provisions of the Plan, which shall be approved in the Confirmation Order and entered into by the Debtor, on behalf of the beneficiaries, and the Liquidating Trustee on the Confirmation Date pursuant to the terms of the Plan.

“**Liquidating Trust Assets**” means all property and assets of the Debtor and the Estate that have neither been previously abandoned nor sold, including without limitation, all Cash and Cash equivalents, all Claims and Causes of Action and Retained Causes of Action, any and all books and records including computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtor maintained by or in the possession of third parties, wherever located, and other remaining assets of the Debtor; provided, however, that the Retained Appellate Interests shall vest in the Liquidating Debtor and shall not constitute Liquidation Trust Assets; provided further, however, at all times the proceeds, if any, of Retained Appellate Interests shall constitute Liquidation Trust Assets and shall be treated in the same manner as proceeds of Liquidation Trust Assets, including, without limitation, for purposes of making Distributions on account of Liquidating Trust Interests.

“**Liquidating Trust Interests**” means the uncertificated beneficial interests in the Liquidating Trust representing the right of each Holder of an Allowed Claim thereof to receive distributions from the Liquidating Trust in accordance with Article IV of the Plan.

“**Liquidating Trustee**” means John S. Hodge or his successor appointed in accordance to Article IV.C. hereof to administer the Liquidating Trust in accordance with the terms of the Liquidating Trust Agreement.

“**Net Recoveries**” means Recoveries following payment of any (i) reasonable fees and expenses of the Liquidating Trust, (ii) normal and reasonable expenses of administration of any Liquidating Trust Assets (including the establishment of such reasonable reserves on behalf of the Liquidating Trust as the Liquidating Trustee thereof deems appropriate), and (iii) all reasonable investment banker fees, brokerage commissions, professional fees, legal fees, accounting fees, marketing and sale expenses, title fees, taxes, levies, assessments, other governmental charges, or any other type of expense, fee or cost incurred in connection with the disposition of any Liquidating Trust Assets.

“Official Bankruptcy Forms” means the Official Bankruptcy Forms, prescribed by the Judicial Conference of the United States, the observance and use of which is required pursuant to Bankruptcy Rule 9009, as such forms may be amended, revised or supplemented from time to time.

“Person” means a “person,” as defined in section 101(41) of the Bankruptcy Code.

“Petition Date” means June 3, 2016.

“Plan” means this chapter 11 plan, including all exhibits and schedules annexed hereto or otherwise incorporated herein, and the documents contained in the Plan Supplement, either in its present form or as it may be altered, amended, modified, revised or supplemented from time to time.

“Plan Supplement” means the compilation of documents and forms of documents, schedules and exhibits to the Plan.

“Priority Non-Tax Claim” means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

“Priority Tax Claim” means a Claim of a “governmental unit” (as such term is defined in section 101(27) of the Bankruptcy Code) of the kind specified in, and entitled to priority under sections 502(i) and 507(a)(8) of the Bankruptcy Code.

“Professional” means a Person or Entity (a) employed by the Debtor pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant to sections 327, 328, 330 or 331 of the Bankruptcy Code, for whom or for which compensation and reimbursement of expenses has been allowed by the Bankruptcy Court or is sought pursuant to section 503(b) of the Bankruptcy Code or (b) for whom or for which compensation and reimbursement has been allowed by the Bankruptcy Court or is sought pursuant to section 503(b)(4) of the Bankruptcy Code.

“Professional Fees” means the fees for professional services rendered and expenses incurred in connection with such services by Professionals on and after the Petition Date and prior to and including the Effective Date.

“Proof of Claim” means a proof of Claim Filed against the Debtor in the Bankruptcy Case.

“Proponent” means the Gloria’s Ranch, LLC., a Louisiana limited liability company.

“Pro Rata Share” means, with reference to any Distribution on account of any Allowed Claim or Allowed Interest, as applicable, in any Class, the ratio (expressed as a percentage) that the amount of such Allowed Claim or Allowed Interest bears to the aggregate amount of Allowed Claims or Allowed Interests of the same Class (and to the extent required for an interim Distribution and any reserve for Disputed Claims)

“Recoveries” means the cash and cash equivalents and any other value, or proceeds of settlement, litigation or other disposition of the Causes of Action and the Retained Causes of Action.

“Retained Appellate Interests” means interests and defenses of Debtor asserted by the Debtor in the appeal of the Final Judgment(s) entered in that certain civil action styled “*Gloria’s Ranch, LLC vs. Tauren Exploration, Inc., Calvin A. Wallen, III, Langtry Mineral & Development, LLC and Fossil Operating, Inc.*” Suit No. 541,768-A, First Judicial District Court, State of Louisiana, Parish of Caddo Parish. These defenses shall be retained by the Liquidating Debtor after the Effective Date. To the extent that any defense result in the award of monetary recovery, the proceeds of such recovery are deemed Liquidating Trust Assets.

“Retained Causes of Action” mean all of the Debtor’s (and/or the Estate’s) actions, causes of action, choses in action, liabilities, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Bankruptcy Case, through and including the Effective Date, including, but not limited to, the Causes of Action, Avoidance Actions, Trust Claims and the Causes of Action listed on **Exhibit B** attached to the Plan.

“Schedules” mean the schedules of assets and liabilities, schedules of executory contracts, and the statements of financial affairs Filed by Debtor pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be supplemented or amended from time to time through the Confirmation Date in accordance with Bankruptcy Rule 1009.

“Scheduled” means an entry that appears on the Schedules.

“Secured” means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Holder’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or (b) otherwise Allowed pursuant to the Plan as a Secured Claim.

“Secured Claim” means a Claim against the Debtor to the extent it is Secured.

“Securities Act” means the Securities Act of 1933, as amended.

“Security” means a “security,” as defined in section 101(49) of the Bankruptcy Code.

“Subordinated Claims” means any Claim (i) arising from fines, penalties or punitive

damages, (ii) arising from rescission of a purchase or sale of a security of the Debtor, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under Section 502 of the Bankruptcy Code on account of such a claim, (iii) subordinated to Unsecured claims under Section 510(b) or (c) of the Bankruptcy Code or (iv) contractually subordinated to any secured or Unsecured claim.

“Tax” or **“Taxes”** means all income, gross receipts, sales, use, transfer, payroll, employment, franchise, profits, property, excise or other similar taxes, estimated import duties, fees, stamp taxes and duties, value added taxes, assessments or charges of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed on the Debtor or the Estate by any taxing authority with respect thereto.

“Trust Claims” means any and all Causes of Action against any Person, officer, director, shareholder, member, lender, attorney, law firm, auditor, accounting firm, accountant or other Person that are identified in the Disclosure Statement and/or the Plan Supplement, including, without limitation, all Avoidance Actions.

“Unimpaired” means a Claim or Equity Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

“Unimpaired Class” means a Class that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

“United States Trustee” means the United States Trustee appointed under 28 U.S.C. § 591 to serve in the Northern District of Texas.

“Unsecured Claim” means any Claim against the Debtor that is not an Administrative Claim, a Secured Claim, a Priority Tax Claim or a Priority Non-Tax Claim.

EXHIBIT A

**PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE
BANKRUPTCY CODE PROPOSED BY GLORIA'S RANCH, LLC**

This exhibit will be inserted once the disclosure statement is approved by the court.