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And Jarret Tucker Corn and wife, Autumn Dawn Corn*

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

In Re:	§	
	§	
JARRET CORN CATTLE	§	Case No. 16-50181-RLJ-11
COMPANY, INC.	§	
	§	
Debtor.	§	

In Re:	§	
	§	
JARRET TUCKER CORN and	§	Case No. 16-50182-RLJ-11
Wife, AUTUMN DAWN CORN,	§	(Jointly Administered Under
	§	Case No. 16-50181-RLJ-11)
Debtors.	§	

**DEBTORS' FIRST AMENDED JOINT DISCLOSURE STATEMENT TO ACCOMPANY
DEBTORS' JOINT PLAN OF REORGANIZATION**

Jarret Corn Cattle Company, Inc. ("JC Cattle Co.") and Jarret Tucker Corn and wife, Autumn Dawn Corn, ("Corns," and together with JC Cattle Co., the "Debtors"), the Debtors-in-Possession in the above-referenced bankruptcy proceedings, file this First Amended Joint Disclosure Statement to accompany their Joint Plan of Reorganization (the "Plan"). The First Amended Joint Disclosure Statement ("Disclosure Statement") information is intended to solicit the acceptance of the Plan by persons who are entitled to vote on confirmation or rejection of the Plan.

**ARTICLE I
INTRODUCTORY STATEMENT AND DISCLOSURES**

JC Cattle Co. and the Corns filed for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Texas, Lubbock Division (the "Bankruptcy Court"), on August 25, 2016 (the "Petition Date"). Since

Debtors' First Amended Joint Disclosure Statement

that time, the Debtors have continued to operate as Debtors-in-Possession pursuant to the provisions of Sections 1107 and 1108 of the Bankruptcy Code.

Pursuant to the terms of the Bankruptcy Code, this Disclosure Statement has been approved by the Bankruptcy Court. Such approval is required by statute and will not constitute a judgment of the Bankruptcy Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereby.

Contained in the packet of documents which has been sent to you by the Debtors is the Disclosure Statement, the Plan, the Ballot for Voting on the Plan (the "Ballot") and the Order Approving Disclosure Statement and Fixing Time for Filing Acceptance or Rejection of Plan, Combined with Notice Thereof. Please read all of these materials carefully. Please note that in order for your vote to be counted, you must: 1) include your name and address, 2) fill in, date, and sign the enclosed Ballot and 3) return it to the attorney for the Debtors by the date and time specified on the Ballot.

A. THE PLAN OF REORGANIZATION

Purpose of the Plan. The Debtors have filed contemporaneous hereto their Joint Plan of Reorganization. The purpose of the Debtors' Plan is to provide a method for the sale of certain assets and the restructuring of certain debts. The Plan, developed by the Debtors, proposes, among other things, the means by which all Claims against the Debtors will be resolved and treated for distribution purposes, consistent with the provisions and priorities mandated by the Bankruptcy Code. The Plan is essentially a new contract between the Debtors and its Creditors, proposed by the Debtors to its Creditors for approval. Creditors approve or disapprove of the Plan by voting their Ballots on the Plan, if they are in a Class entitled to vote, and, if appropriate, by objecting to confirmation of the Plan. However, the Plan can be confirmed by the Bankruptcy Court even if less than all Creditors or Classes accept the Plan and, in such an instance, the Plan will still be binding on those Creditors or Classes that reject the Plan. Approval and consummation of the Plan will enable the Bankruptcy Case to be finally concluded.

The Debtors believe that the Plan is more attractive than other alternatives, such as conversion to Chapter 7 liquidation or dismissal of this Bankruptcy Case. The alternatives to the Plan are more fully discussed in this Disclosure Statement in Article IX of this Disclosure Statement. EACH CREDITOR IS URGED TO READ THE PLAN PRIOR TO VOTING.

B. THE DISCLOSURE STATEMENT

Why You Have Received This Disclosure Statement. You have received this Disclosure Statement because the Debtors have proposed a Plan with the Bankruptcy Court to satisfy its debts and provide for a liquidation of some of their assets. The Bankruptcy Court held a hearing and approved this Disclosure Statement on _____, 2017. A copy of the Plan is enclosed with the materials that you have received. This Disclosure Statement, as required by 11 U.S.C. § 1125, is being provided to all known Creditors and other parties-in-interest whose claims are impaired in

connection with the solicitation and acceptance of the Plan proposed by the Debtors.

Purpose of this Disclosure Statement. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor typical of the Holders of Claims against the Debtors to make an informed judgment in exercising its right either to accept or reject the Plan.

Sources of Information. The information contained in this Disclosure Statement has been submitted by the Debtors unless specifically stated to be from other sources. Certain of the materials contained in this Disclosure Statement are taken directly from other, readily accessible instruments or are digests of other instruments. While the Debtors have made every effort to retain the meaning of such other instruments or the portions transposed, the Debtors urge that any reliance on the contents of such other instrument should depend on a thorough review of the instruments themselves.

Only Authorized Disclosure. No representations concerning the Plan are authorized by the Debtors or the Bankruptcy Court other than as set forth in this Disclosure Statement. Any representations or inducements made by any person to secure your vote which are other than herein contained should not be relied upon, and such representations or inducements should be reported to counsel for the Debtors, who shall deliver such information to the Bankruptcy Court.

Voting on the Plan. **YOUR ACCEPTANCE OF THE PLAN IS IMPORTANT.** A Creditor or Equity Interest Holder, in order to vote on the Plan, must have filed a proof of claim or interest on or before the Bar Date, unless the Debtors did not schedule the claim as Disputed, Unliquidated, or Contingent. Any Creditor whose Claim is not scheduled as Disputed, Unliquidated, or Contingent is, to the extent scheduled, deemed to have filed a Claim and, absent objection, such Claim is deemed Allowed. A Creditor or Equity Interest Holder may vote to accept or reject the Plan by filling out and mailing to counsel for the Debtors the Ballot which has been provided in this package of information.

In order for the Plan to be accepted by a class of Creditors, more than one half in number and at least two-thirds in amount of such class of Claims must vote to accept the Plan. Only those Claim Holders that actually vote are considered in the calculations. In order for the Plan to be accepted by Equity Interest Holders, at least two-thirds in amount of interests must vote to accept the plan. Again, only voting Equity Interest Holders are considered in the calculation. You are, therefore, urged to fill in, date, sign and promptly mail and/or fax the enclosed Ballot which has been furnished to you to counsel for the Debtors as follows:

David R. Langston
Brad W. Odell
MULLIN HOARD & BROWN, L.L.P.
P.O. Box 2585
Lubbock, Texas 79408-2585
Facsimile: 806-765-0553

The Court has fixed _____, 2017, as the last date by which Ballots must be served on counsel for the Debtors. Except to the extent allowed by the Bankruptcy Court, Ballots that are received after such time will not be counted. Ballots of Holders of Impaired Claims received pursuant to this solicitation and which are signed but are not expressly voted for acceptance or rejection of the Plan will be counted as Ballots for accepting the Plan. A Ballot accepting the Plan may not be revoked, except by order of the Bankruptcy Court.

Whether a Creditor votes on the Plan or not, each creditor will be bound by the terms and treatments set forth in the confirmed Plan that is accepted by the requisite majorities of creditors and is confirmed by the Court, or as confirmed by the Court pursuant to the provisions of 11 U.S.C. § 1129(b). Absent some affirmative act constituting a vote, a Creditor not voting on the Plan will not be included in the tally. Allowance of a claim for voting purposes does not necessarily mean that all or a portion of the claim will be allowed for distribution purposes.

You are urged to fill in, date, sign, and properly mail in duplicate the enclosed ballot, which has been provided. Be sure to properly complete and legibly identify the name of the creditor, the class in which you believe the claim is treated in the Plan, the amount of the claim, and indicate whether you are voting for or against confirmation of the Plan. Representatives of the Debtors or creditors of the Debtors may solicit your vote. The cost of any solicitation by the Debtors will be borne by the Debtors. Likewise, the solicitation costs of competing plan proponents will be borne by the parties proposing the competing plan.

C. IMPORTANT DISCLOSURES

THIS DISCLOSURE STATEMENT IN SUPPORT OF THE DEBTORS' JOINT PLAN OF REORGANIZATION SUMMARIZES CERTAIN PROVISIONS OF THE DEBTORS' JOINT PLAN OF REORGANIZATION (THE "PLAN"), INCLUDING PROVISIONS RELATING TO THE PLAN'S TREATMENT OF CLAIMS AGAINST THE DEBTORS. THE DISCLOSURE STATEMENT ALSO SUMMARIZES CERTAIN FINANCIAL INFORMATION CONCERNING THE DEBTORS AND CLAIMS ASSERTED AGAINST THE DEBTORS IN THE CHAPTER 11 CASES. WHILE THE DEBTORS BELIEVE THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION WITH RESPECT TO THE INFORMATION SUMMARIZED, CREDITORS SHOULD REVIEW THE ENTIRE PLAN AND EACH OF THE DOCUMENTS REFERENCED HEREIN, AND SHOULD SEEK THE ADVICE OF THEIR OWN COUNSEL BEFORE CASTING THEIR BALLOTS.

ONLY THOSE REPRESENTATIONS SET FORTH IN THIS DISCLOSURE STATEMENT ARE AUTHORIZED BY THE DEBTORS. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS ANOTHER DATE IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT UNDER ANY CIRCUMSTANCES

CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF. THE DEBTORS ARE UNABLE TO GUARANTEE THAT THE INFORMATION CONTAINED IN THE PLAN AND THIS DISCLOSURE STATEMENT IS ENTIRELY WITHOUT ERROR, BUT ALL REASONABLE EFFORTS HAVE BEEN MADE TO ENSURE THAT ALL REPRESENTATIONS ARE AS ACCURATE AS POSSIBLE AS OF THE DATE OF ENTRY OF AN ORDER APPROVING THIS DISCLOSURE STATEMENT PURSUANT TO 11 U.S.C. § 1125.

THE SOURCE OF INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS THE DEBTORS OR THEIR AGENTS AND EMPLOYEES AND HAS NOT BEEN SUBJECT TO AN AUDIT UNLESS OTHERWISE SPECIFICALLY NOTED. THE STATEMENTS MADE HEREIN LIKEWISE HAVE NOT BEEN VERIFIED BY DEBTORS' COUNSEL, ALTHOUGH AN ATTEMPT HAS BEEN MADE TO BE CONSERVATIVE AND REALISTIC. NEITHER THE DEBTORS NOR THEIR COUNSEL REPRESENT OR WARRANT THE ACCURACY OF DISCUSSIONS CONTAINED HEREIN REGARDING EVENTS.

AS STATED PREVIOUSLY, YOU ARE URGED TO REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN TO ENSURE A COMPLETE UNDERSTANDING OF THE TRANSACTIONS CONTEMPLATED UNDER THE PLAN AND HOW THOSE TRANSACTIONS WILL AFFECT YOUR CLAIM AGAINST, OR INTEREST IN, THE DEBTORS.

THE DEBTORS WILL SEEK CONFIRMATION UNDER THE CRAMDOWN PROVISION OF SECTION 1129(B) OF THE BANKRUPTCY CODE AND HEREBY GIVES NOTICE OF INTENT TO INVOKE THE CRAM DOWN PROVISIONS OF SECTION 1129(B).

NOTICE OF HEARING ON CONFIRMATION

NOTICE IS HEREBY GIVEN THAT THE COURT HAS SCHEDULED A HEARING TO DETERMINE WHETHER OR NOT THE PLAN SHOULD BE CONFIRMED ON _____, 2017, AT _____ P.M. IN THE UNITED STATES BANKRUPTCY COURTROOM, 1205 TEXAS AVENUE, ROOM 314, LUBBOCK, TEXAS 79401. YOU HAVE A RIGHT TO ATTEND THE HEARING AND PRESENT TO THE COURT YOUR ARGUMENTS EITHER IN FAVOR OF OR IN OPPOSITION TO CONFIRMATION OF THE PLAN.

NOTICE OF THE FIXING OF A BAR DATE AND THE REQUIREMENTS FOR FILING AND ALLOWANCE OF CLAIMS:

NOTICE IS HEREBY GIVEN that the Court set **January 3, 2017 as the last day upon which proofs of claim or interests can be filed with the Court for the cases of Jarret Corn**

Cattle Company, Inc. and Jarret Tucker Corn and wife, Autumn Dawn Corn.

DISCLOSURE OF EFFECT OF COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT AND OF THE ACCURACY OF THE REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT:

COURT APPROVAL OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT OF ANY OF THE REPRESENTATIONS CONTAINED IN EITHER THE DISCLOSURE STATEMENT OR THE PLAN, NOR DOES COURT APPROVAL OF THE DISCLOSURE STATEMENT CONSTITUTE AN ENDORSEMENT OF THE PLAN ITSELF. APPROVAL OF THE DISCLOSURE STATEMENT BY THE COURT REPRESENTS A DETERMINATION THAT THE DISCLOSURE STATEMENT CONTAINS "ADEQUATE INFORMATION" OF A KIND, AND IN SUFFICIENT DETAIL, AS REQUIRED BY 11 U.S.C. SECTION 1125 AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF THE DEBTORS AND THE CONDITION OF THE DEBTORS' BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

THE DEBTORS SEEK AN AFFIRMATIVE VOTE FROM EACH CLASS AND EACH HOLDER OF A CLAIM IN THESE BANKRUPTCY PROCEEDINGS. THE BALLOT WHICH YOU WILL RECEIVE PERMITS YOU TO ACCEPT OR REJECT THE PLAN.

EXCEPT WHERE SPECIFICALLY STATED OTHERWISE, ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY THE DEBTORS OR OBTAINED FROM THEIR RECORDS AND FILES. THE PROJECTIONS CONTAINED IN THIS DISCLOSURE STATEMENT ARE BASED UPON THE BEST INFORMATION AVAILABLE TO THE DEBTORS AT THE TIME THAT THE DISCLOSURE STATEMENT WAS PREPARED.

THE DEBTORS FAVOR ACCEPTANCE OF THIS PLAN AND BELIEVE THAT CONFIRMATION OF THIS PLAN WOULD REALIZE PAYMENT OF LARGER DIVIDENDS TO CREDITORS THAN COULD BE OBTAINED THROUGH A CHAPTER 7 LIQUIDATION. SUCH CONCLUSION IS BASED ON INFORMATION IN THE POSSESSION OF THE DEBTORS AT THE TIME THE DISCLOSURE STATEMENT AND PLAN WERE PREPARED.

WHILE THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED OR VERIFIED EXCEPT WHERE SPECIFICALLY STATED, AND THE RECORDS KEPT BY THE DEBTORS ARE NOT REPRESENTED TO BE WITHOUT ANY INACCURACY OR OMISSION, THE DEBTORS FIRMLY BELIEVE THAT EVERY EFFORT HAS BEEN MADE TO BE ACCURATE AND COMPLETE.

ARTICLE II
DEFINITIONS

In addition to terms defined elsewhere in this Disclosure Statement, the following terms, as used in this Disclosure Statement, shall have the following meanings, and such meanings shall be

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equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires. Further, terms which are used in this Disclosure Statement which are defined in Article II of the Plan shall have the meaning ascribed to them in the Plan and shall have the same meaning in this Disclosure Statement. A copy of the Plan is included in the materials you received. If you did not, for whatever reason, receive a copy of the Plan, or your copy of the Plan is illegible, you may contact counsel for the Debtors, Brad W. Odell, at P.O. Box 2585, Lubbock, Texas 79408-2585, Facsimile (806) 765-0553, email at bodell@mhba.com in writing and transmitted via facsimile, email or mail to request another copy of the Plan.

Voting Deadline: _____, 2017 at 5:00 p.m. (CST).

ARTICLE III **DEBTORS' BACKGROUND INFORMATION**

A. HISTORY OF THE DEBTORS

JC Cattle Co. is a New Mexico corporation registered to do business in Texas. Jarret Corn is the owner and president of JC Cattle Co. Autumn Dawn Corn is Jarret Corn's wife. Jarret Corn established JC Cattle Co. in 2006 and has principally done business in and around Plains, Yoakum County, Texas since 2009. JC Cattle Co. owns and operates a grow yard on approximately 1,054 acres of real property in and around Yoakum County, Texas.

JC Cattle Co. receives stocker weight cattle (300 to 600 pounds), medically treats and cares for them to get them over sicknesses which are associated with weaning and shipping, makes them healthy, and puts them on a ration or diet to cause them to grow and increase in weight until the cattle are of an appropriate weight to be placed into a feedyard for finishing out.

Prior to the Petition Date, JC Cattle Co. would purchase stocker weight cattle, grow them to the appropriate weight, place them in a feedyard for finishing, and then sell them to a packer. To finance JC Cattle Co. operations, JC Cattle Co. began to borrow money from Lone Star State Bank of West Texas ("Lone Star"). To secure its indebtedness to Lone Star, JC Cattle Co. granted Lone Star a deed of trust lien on 1,054 acres of real property in Yoakum County, Texas, and security interests in JC Cattle Co.'s livestock, equipment, inventory, feed, accounts, and accounts receivable. Additionally, Jarret Corn and Autumn Corn personally guaranteed the indebtedness owed by JC Cattle Co. to Lone Star. As of the Petition Date, JC Cattle Co. owed Lone Star on four different notes more than \$7.5 million.

In 2015, JC Cattle Co. leased wheat pasture to graze its cattle on. The wheat had grown more than expected, and Jarret Corn, on behalf of JC Cattle Co., contacted Barrett & Crofoot Feedyard LLP to find cattle to completely graze out the wheat pasture. On account of this communication, Jarret Corn developed a business relationship with Bob Barrett. In February or March of 2015, Bob Barrett, through one or more related entities, agreed to purchase an undivided, one-half interest in cattle previously purchased by JC Cattle Co. From March of 2015 to April or May of 2016, JC Cattle Co. and one or more related Barrett entities jointly purchased cattle.

JC Cattle Co. received at its grow yard all of the jointly purchased cattle and fed, cared for, and grew them to the appropriate weight before transferring them to the Barrett & Crofoot Feedyard in Hereford, Texas to be finished out.

B. EVENTS LEADING TO BANKRUPTCY

Towards the end of 2015 and throughout 2016, the cattle industry throughout the United States experienced significant economic distress due to the decline in fed cattle prices. Fed cattle prices had risen as high as \$170 per cwt in as recent as January of 2015 and dropped all the way below \$120 per cwt. by the middle of 2016. Since the filing of the Debtors' bankruptcy cases, fed cattle prices have remained on the decline under \$120.00 per cwt. While cattle prices were high during 2014 and part of 2015, JC Cattle Co. was profitable and able to debt service its loans to Lone Star. However, the decline in cattle prices caused a decline in value of JC Cattle Co.'s herd and a decrease in profits.

On account of the market, the cattle jointly purchased with Bob Barrett and one or more of his entities sold for losses. Additionally, while cattle were being sold from the Barrett & Crofoot Feedyard, JC Cattle Co. did not receive any of the sales proceeds. The losses caused by decreased cattle prices and all sales proceeds being held by Barrett & Crofoot Feedyard caused JC Cattle Co. to default on its note payments to Lone Star. Additionally, the business relationship between JC Cattle Co. and Bob Barrett and his related entities raised concerns for Lone Star regarding its liens against the cattle and proceeds generated from the sale of the jointly owned cattle. To protect its interests in the jointly purchased cattle and to sort out the asserted lien and ownership positions between JC Cattle Co., Lone Star, and the Barrett Entities, JC Cattle Co. determined it was in its best interests to file for protection under the Bankruptcy Code. As a result on August 25, 2016, JC Cattle Co. filed a voluntary petition under chapter 11 of the Bankruptcy Code. Additionally, Jarret Corn and his wife, Autumn Corn, filed a voluntary petition under chapter 11 of the Bankruptcy Code.

C. ADDITIONAL ASSERTIONS BY THE BARRETT ENTITIES

Barrett & Crofoot Feedyard, L.L.P.; E.C. Farms, LP; Ed Barrett Farms Management, LLC; B&W Cattle; Tommy Winters; B&S Cattle; and JBL Cattle Company, LLC are hereinafter referred to as the "Barrett Entities." The Barrett Entities contend that JC Cattle Co. and the Barrett Entities were in partnership on various lots of cattle that were eventually sold at a loss. The Barrett Entities contend that as a result of their partnership with JC Cattle Co. on these various lots of cattle, they were to share expenses and then the profits, or as it turned out, the losses. The Barrett Entities contend that their claim(s) could not be quantified until the cattle in which they and JC Cattle Co. owned in partnership were finally finished and sold. That claim was finally quantifiable on January 10, 2017 as set forth on Exhibit "A" to the *Conditional Objection of the Barrett Parties to Debtors' Joint Disclosure Statement to Accompany Debtors' Joint Plan of Reorganization* [Dkt. No. 69]. After the cows were sold at what turned out to be a net loss, the Barrett Entities contend that JC Cattle Co. owes them \$958,789.17.

Further, the Barrett Entities contend that the Joint Disclosure Statement fails to account for JC Cattle Co.'s lack of detailed records related to the number of cattle lost beginning during the winter of 2014-2015 and its inability to know starting/closing cattle numbers.

JC Cattle Co. disagrees with all or at least some of the above allegations and conclusions.

ARTICLE IV
ASSETS AND LIABILITIES OF THE DEBTORS

A. OVERVIEW AND SUMMARY OF ASSETS AND LIABILITIES OF DEBTORS

Jarret Corn Cattle Company, Inc.

ASSETS (As of Petition Date)		
Category	Description	Estimated Value
Real Property	1,054.95 acres located in Yoakum County, Texas	\$1,630,000.00
Vehicles, trucks, sport utility vehicles, etc.	3 work trucks and two feed trucks	\$28,000.00
Financial assets	Cash, checking accounts and hedge account	\$42,400.00
Accounts Receivable	Accounts receivable (book value less doubtful or uncollectible amounts)	\$0.00
Business-Related Property	Office furniture, fixtures, and equipment	\$150.00
Inventory	Feed inventory	\$1,250.00
Livestock	3,564 head of cattle (representing JC Cattle Co. undivided one-half interest in jointly purchased cattle); 26 calves; and 4 horses	\$3,744,928.52
TOTAL OF REAL AND PERSONAL PROPERTY		\$5,446,728.52

LIABILITIES (As of Petition Date)		
Category	Creditor and Type of Collateral	Amount of Indebtedness
Secured Creditor	Lone Star State Bank of West Texas – deed of trust lien on real property;	\$7,648,691.95
		Equity = -0-

	security interest in livestock, equipment, inventory, accounts, and accounts receivable	
Priority Creditors	Yoakum County Tax Office Internal Revenue Service	\$10,150.33
General Unsecured Claims (Including claims of insiders)		Unknown

Jarret Corn and Autumn Corn

ASSETS (As of Petition Date)		
Category	Description	Estimated Value
Financial assets	Cash, checking accounts, and security deposits with utilities	\$1,550.00
Real Property	726 Hwy. 214, Plains, Yoakum County, Texas (homestead)	\$375,000.00
Vehicles, trucks, sport utility vehicles, etc.	2 vehicles, 4 four wheelers, and 1 ATV	\$124,000.00
Personal Property	Household goods and furnishings, electronics, sporting equipment, clothes, firearms, and jewelry	\$4,250.00
Stock in Business Entity	100% owner of Jarret Corn Cattle Company, Inc.	\$0.00

LIABILITIES (As of Petition Date)		
Category	Creditor and Type of Collateral	Amount of Indebtedness
Secured Creditor	Chase Bank secured by deed of trust lien against real property located at 726 Hwy. 214 Plains, Texas	\$240,615.04 Equity= \$134,384.96
Secured Creditor	TD Auto Finance secured by 2015 GMC Yukon XL	\$73,531.36

		Equity= \$0.00
Secured Creditor	Wells Fargo Bank, N.A. dba WFDS secured by 2015 Chevy Truck	\$55,416.94 Equity= \$0.00
Priority Creditors	Yoakum County Tax Office	\$492.45
General Unsecured Claims	Guaranty of indebtedness to Lone Star State Bank, student loan debt to Xerox Education Services d/b/a ACS	\$7,679,269.73

B. CLAIMS ASSERTED AGAINST THE DEBTORS

The Claims filed or scheduled against the Debtors exceed \$8 Million. The chart in Article VI of this Disclosure Statement specifies the estimated amount of claims in each Class. The Claims filed against the Debtors have not necessarily become Allowed Claims. The Debtors are in the process of analyzing these Claims and may file objections to one or more such Claim. Pursuant to the Plan, the Reorganized Debtors have one hundred eighty (180) days after the Effective Date to file any objections to Claims. The Claims Register is publicly available for viewing between the hours of 8:00 a.m. – 4:00 p.m. (CST) at the Bankruptcy Clerk's Office, George Mahon Federal Building, 1205 Texas Avenue, Room 306, Lubbock, Texas 79401 or electronically at pacer.txnb.uscourts.gov for a fee. The Claims Register may contain some Claims that have been paid, resolved in lower amounts, are duplicative, or are disputed by the Debtors. The Debtors reserve all rights to object to any and all Claims, liens and Equity Interests Filed or asserted against the Debtors or their property or property interests.

C. INSIDER CLAIMS

Prior to the Petition Date, JC Cattle Co. jointly purchased cattle with the Barrett Entities. As part of these business dealings, JC Cattle Co. paid the full purchase for some of the jointly purchased cattle and was reimbursed by one or more of the Barrett Entities their undivided one-half interest. On some of the jointly purchased cattle, JC Cattle Co. paid its half of the purchase price and one or more of the Barrett Entities its half of the purchase price. On some of the jointly purchased cattle, the Barrett Entities paid the full purchase price, loaning JC Cattle Co. the purchase price of its undivided one-half interest in those jointly purchased cattle.

As part of the business dealings between JC Cattle Co. and the Barrett Entities, one or more of the Barrett Entities paid the cost of feed and care while the jointly purchased cattle were in the JC Cattle Co. grow yard. JC Cattle Co.'s one-half share for the feed and care costs were unsecured loans between one or more of the Barrett Entities and JC Cattle Co. Likewise, while the jointly purchased cattle have been finished out in the Barrett & Crofoot Feedyard, one or more of the Barrett Entities has covered the cost of feed and care owed to Barrett & Crofoot Feedyard. JC Cattle Co.'s one-half share for the feed and care costs while in the Barrett & Crofoot Feedyard were unsecured loans

between one or more of the Barrett Entities and JC Cattle Co.

None of the loans by one or more of the Barrett Entities to JC Cattle Co. for its one-half of the purchase price or the feed and care costs were documented by loan documents. Additionally, once the jointly purchased cattle were in the Barrett & Crofoot Feedyard, JC Cattle Co. had minimal input regarding care and sale of the cattle. Likewise, JC Cattle Co. never received prior to the Petition Date a full accounting of the purchase, feed and care, and sale of the jointly purchased cattle. Therefore, the claim of the Barrett Entities against JC Cattle Co. is unknown and in fact is the subject of an adversary proceeding pending before the Bankruptcy Court. JC Cattle Co. believes that on account of its business dealings with the Barrett Entities, the Barrett Entities are insiders of JC Cattle Co. and that any amount owed to one or more of the Barrett Entities should be treated on a basis lower than general unsecured creditors of JC Cattle Co.

D. PENDING AND PREVIOUS LITIGATION

On September 8, 2016, Lone Star State Bank of West Texas commenced Adversary Proceeding No. 16-05004-rlj by filing its *Original Adversary Complaint to Determine and Declare Nature, Validity, Extent and Priority of Liens; to Determine Ownership of Cattle and Proceeds, and for Damages* ("Complaint") against Barrett & Crofoot Feedyard, LLP; EC Farms, LP; Ed Barrett Farms Management, LLC; B&W Cattle; Tommy Winters; B&S Cattle; JBL Cattle Company, L.L.C.; and Jarret Corn Cattle Company, Inc. The Barrett Entities answered the Complaint, counterclaimed against Lone Star, and crossclaimed against JC Cattle Co. JC Cattle Co. likewise answered the Complaint and crossclaimed against the Barrett Entities.

The Adversary Proceeding and the various claims asserted by the parties seek a determination of the ownership of the jointly purchased cattle between JC Cattle Co. and the Barrett Entities; the nature, extent, validity, and priority of liens against the jointly purchased cattle and proceeds therefrom; an accounting of JC Cattle Co.'s ownership and equity position in the jointly purchased cattle located in the Barrett & Crofoot Feedyard and proceeds therefrom; conversion of collateral; conversion and breach of bailment; determination of debt and liability of JC Cattle Co. to the Barrett Entities; and preferential transfers to B&W Cattle, EC Farms, and Barrett & Crofoot Feedyard.

JC Cattle Co. loaned \$20,000 to Sterling Lovelace around March of 2014. Mr. Lovelace was to repay JC Cattle Co. through the grazing of cattle on crops grown by Mr. Lovelace. As of the Petition Date, the outstanding balance owed on the \$20,000 loan to Mr. Lovelace was \$7,965.00. In May of 2016, JC Cattle Co. made demand on Mr. Lovelace for the payment of the remaining balance of the loan. Mr. Lovelace disputes the amount owed to JC Cattle Co.

Aside from the above described matters, the Debtors are unaware at this time of any other outstanding claims they may have against any Creditor, party-in-interest, or other third party. In the event the Debtors become aware of any claims, causes of action, or rights against any third party, such claims, causes of action or rights are hereby preserved and shall vest with the Reorganized Debtors for the benefit of the Allowed General Unsecured Creditors for enforcement in accordance with the discretion of the Reorganized Debtors subsequent to the Effective Date of this Plan for a

period of 180 days following the Confirmation Order.

Except as settled prior to or as a part of the Plan, all preference claims pursuant to Section 547 of the Bankruptcy Code, all fraudulent transfer claims pursuant to Sections 544 and 548 of the Bankruptcy Code, all claims relating to post-petition transactions under Section 549 of the Bankruptcy Code, all claims recoverable under Section 550 of the Bankruptcy Code, all claims against any third party on account of an indebtedness, or any other claim owed to or in favor of the Debtors, are hereby preserved and will vest with the Reorganized Debtors for enforcement in accordance with the discretion of the Reorganized Debtors subsequent to the Effective Date of this Plan for a period of 180 days following the Confirmation Order.

The Reorganized Debtors will be vested with the right to investigate potential claims that may exist and to bring any claims against any third parties. The Reorganized Debtors, without further order of the Bankruptcy Court, shall have the exclusive right to prosecute, settle, withdraw or release any such claim on behalf of the Bankruptcy Estates. All funds recovered from the litigation of any of these claims shall be distributed to the General Unsecured Creditors in addition to the payments proposed in the Plan.

ARTICLE V

SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE

A. CASH COLLATERAL MATTERS

On August 26, 2016, shortly after JC Cattle Co. filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code, JC Cattle Co. filed its *Emergency Motion for Interim Use of Cash Collateral and to Set Final Hearing on Use of Cash Collateral* (“Cash Collateral Motion”) [Dkt. No. 6]. On August 29, 2016, the Court held a telephonic hearing on the Cash Collateral Motion. On that same day, the Court entered the *Order Granting Debtors’ Emergency Motion for Interim Use of Cash Collateral and to Set Final Hearing on Use of Cash Collateral* granting JC Cattle Co. the interim use of cash collateral and setting a final hearing on the use of cash collateral for September 21, 2016.

On September 21, 2016, the Court held the final hearing on use of cash collateral. JC Cattle Co. announced that an agreement on the final use of cash collateral had been reached with Lone Star, and JC Cattle Co. and Lone Star submitted to the Court the *Final Order Granting Debtor’s Use of Cash Collateral*, which the Court entered on September 28, 2016. JC Cattle Co. continues to operate its custom grow yard in accordance with the cash collateral orders.

B. MEETINGS WITH THE U.S. TRUSTEE’S OFFICE

Subsequent to the hearing on JC Cattle Co.’s Cash Collateral Motion, the Debtors, through their counsel and their representatives, in the first 30 days of the Bankruptcy Case, met with representatives of the U.S. Trustee’s Office and, within 45 days of the Bankruptcy Case, appeared at a meeting held at an office of the U.S. Trustee, pursuant to Section 341 of the Bankruptcy Code, of which notice was provided to Debtors’ known creditors at the time.

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C. RETENTION AND PAYMENTS TO PROFESSIONALS

Employment of Mullin Hoard & Brown, L.L.P. as counsel for the Debtors.

On September 8, 2016, the Debtors filed their *Motion to Employ Mullin Hoard & Brown, L.L.P. as Counsel for the Debtors* (“Motions to Employ”) in both Bankruptcy Cases [Dkt. Nos. 16, 18]. As set forth in the Motions to Employ, Mullin Hoard & Brown, L.L.P. received a retainer in the amount of \$50,000.00 prior to the filing of these Bankruptcy Cases. Mullin Hoard & Brown, L.L.P. had drawn on the retainers prior to the Petition Date, leaving a retainer in the amount of \$17,850.76. As of the filing of this Disclosure Statement, Mullin Hoard & Brown, L.L.P. has not been paid on its post-petition fees and expenses.

Employment of Wilson Haag & Co. as Accountant/Cash Flow Consultant for the Debtors.

On September 20, 2016, the Debtors filed their *Motion to Employ Wilson Haag & Co., P.C., as Accountant/Cash Flow Consultant for Debtor* [Dkt. No. 27]. On November 14, 2016, the Court entered an order authorizing the employment of Wilson Haag & Co., P.C. as accountant/cash flow consultant for the Debtors.

On October 6, 2016, the Debtors filed *Motion of the Debtors for Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Chapter 11 Professionals* (“Interim Compensation Procedures Motion”) establishing procedures for professionals to be paid on an interim basis. On November 4, 2016, the Court entered an order Granting the Interim Compensation Procedures Motion.

Pursuant to the Interim Compensation Procedures Motion, Wilson Haag & Co., P.C. has billed the Debtors \$11,895 for post-petition services provided. In accordance with the order granting the Interim Compensation Procedures Motion, Wilson Haag & Co., P.C. has been paid 80% of its fees, totaling \$9,516.00. All of Wilson Haag & Co., P.C.’s fees are subject to Court approval in accordance with section 330 of the Bankruptcy Code.

D. MOTION FOR JOINT ADMINISTRATION

On September 7, 2016, the Debtors filed *Motion for Joint Administration* in both Bankruptcy Cases [Dkt. Nos. 15, 16]. On October 4, 2016, the Court entered an order jointly administering both Bankruptcy Cases under the lead case *In Re Jarret Corn Cattle Company, Inc.*, Case No. 16-50181-rlj-11.

E. MOTION TO PAY CRITICAL VENDOR

On September 8, 2016, JC Cattle Co. filed its *Motion for Order Authorizing Payment on Pre-Petition Claims of Critical Vendor* seeking authority to pay C&W Commodities, LLC \$20,156.00 on

Debtors’ First Amended Joint Disclosure Statement

its pre-petition claim (“Critical Vendor Motion”) [Dkt. No. 18]. On September 14, 2016, the Court held a hearing on the Critical Vendor Motion, and on the same date, the Court entered an order granting same [Dkt. No. 24].

F. MOTION TO OBTAIN SECURED CREDIT

On September 28, 2016, JC Cattle Co. filed its *Motion for Authority to Obtain Secured Credit Pursuant to the Provisions of 11 U.S.C. §364(c) and (d)* seeking authority to obtain a \$75,000 secured loan (“Secured Credit Motion”) [Dkt. No. 30]. On November 2, 2016, the Court entered an order on the Secured Credit Motion granting JC Cattle Co. the authority to borrow \$75,000 in secured debt from Lone Star [Dkt. No. 47].

G. MOTION TO SELL CATTLE FREE AND CLEAR OF LIENS

On October 10, 2016, the Debtors filed their *Unopposed Emergency Motion for Entry of Order Authorizing Debtor’s Sale of Cattle Free and Clear of Liens* (“Motion to Sell”) [Dkt. No. 38]. JC Cattle Co. jointly purchased cattle with the Barrett Entities wherein JC Cattle Co. would own an undivided, one-half interest in the cattle and one or more of the Barrett Entities would own the other undivided, one-half interest in the cattle (“Jointly Purchased Cattle”). The Jointly Purchased Cattle are the subject of the Adversary Proceeding. Nonetheless, while the Adversary Proceeding is pending, JC Cattle Co., the Barrett Entities, and Lone Star recognized that the Jointly Purchased Cattle in the Barrett & Crofoot Feedyard would reach their finishing weight and have to be sold. On October 13, 2016, the Court held a hearing on the Debtors’ Motion to Sell. On October 14, 2016, the Court entered an order granting the Motion to Sell. During the Bankruptcy Cases, Jointly Purchased Cattle have been sold, and in accordance with the Motion to Sell and order, fifty percent (50%) of the gross proceeds (less reasonable feeding costs) have been placed in an interest bearing trust account with the Debtors’ law firm of Mullin Hoard & Brown, L.L.P.

ARTICLE VI **SUMMARY OF TREATMENT UNDER THE PLAN**

A. CLASSES AND DISTRIBUTIONS

The Plan separates Claims against the Debtors, the Estates and their property into Classified Claims. Classified Claims and Interests are classified in the Plan under the provisions of Section 1122 of the Bankruptcy Code into the following classes and sub-classes:

Classified Claims and Interests of JC Cattle Co.

- Class A1: Administrative Claims of the JC Cattle Co.’s Estate (Unimpaired)
- Class A2.1: Priority Tax Claims of Yoakum County Tax Office (Unimpaired)
- Class A2.2: Priority Tax Claims of IRS (Impaired)
- Class A3: Secured Claims of Lone Star State Bank of West Texas (Impaired)
- Class A4: General Unsecured Claims (Impaired)
- Class A5: Subordinated Insider Claims of Barret Entities (Impaired)

Class A6: Equity Interests (Impaired)

Classified Claims and Interests of the Corns

Class B1: Administrative Claims of Corns' Estate (Unimpaired)
Class B2: Priority Tax Claim of Yoakum County Tax Office (Unimpaired)
Class B3: Secured Claim of J.P. Morgan Chase Bank, N.A. (Unimpaired)
Class B4: Secured Claim of Wells Fargo Bank, N.A. dba WFDS
(Unimpaired)
Class B5: Secured Claim of TD Auto Finance (Unimpaired)
Class B6: General Unsecured Claims (Impaired)

The Chart below summarizes and demonstrates the classification and treatment of classified Claims under the Plan. In preparing and submitting the chart, the Debtors emphasize and make clear the following:

- The chart is an estimate only, based on reasonable assumptions, but as an estimate it is subject to change and uncertainty based on future events.
- The deadline for filing prepetition Claims expires on January 3, 2017, and the Debtors do not expect any late-filed Claims or their allowance. However, the possibility does exist that a prepetition Creditor may attempt to file and recover on a Late-Filed Claim, which, if Allowed, could change the estimates.
- The Debtors reserve their right to object to any claim not Allowed in the Plan, and it informs all Creditors that it may prosecute multiple claim objections, including after the Effective Date, regardless of whether the affected creditor accepts the Plan (unless the Claim is Allowed in the Plan).

JC CATTLE CO. CLAIMS AND CLASSES				
<u>Category</u>	<u>Class</u>	<u>Impaired</u>	<u>Estimated Claims in Category</u>	<u>Estimated Recovery</u>
Allowed Administrative Claims	Class A1	No	\$115,000.00	100%
Priority Tax Claims of Yoakum County Tax Office	Class A2.1	No	\$6,504.59	100%
Priority Tax Claims of IRS	Class A2.2	Yes	\$3,645.74	0%
Secured Claims of Lone Star State Bank of West Texas	Class A3	Yes	\$7,648,691.95	Unknown
General Unsecured Claims	Class A4	Yes	Unknown	Unknown
Subordinated Insider Claims of Barrett Entities	Class A5	Yes	Unknown	Unknown
Equity Interests in JC Cattle Co.	Class A6	Yes	\$0.00	0%
CORNS CLAIMS AND CLASSES				
<u>Category</u>	<u>Class</u>	<u>Impaired</u>	<u>Estimated Claims in Category</u>	<u>Estimated Recovery</u>
Allowed Administrative Claims	Class B1	No	\$10,000.00	100%
Priority Tax Claim of Yoakum County Tax Office	Class B2	No	\$492.45	100%
Secured Claim of J.P. Morgan Chase Bank, N.A.	Class B3	No	\$235,335.58	100%
Secured Claim of Wells Fargo Bank, N.A. dba WFDS	Class B4	No	\$52,975.00	100%
Secured Claim of TD Auto Finance	Class B5	No	\$73,531.36	100%
General Unsecured Claims	Class B6	Yes	Unknown	Unknown

B. TREATMENT OF CLASSIFIED CLAIMS UNDER THE PLAN

The following is a summary of the treatment of the various classified claims under the Plan. It is important to note that the Plan provides the specific terms of the treatment, and that the Plan is the operative document that must be consulted for an exact understanding and explanation of the Plan's effect on classified Claims. Furthermore, although the alleged liens and security interest of classified Creditors are described below, that description is not to be considered an agreement that any lien or security interest is valid, enforceable, perfected, and not avoidable by the Debtors, and this Disclosure Statement is without prejudice to those issues. The Debtors reserve the right to contest the validity, extent, priority, perfection and avoidance of any alleged lien or security interest except where (i) a previous order of the Bankruptcy Court has been entered relating to the validity, enforceability, perfection and avoidance of a lien or security interest; or (ii) the Plan provides for the

validity, extent, priority, perfection and non-avoidance thereof, including by allowing a fully secured claim or by releasing any potential lien or security interest holder.

Class A1: Allowed Administrative Claims

Administrative Claims and Deadline. Holders of Administrative Claims of JC Cattle Co. that were incurred, accrued or in existence prior to the Effective Date, other than (a) a Professional Claim, (b) Allowed Administrative Claim as of the Effective Date, (c) Administrative Claim that represents a liability incurred and paid in the ordinary course of the Debtors' businesses, and (d) Administrative Claim based on a fee or charge assessed against the Estates under Chapter 123, Title 28, United States Code, must be filed by no later than the Administrative Claim Bar Date: (i) File an application with the Bankruptcy Court for allowance of the Administrative Claim; and (ii) serve a copy of such application on the Debtors, the United States Trustee, and all other parties entitled to notice thereof. Failure to file and serve such application by the Administrative Claim Bar Date shall result in the Administrative Claim being forever barred and discharged. Except as specifically provided in the Plan, nothing in this Plan alters the law applicable to, and governing, the allowance of an Administrative Claim under the Bankruptcy Code and/or the Bankruptcy Rules.

Treatment of Administrative Claims and Professional Claims. In full and final satisfaction of Allowed Administrative Claims, each Allowed Administrative Claim shall, unless otherwise agreed, be paid in full in cash by JC Cattle Co. by the later of (a) fifteen (15) days after the Effective Date, or (b) fifteen (15) days after becoming an Allowed Administrative Claim; *provided, however*, that Allowed Administrative Claims that represent liabilities incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of the JC Cattle Co.'s business which may be paid in the ordinary course of JC Cattle Co.'s business without Order of the Bankruptcy Court, shall be paid in accordance with the agreements related thereto. Each Allowed Professional Claim, after deducting any retainer, shall be paid by the Debtors the later of (i) five (5) Business Days after such Professional Claim is Allowed by a Final Order, or (ii) on such date as agreed by the Reorganized Debtors and the applicable Professional.

Class A1 consists of the Administrative Claims of Mullin Hoard & Brown, L.L.P. and Wilson Haag & Co., P.C. as professionals of JC Cattle Co.'s bankruptcy estate. JC Cattle Co. estimates the claims of its professionals on the Effective Date to be approximately \$115,000.00. This amount does not take into account any payments made to Wilson Haag & Co. pursuant to the Interim Compensation Procedure Motion or the retainer held by Mullin Hoard & Brown, L.L.P. Therefore, payment of the Administrative Claims of Mullin Hoard & Brown, L.L.P. and Wilson Haag & Co., P.C. on the Effective Date will be for less than the estimated amount set forth herein. Class A1 also consists of any unpaid quarterly fees owed to the Office of the United States Trustee.

The Class A1 Claims are Unimpaired and shall be deemed to have accepted the Plan.

Class A2.1: Priority Tax Claim of Yoakum County Tax Office

Class A2.1 consists of the Allowed Priority Tax Claims of the Yoakum County Tax Office related to real property taxes assessed against JC Cattle Co.'s real property for tax year 2016. Specifically, Class A2.1 encompasses the Allowed Claim of the Yoakum County Tax Office related to Proof of Claim No. 1 in the JC Cattle Co. Claims Register. In full satisfaction, release and discharge of Yoakum County Tax Office's Class A2.1 Claim, JC Cattle Co. shall pay the 2016 real property taxes in the normal course of its business and prior to the due date for the taxes of January 31, 2017. Until such time as the Class A2.1 Claim is paid in full, the Yoakum County Tax Office

shall retain its statutory lien against JC Cattle Co.'s real property and shall accrue interest at the rate set forth by statute.

The Class A2.1 Claims are Unimpaired and shall be deemed to have accepted the Plan.

Class A2.2: Priority Tax Claims of Internal Revenue Service

Class A2.2 consists of the Priority Tax Claim of the IRS related to Proof of Claim No. 2 in the JC Cattle Co. Claims Register. JC Cattle Co. has filed its 2015 corporate income tax return and will file its corporate income tax return required for tax year 2016. JC Cattle Co. believes that upon the filing of its 2015 and 2016 corporate income tax returns it will not owe a tax liability to the IRS. To the extent after the filing of its corporate income tax returns, the IRS holds a Claim against JC Cattle Co., the Allowed Class A2.2 Priority Tax Claim shall be paid, (a) fifteen (15) days after final determination of the IRS's Allowed Priority Tax Claim, either: (i) up to the Allowed amount of such Allowed Priority Tax Claim, or (ii) such other treatment as may be agreed upon in writing by the IRS; or (b) as funds are available for distribution from the Reorganized Debtors after entry of a Final Order granting the IRS an Allowed Priority Tax Claim, but no later than the time proscribed by § 1129(a)(9)(C). JC Cattle Co. will also file with the IRS all returns relating to its employment tax liability. To the extent JC Cattle Co. has a tax liability relating to employment taxes owed to the IRS, JC Cattle Co. will pay its employment taxes in the normal course of its business.

The Class A2.2 Claims are Impaired.

Class A3: Claim of Lone Star State Bank of West Texas

Class A3 consists of the Allowed Secured Claims of Lone Star State Bank of West Texas ("Lone Star").

Class A3(a). The Class A3(a) Claim consists of Lone Star's Allowed Secured Claim in the amount of \$59,105.99 for the use of Lone Star's cash collateral generated from the sale of forty-four (44) head of cattle to Tyson prior to the Petition Date. Lone Star shall have an Allowed Secured Claim in the amount of \$59,105.99 ("Cash Collateral Claim"). On September 28, 2016, the Court entered an order authorizing JC Cattle Co. to use the cash collateral of Lone Star for its operations. Lone Star's Cash Collateral Claim shall be secured by JC Cattle Co.'s accounts receivable generated from JC Cattle Co.'s custom feeding operations.

Treatment: Lone Star's Cash Collateral Claim shall be paid in three, equal, annual installments with the first payment due one (1) year after the Effective Date and each remaining annual payment due on the same date thereafter until paid in full. Lone Star's Cash Collateral Claim shall accrue interest at the rate of five percent (5%) per annum beginning on the Effective Date. JC Cattle Co. can prepay this debt at any time without any penalties, fees, or additional charges.

Class A3(b). The Class A3(a) Claim consists of Lone Star's Allowed Secured Claim related to JC Cattle Co.'s *Motion for Authority to Obtain Secured Credit Pursuant to the Provisions of 11 U.S.C. § 364(c) and (d)* ("Secured Credit Motion") wherein JC Cattle Co. sought authority to borrow on a secured basis \$75,000.00 from Lone Star. On November 2,

2016, the Court entered an order granting the Secured Credit Motion and authorizing JC Cattle Co. to borrow \$75,000.00. Lone Star shall have an Allowed Secured Claim in the amount of \$75,000.00 ("DIP Loan Claim"). The DIP Loan Claim shall be secured by JC Cattle Co.'s accounts receivable, up to \$125,000.00, generated from JC Cattle Co.'s custom feeding operations.

Treatment: Lone Star's DIP Loan Claim shall be paid from funds recovered by either Lone Star or JC Cattle Co. as part of the Adversary Proceeding. The DIP Loan Claim shall accrue interest at the rate of five percent (5%) per annum from the date the funds under the note are advanced to the Debtors or their counsel. The DIP Loan Claim shall mature and become fully due and payable one (1) year from the Effective Date of the Plan. JC Cattle Co. can prepay this debt at any time without any penalties, fees, or additional charges.

Class A3(c): The Class A3(c) Claim consists of Lone Star's Allowed Secured Claim in the principal amount of \$1,825,500.00 secured by JC Cattle Co.'s 1,054.95 acres of real property in Yoakum County, Texas and JC Cattle Co.'s grow yard improvements and equipment ("Land and Equipment Note").

Treatment: JC Cattle Co. shall execute a new Land and Equipment Note in the original principal amount of \$1,600,000.00 ("New Land and Equipment Note"). The New Land and Equipment Note shall be amortized over twenty (20) years, call for interest at 4.8% per annum, and call for monthly payments of interest only and annual payments of principal. Monthly interest payments shall commence sixty (60) days after the Effective Date. The first annual principal payment shall be due one (1) year from the Effective Date and continue each year thereafter until the New Land and Equipment Note matures on the fifth (5th) anniversary of the Effective Date, when all outstanding principal and interest will be due and owing.

Additionally, the New Land and Equipment Note shall be paid from any funds recovered by Lone Star and JC Cattle Co. as part of the Adversary Proceeding after payment in full of the DIP Loan Claim, the Cattle Note, and the Hedge Account Note.

Lone Star's unsecured principal portion of the Land and Equipment Note shall increase the principal balance of the Class A3(f) Claim of Lone Star and shall be treated as set forth in Class A3(f). Lone Star's unsecured interest on the Land and Equipment Note shall be treated as a General Unsecured Claim in Class A4.

Class A3(d): The Class A3(d) Claim consists of Lone Star's Allowed Secured Claim in the principal amount of \$3,216,009 secured by JC Cattle Co.'s pre-petition cattle, inventory, feed, farm products, accounts, and accounts receivable ("Cattle Note"). As of the Petition Date, JC Cattle Co. asserts an undivided, one-half interest in approximately 7,128 head of cattle ("Remaining Jointly Owned Cattle") that were in the Barrett & Crofoot Feedyard. JC Cattle Co. values its one-half interest in these Remaining Jointly Owned Cattle at \$3,736,128.52. The ownership and lien priority in the Remaining Jointly Owned Cattle are the subject of the Adversary Proceeding.

Treatment: The Cattle Note shall be paid from funds recovered from the sale of the Remaining Jointly Owned Cattle and from any funds recovered by either Lone Star or JC

Cattle Co. as part of the Adversary Proceeding after payment in full of the DIP Loan Claim. Should the sale of the Remaining Jointly Owned Cattle or any recovery from the Adversary Proceeding be insufficient to pay the Cattle Note in full, any unsecured portion of the Cattle Note shall be treated as a General Unsecured Claim in Class A4.

Class A3(e): The Class A3(e) Claim consists of Lone Star's Allowed Secured Claim in the principal amount of \$200,000.00 secured by JC Cattle Co.'s hedge account ("Hedge Account Note."). During the Bankruptcy Cases, JC Cattle Co. placed hedges on the Remaining Jointly Owned Cattle. On December 2, 2016, Lone Star filed its Agreed Motion for Relief from the Automatic Stay wherein Lone Star seeks to have the automatic stay lifted as to the cash available in JC Cattle Co.'s hedge account to have it applied against the Hedge Account Note. JC Cattle Co. believes that the balance of the hedge account as of December 5, 2016 is \$141,506.

Treatment: The Hedge Account Note remaining after the application of the funds from the hedge account shall be paid from any additional calls from the hedges JC Cattle Co. put on the Remaining Jointly Owned Cattle, from the sale of the Remaining Jointly Owned Cattle, and from any funds recovered by either Lone Star or JC Cattle Co. as part of the Adversary Proceeding after payment in full of the DIP Loan Claim and the Cattle Note. Should any recovery from the Adversary Proceeding be insufficient to pay the Hedge Account Note in full, any unsecured portion of the Hedge Account Note shall be treated as a General Unsecured Claim in Class A4.

Class A3(f): The Class A3(f) Claim consists of Lone Star's Allowed Claim in the principal amount of \$2,195,441.82 ("Cattle Loss Note"). The principal balance of the Cattle Loss Note shall be increased by \$225,500.00 for a total principal balance of \$2,420,941.82.

Treatment: The Cattle Loss Note shall be paid from the recovery of any funds by either Lone Star or JC Cattle Co. as part of the Adversary Proceeding after payment in full of the DIP Loan Claim, the Cattle Note, the Hedge Account Note, and the New Land and Equipment Note. Should any recovery from the Adversary Proceeding be insufficient to pay the Cattle Loss Note in full, any unsecured portion of the Cattle Loss Note shall be treated as a General Unsecured Claim in Class A4.

The Class A3 Claims are Impaired under the Plan.

Class A4: General Unsecured Claims of JC Cattle Co.

Class A4 consists of all other Allowed Unsecured Claims against JC Cattle Co. not placed in any other Class under the Plan and any deficiency claim of Lone Star. Each holder of an Allowed General Unsecured Claim shall receive, on account of its Allowed General Unsecured Claim, its Pro Rata share of funds recovered by JC Cattle Co. on account of any claim or cause of action brought by JC Cattle Co. or the Reorganized Debtor arising under sections 544, 547, 548, 549, or 550.

The Class A4 General Unsecured Claims are Impaired under the Plan.

Class A5: Subordinated Insider Claims of Barrett Entities

Class A5 consists of all Allowed Subordinated Claims of the Barrett Entities against JC Cattle Co. Holders of Class A5 Claims shall not be entitled to receive any payments under the Plan until all Allowed General Unsecured Claims are paid in full.

The Class A5 Claims are Impaired under the Plan.

Class A6: Equity Interests of JC Cattle Co.

Class A6 consists of the holders of Equity Interests in JC Cattle Co. Due to the fact that the General Unsecured Claims and Subordinated Insider Claims will not receive payment in full for their claims, these Claims will be prohibited from receiving any dividend or benefit from JC Cattle Co. until the claims of all Creditors that are subject to this Plan who are of a higher priority are satisfied in full pursuant to the terms of the Plan. Since the Claims of Equity Interest holders are a lower priority than Unsecured Creditors in Classes A4 and A5, JC Cattle Co. anticipates no payments to the Unsecured Claims in Class A6. Nonetheless, Jarret Corn shall have the right under the Plan to receive wages for his work for JC Cattle Co.

The Class A6 Claims are Impaired under the Plan.

Class B1: Allowed Administrative Claims

Administrative Claims and Deadline. Holders of Administrative Claims of the Corns that were incurred, accrued or in existence prior to the Effective Date, other than (a) a Professional Claim, (b) Allowed Administrative Claim as of the Effective Date, (c) Administrative Claim that represents a liability incurred and paid in the ordinary course of the Corns' businesses, and (d) Administrative Claim based on a fee or charge assessed against the Estates under Chapter 123, Title 28, United States Code, must be filed by no later than the Administrative Claim Bar Date: (i) File an application with the Bankruptcy Court for allowance of the Administrative Claim; and (ii) serve a copy of such application on the Debtors, the United States Trustee, and all other parties entitled to notice thereof. Failure to file and serve such application by the Administrative Claim Bar Date shall result in the Administrative Claim being forever barred and discharged. Except as specifically provided in the Plan, nothing in this Plan alters the law applicable to, and governing, the allowance of an Administrative Claim under the Bankruptcy Code and/or the Bankruptcy Rules.

Treatment of Administrative Claims and Professional Claims. In full and final satisfaction of Allowed Administrative Claims, each Allowed Administrative Claim shall, unless otherwise agreed, be paid in full in cash by the Corns by the later of (a) fifteen (15) days after the Effective Date, or (b) fifteen (15) days after becoming an Allowed Administrative Claim; *provided, however*, that Allowed Administrative Claims that represent liabilities incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of the Corns' business which may be paid in the ordinary course of the Corns' business without Order of the Bankruptcy Court, shall be paid in accordance with the agreements related thereto. Each Allowed Professional Claim, after deducting any retainer, shall be paid by the Corns the later of (i) five (5) Business Days after such Professional Claim is Allowed by a Final Order, or (ii) on such date as agreed by the Reorganized Debtor and the applicable Professional.

Class B1 consists of the Administrative Claims of Mullin Hoard & Brown, L.L.P. and Wilson Haag & Co., P.C. as professionals of the Corns' bankruptcy estate. The Corns estimate the claims of its professionals on the Effective Date to be approximately \$10,000.00. This amount does not take into account any payments made to Wilson Haag & Co. pursuant to the Interim Compensation

Procedure Motion or the retainer held by Mullin Hoard & Brown, L.L.P. Therefore, payment of the Administrative Claims of Mullin Hoard & Brown, L.L.P. and Wilson Haag & Co., P.C. on the Effective Date will be for less than the estimated amount set forth herein. Class B1 also consists of any unpaid quarterly fees owed to the Office of the United States Trustee.

The Class B1 Claims are Unimpaired and shall be deemed to have accepted the Plan.

Class B2: Priority Tax Claim of Yoakum County Tax Office

Class B2 consists of the Allowed Priority Tax Claims of the Yoakum County Tax Office related to real property taxes assessed against the Corns real property for tax year 2016. Specifically, Class B2 encompasses the Allowed Claim of the Yoakum County Tax Office related to Proof of Claim No. 1 in the Corns Claims Register. In full satisfaction, release, and discharge of Yoakum County Tax Office's Class B2 Claim, the Corns shall pay the 2016 real property taxes in the normal course of their business and prior to the due date for the taxes of January 31, 2017. Until such time as the Class B2 Claim is paid in full, the Yoakum County Tax Office shall retain its statutory lien against the Corns' real property and shall accrue interest at the rate set forth by statute.

The Class B2 Claim is Unimpaired and shall be deemed to have accepted the Plan.

Class B3: Secured Claim of J.P. Morgan Chase Bank, N.A.

Class B3 consists of the Allowed Secured Claim of J.P. Morgan Chase Bank, N.A. secured by the Corns' homestead ("Mortgage Note"). Specifically, Class B3 encompasses the Allowed Claim of J.P. Morgan Chase Bank, N.A. related to Proof of Claim No. 4 in the Corns Claims Register.

Treatment of J.P. Morgan Chase Bank, N.A. Class B3 Claim. The Corns shall reaffirm the debt with J.P. Morgan Chase Bank, N.A. ("Chase Bank"). The Corns have prepaid the Mortgage Note through June 30, 2017. The Corns will continue making the scheduled payments on the Mortgage Note beginning on July 1, 2017.

Preservation of Liens. Chase Bank shall retain its liens in, to, or against the Corns' homestead and related improvements, and any such liens shall continue to apply and attach to the Corns' homestead with the same validity, extent, and priority as otherwise exists pending payment of the Mortgage Note.

The Class B3 Claim is Unimpaired and shall be deemed to have accepted the Plan.

Class B4: Secured Claim of Wells Fargo Bank, N.A. dba WFDS

Class B4 consists of the Allowed Secured Claim of Wells Fargo Bank, N.A. dba WFDS secured by the Corns' 2015 Chevy Silverado ("Chevy Note"). Specifically, Class B4 encompasses the Allowed Claim of Wells Fargo Bank, N.A. dba WFDS related to Proof of Claim No. 3 in the Corns Claims Register.

Treatment of Wells Fargo Bank, N.A. dba WFDS Class B4 Claim. The Corns shall reaffirm the debt with Wells Fargo Bank, N.A. dba WFDS ("WFDS"). The Corns will continue making the scheduled payments called for under the Chevy Note.

Preservation of Liens. WFDS shall retain its liens in, to, or against the Corns' 2015 Chevy Silverado, and any such liens shall continue to apply and attach to the Corns' 2015 Chevy Silverado with the same validity, extent, and priority as otherwise exists pending payment of the Chevy Note.

The Class B4 Claim is Unimpaired and shall be deemed to have accepted the Plan.

Class B5: Secured Claim of TD Auto Finance, LLC

Class B5 consists of the Allowed Secured Claim of TD Auto Finance, LLC secured by the Corns' 2015 GMC Yukon XL ("GMC Note"). Specifically, Class B5 encompasses the Allowed Claim of TD Auto Finance, LLC related to Proof of Claim No. 2 in the Corns Claims Register.

Treatment of TD Auto Finance, LLC Class B5 Claim. The Corns shall reaffirm the debt with TD Auto Finance, LLC ("TD Auto"). The Corns will continue making the scheduled payments called for on the GMC Note.

Preservation of Liens. TD Auto shall retain its liens in, to, or against the Corns' 2015 GMC Yukon XL, and any such liens shall continue to apply and attach to the Corns' 2015 GMC Yukon XL with the same validity, extent, and priority as otherwise exists pending payment of the GMC Note.

The Class B5 Claim is Unimpaired and shall be deemed to have accepted the Plan.

Class B6: General Unsecured Claims of the Corns

Class B6 consists of all other Allowed Unsecured Claims against the Corns not placed in any other Class under the Plan. Class B6 consists of unsecured claims held by Lone Star pursuant to the Corns' guaranty of the indebtedness owed by JC Cattle Co. and the unsecured claim of Xerox Education Services d/b/a ACS ("ACS") arising from student loans incurred by the Corns. The guaranty claim of Lone Star is unknown and cannot be determined at this time. The student loan claim of ACS is non-dischargeable pursuant to section 523(a)(8).

Treatment. The Corns shall continue to make payments on the student loan claim of ACS pursuant to the terms of the current loan agreement between the Corns and ACS. In the event it is determined that Lone Star has an unsecured claim against the Corns on account of the Corns' personal guaranties, the Corns shall pay its projected net disposable income to Lone Star on an annual basis over five years with the first payment due one year from the Effective Date.

C. MEANS FOR IMPLEMENTING THE PLAN

Jarret Corn Cattle Company, Inc.

As part of the Plan, JC Cattle Co. will liquidate its cattle holdings in the Remaining Jointly Owned Cattle and, if determined by the Court in the Adversary Proceeding to be property of the estate, will be used to make the payments set forth in the Plan to Classes A1, A2.2, A3, A4, and A5.

JC Cattle Co. will execute a lease agreement with Corn Cattle, LLC for the use of JC Cattle Co.'s grow yard, improvements, and equipment. The lease agreement will provide that Corn Cattle, LLC shall make monthly lease payments to JC Cattle Co. in an amount sufficient to cover payments on the New Land and Equipment Note, on the annual real property taxes owed by JC Cattle Co. to

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the Yoakum County Tax Office, and on all necessary insurance covering the grow yard, improvements, and equipment. The initial term of the lease will be for five (5) years, with the option to renew for another five (5) years or to purchase the grow yard, improvements, and equipment.

JC Cattle Co. will use the income it receives on the lease agreement with Corn Cattle, LLC to make payments under the Plan on the Class A3(c) Claim of Lone Star, its annual payments on real property taxes to the Yoakum County Tax Office, and its payments on insurance necessary to insure the grow yard, improvements, and equipment.

Jarret and Autumn Corn

Jarret Corn is the sole member and manager of Corn Cattle, LLC. Corn Cattle, LLC will operate a custom cattle feeding operation through the lease of JC Cattle Co.'s grow yard, improvements, and equipment in Yoakum County, Texas. Jarret Corn's duties with Corn Cattle, LLC include but are not limited to caring, feeding, and operating Corn Cattle, LLC's custom cattle feeding operation. Jarret Corn shall receive as compensation for his services to Corn Cattle, LLC a salary of \$8,000.00 per month. Autumn Corn provides general payables and receivables services to Corn Cattle, LLC. Autumn Corn shall receive as compensation for her services to Corn Cattle, LLC a salary of \$2,000.00 per month.

The Corns will dedicate, after payment of their monthly household, living expenses, their remaining net disposable income to making payments under the Plan.

Preservation of Causes of Action and Rights.

All Causes of Action, rights of setoff and other legal and equitable defenses of the Debtors or the Estates are preserved unless expressly released, waived, or relinquished under the Plan or the Confirmation Order, and shall vest in the Reorganized Debtors. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as an indication that a Cause of Action will not be pursued against them.

Further, unless expressly released by the Plan or by an order of the Bankruptcy Court, any and all such claims and Causes of Action against third parties are specifically reserved, including but not limited to any such claims or Causes of Action relating to any counterclaims, demands, controversies, costs, debts, sums of money, accounts, reckonings, bonds, bills, damages, obligations, liabilities, objections, legal proceedings, equitable proceedings, and executions of any nature, type, or description, avoidance actions, preference actions, fraudulent transfer actions, strong-arm power actions, state law fraudulent transfer actions, improper assignment of interest, negligence, gross negligence, willful misconduct, usury, fraud, deceit, misrepresentation, conspiracy, unconscionability, duress, economic duress, defamation, control, interference with contractual and business relationships, breach of fiduciary duty, breach of contract, conversion, aiding and abetting, civil conspiracy, conflicts of interest, misuse of insider information, concealment, disclosure, secrecy, misuse of collateral, wrongful release of collateral, failure to inspect, environmental due diligence, negligent loan processing and administration, wrongful recoupment, wrongful setoff, violations of statutes and regulations of governmental entities, instrumentalities and agencies, equitable subordination, debt re-characterization, substantive consolidation, securities and antitrust laws violations,

tying arrangements, deceptive trade practices, breach or abuse of any alleged fiduciary duty, breach of any special relationship including bailment, course of conduct or dealing, obligation of fair dealing, obligation of good faith, malpractice, at law or in equity, in contract, in tort, or otherwise, known or unknown, suspected or unsuspected.

Unless expressly released by the Plan or by an Order of the Bankruptcy Court, the Debtors may hold the following claims, all of which shall be preserved pursuant to the terms of the Plan.

- Preference claims under section 547 of the Bankruptcy Code;
- Fraudulent transfer and other avoidance claims arising under section 506, 522, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code and various state laws;
- Unauthorized post-petition transfer claims including, without limitation, claims under section 549 of the Bankruptcy Code;
- Claims and Causes of Action asserted in current litigation, whether commenced pre- or post-petition;
- Counterclaims asserted in current litigation;
- Any and all claims and Causes of Action against the Barrett Entities, including, but not limited to, (i) any Cause of Action listed above, and (ii) any Avoidance Actions, including preference and fraudulent transfer;
- Any and all claims and Causes of Action, including Avoidance Actions, against any party listed in response to Questions No. 3 and 4 on JC Cattle Co. Amended Statement of Financial Affairs [Docket No. 59];
- Any and all claims and Causes of Action against Sterling Lovelace for his failure to repay the loan made to him by JC Cattle Co.

D. ASSUMPTION OF EXECUTORY CONTRACTS

General Rejection of Executory Contracts

All executory contracts and unexpired leases of the Debtors (including, but not limited to, those listed on the Debtors' Schedules) which are not expressly assumed or rejected on or before the Effective Date, or not otherwise specifically treated in this Plan or in the Confirmation Order, shall be deemed to have been rejected as of the Petition Date. The Bankruptcy Court shall retain jurisdiction to effectuate any post-confirmation assumption and assignment of leases, and such assumption and assignments shall be performed pursuant to Section 365 of the Bankruptcy Code. The listing by the Debtors in their respective Schedules of a contract or lease as an executory contract or unexpired lease will not constitute an admission by the Debtors that such contract or lease is an executory contract or unexpired lease of the Debtors, or that the Debtors or their Estates have any liability thereunder.

Claims for Damages

Any Claim based upon rejection of an executory contract or unexpired lease under the Plan must be Filed with the Bankruptcy Court and served on the Debtors, the U.S. Trustee, and all parties requesting notice via the Bankruptcy Court's ECF system such that the Claim is actually received within thirty (30) days of the entry of an Order rejecting such contract or lease. All Allowed Claims for rejection damages, unless otherwise specifically provided for or addressed in this Plan, shall be treated as Class A4 or B6 General Unsecured Claims depending on the applicable Debtor. Any Claim not Filed within such time will be forever barred from assertion against the Debtors and their Estates.

Assumption and Assignment of Cattle Care Agreement

On the Effective Date, the Cattle Care Agreement between JC Cattle Co. and McKnight Ranch Company shall be assumed by JC Cattle Co. and immediately and simultaneously assigned to Corn Cattle, LLC. To the extent any defaults need to be cured in order to comply with 11 U.S.C. § 365, Corn Cattle, LLC irrevocable agrees to undertake any such requirements or obligations to provide adequate assurance as may be required by 11 U.S.C. § 365(b). The Confirmation Order shall constitute an order approving the assumption and assignment of the Cattle Care Agreements and that the assumption and assignment of the Cattle Care Agreements to Corn Cattle, LLC conclusively constitutes adequate assurance of payment as required by 11 U.S.C. § 365(b).

E. RESOLUTION OF DISPUTED CLAIMS

Standing

Following the Effective Date, the Reorganized Debtors shall have standing to object to Claims.

Effect of Bar Date

In accordance with Bankruptcy Rule 3003(c), any entity, Person or Creditor whose Claim was not listed in the Schedules, or holds a Contingent Claim, Unliquidated Claim, or Disputed Claim,

and did not file a proof of Claim before the Bar Date, shall not be treated as a Creditor with respect to such Claim for purposes of voting or distribution.

Objection Deadline

Within one hundred eighty (180) days from the Effective Date, unless such date is extended by Order of the Bankruptcy Court after notice and hearing, the Reorganized Debtors may File with the Bankruptcy Court objections to Claims and Equity Interests and shall serve a copy of each such objection upon the holder of the Claim or Equity Interest to which such objection pertains. Unless arising from an Avoidance Action, any Proof of Claim Filed after the Effective Date shall be of no force and effect and need not be objected to. Any Undetermined Claim may be litigated to Final Order. The Reorganized Debtors may compromise and settle any Undetermined Claim without the necessity of any further notice or approval of the Bankruptcy Court, and Bankruptcy Rule 9019 shall not apply to any settlement of an Undetermined Claim after the Effective Date. Nothing in this Plan extends the Bar Date set in the Bankruptcy Cases or grants any Creditor any greater rights with respect to a late-filed Claim than such Creditor otherwise has.

Creditor Response to Objection

With respect to any objection to a Claim when such objection is Filed after the Effective Date, the Creditor whose Claim was the subject of the objection must File with the Bankruptcy Court and serve a response to the objection upon the Reorganized Debtors no later than thirty (30) days from the date of service of any such objection. Failure to File and serve such a response within the thirty (30) days shall be grounds for the Bankruptcy Court to enter a default judgment against the non-responding Creditor and thereby grant the relief requested in the objection without further notice to such Creditor. Any such objection shall contain prominent negative notice language informing the objected-to creditor of the same.

No Payment Pending Allowance

Notwithstanding any other provision in the Plan, if any portion of a Claim is Disputed or is an Undetermined Claim, then no payment or Distribution shall be made on account of any portion of such Claim unless and until such Disputed or Undetermined Claim becomes an Allowed Claim.

Allowance of Claims

At the time, and to the extent that a Disputed or an Undetermined Claim becomes an Allowed Claim, such Allowed Claim shall be entitled to such Distributions. Such Distributions shall be made in the manner provided for by this Plan, or any Final Order of the Bankruptcy Court with respect to such Allowed Claim.

F. RETENTION OF JURISDICTION

Under the Plan, notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date of the Plan, the Bankruptcy Court shall retain jurisdiction, to fullest extent legally permitted, over the Bankruptcy Cases, all proceedings arising under, arising in or related to the Bankruptcy Cases, the Confirmation Order, and the Plan. Some specific types of disputes and proceedings that the Bankruptcy Court shall retain jurisdiction over are identified in Article X of the

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Plan.

ARTICLE VII
VOTING PROCEDURES AND REQUIREMENTS

A. VOTING DEADLINE

Each Creditor holding a Claim which entitles the Creditor to vote on the Plan has been provided a Ballot along with this Disclosure Statement. The Ballot is to be used by the Creditor to accept or reject the Plan and to make any elections that are available to the Creditor as indicated by the Ballot.

To ensure that a Ballot is deemed timely and considered by the Balloting Agent, which shall be the Debtors' attorneys, Mullin Hoard & Brown, L.L.P., a Creditor must: (a) carefully review the Ballot and the instructions set forth thereon; (b) provide all of the information requested on the Ballot; (c) sign the Ballot; and (d) return the completed and signed Ballot to the Balloting Agent by the Voting Deadline. By order of the Bankruptcy Court, the "Voting Deadline" is 5:00 p.m. (CST), on _____, 2017. Therefore, in order for a Ballot to be counted for voting purposes and any applicable election, the completed and signed Ballot must be received at the address specified below by no later than the Voting Deadline.

DEADLINE: Must be **RECEIVED** by 5:00 p.m., Central Standard Time
On _____, 2017

Addressed to:
Mullin Hoard & Brown, L.L.P.
Attn: Brad W. Odell
P.O. Box 2585
Lubbock, Texas 79408-2585
Facsimile: (806) 765-0553

B. CREDITORS SOLICITED TO VOTE

Each Creditor holding a Claim in a Class that is Impaired under the Plan is being solicited to vote on the Plan. As to any Claim for which a Proof of Claim was Filed and as to which an objection has been lodged, however, if such objection is still pending as of the Voting Deadline, the Creditor's vote associated with such Claim will not be counted to the extent of the objection to the Claim, unless and to the extent the Bankruptcy Court temporarily allows the Claim upon motion by such Creditor in an amount determined by the Bankruptcy Court. Such motion must be heard and determined by the Bankruptcy Court prior to the Confirmation Hearing. Further, the Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection of the Plan was not solicited or procured in good faith or in accordance with the provision of the Bankruptcy Code.

C. DEFINITION OF IMPAIRMENT

Pursuant to Section 1124 of the Bankruptcy Code, a Class of Claims is impaired under a Plan unless, with respect to each Claim of such Class, the plan does at least one of the following two (2) things:

1. leaves unaltered the legal, equitable and contractual rights to which such Claim entitles the holder of such Claim; or
2. notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:
 - (a) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code;
 - (b) reinstates the maturity of such claim as it existed before the default;
 - (c) compensates the holder of such Claim for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and
 - (d) does not otherwise alter the legal, equitable, or contractual rights to which such claim entitles the holder of such Claim.

The Plan identifies the classes of Creditors and Interests that the Debtors believe are Impaired or Unimpaired under the Plan. The Plan cannot and does not change the law on what is an impaired class and, to the extent a Creditor disagrees with the Debtor's identification of impaired or unimpaired classes, the Creditor may object to the Plan and the Bankruptcy Court will decide the dispute.

D. CLASSES IMPAIRED UNDER THE PLAN

Classes A1, A2.1, B1, B2, B3, B4, and B5 are Unimpaired. Accordingly, under section 1126(f) of the Bankruptcy Code, those Classes are conclusively deemed to have accepted the Plan and are not entitled to vote in respect of the Plan. Classes A2.2, A3, A4, A5, A6, and B6 are Impaired. Therefore, the holders of Allowed Claims in those Classes are being solicited for votes in favor of the Plan.

E. VOTE REQUIRED FOR CLASS ACCEPTANCE

Pursuant to the Bankruptcy Code, a Class of Claims under the Plan shall be deemed to have accepted the Plan if the Plan is accepted by Creditors holding at least two-third (2/3) in amount and

more than half (1/2) in number of the Claims within such Class who are entitled to vote and who actually vote using a properly completed and signed Ballot which is returned to the Balloting Agent by no later than the Voting Deadline. It is important to note that, pursuant to the Bankruptcy Code, a Class vote in favor of the Plan will be binding even on those creditors in the Class who vote against the Plan, so long as the requisite voting percentages are obtained in favor of the Plan.

ARTICLE VIII

CONFIRMATION OF THE PLAN

A. BRIEF EXPLANATION OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, an attempt is made to restructure the Debtors' finances so that the Debtors may both continue to operate their business and repay their creditors. Alternatively, the chapter 11 plan may provide for the liquidation of the Debtors' assets, with the properties subject to security interests going to the respective secured creditors and all remaining property satisfying, first, administrative claims and priority claims, and, secondly, general unsecured claims. Formulation of a Plan of Reorganization is the primary purpose of a reorganization proceeding under Chapter 11.

The Plan sets forth and governs the treatment and rights to be afforded to creditors, other claimants, and equity interest holders with respect to their claims against, and interests in the Debtors' assets. According to Section 1125 of the Bankruptcy Code, acceptances of a chapter 11 plan may be solicited only after a written Disclosure Statement approved by the Bankruptcy Court as containing adequate information has been provided to each creditor or equity interest holder. This Joint Disclosure Statement is presented to creditors and interest holders to satisfy the disclosure requirements contained in Section 1125 of the Bankruptcy Code.

B. CONFIRMATION HEARING

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) provides that any party in interest may object to confirmation of the Plan. The Confirmation Hearing has been scheduled for: _____, _____, 2017 at 1:30 P.M. in the United States Bankruptcy Court for the Northern District of Texas, 1205 Texas Avenue, Room 314, Lubbock, Texas 79401.

Any objection to confirmation of the Plan must be in writing and such objection must be Filed with the Bankruptcy Court and served on each of the following parties by no later than 4:00 p.m. (CST) on _____, 2017.

Debtors:

Jarret Corn Cattle Co., Inc.
Jarret Corn and Autumn Corn

Counsel for the Debtors:

Mullin Hoard & Brown, L.L.P.
Attn: Brad W. Odell
P.O. Box 2585
Lubbock, Texas 79408-2585

United States Trustee:
Attn: Nancy Resnick
1100 Commerce Street,
Room 9C60
Dallas, Texas 75242

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

C. MODIFICATION OF THE PLAN

Section 1127(a) of the Bankruptcy Code permits the Debtors to amend or modify a plan at any time prior to confirmation. Post-confirmation modifications of a plan are allowed under Section 1127(b), if the proposed modification is offered before a plan has been substantially consummated or pursuant to an article of the confirmed plan authorizing the intended modification. Debtors reserve the right to amend or modify the Plan at any time at which such modification is permitted under the Bankruptcy Code.

In the event the Debtors propose to modify the Plan prior to the Confirmation Order, further disclosures pertaining to the proposed modification will be required only if the Bankruptcy Court finds, after a hearing, that the pre-confirmation modifications adversely change the treatment of any creditor or equity security interest holder who has previously accepted the Plan. If the proposed pre-confirmation modification is material and adverse, or if a post-confirmation modification is sought, the Debtors intend to supplement this Disclosure Statement as necessary to describe the changes made in the Plan and the reasons for any proposed modifications.

In the event that any impaired class of claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if, as to each impaired class which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable." A Plan of Reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or equity security interests. "Fair and equitable" has different meanings for secured claims and unsecured claims.

With respect to a secured claim, "fair and equitable" means either: i) the impaired secured creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at least equal to the allowed amount of its claim with a present value on the effective date of the Plan at least equal to the value of such secured creditor's interest in the property securing its liens; or ii) property subject to the lien of the impaired secured creditors is sold free and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii) hereof; or iii) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the Plan.

With respect to an unsecured claim, "fair and equitable" means either i) each impaired unsecured creditor receives or retains property of a value equal to the amount of its allowed claim; or

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ii) the holders of the claims and equity security interests that are junior to the claims of the dissenting class will not receive any property under the Plan.

In the event one or more classes of impaired claims rejects the Plan, the Bankruptcy Court will determine at the hearing for confirmation of the Plan whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of claims. If the Bankruptcy Court determines that the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of claims, the Bankruptcy Court can confirm the plan over the objection of any impaired class.

ARTICLE IX

LIQUIDATION AND PLAN ALTERNATIVES

The alternative to a chapter 11 plan of reorganization would be a Chapter 7 liquidation, whereby the assets of the bankruptcy estate would be liquidated and proceeds distributed to the Creditors. While JC Cattle Co. proposes to liquidate the Remaining Jointly Owned Cattle, the Debtors believe their remaining operations will provide a greater distribution to creditors than conversion to a Chapter 7. All of JC Cattle Co.'s assets are currently subject to the liens of Lone Star. Conversion to Chapter 7 will require the appointment of a Chapter 7 Trustee. Most likely the Chapter 7 trustee will not have any assets to administer because Lone Star will seek relief from the stay and foreclose on the Estates' assets. Further, the grow yard needs improvements to its water drainage system to meet certain environmental regulations imposed by federal and state governmental agencies. Without the continued operations of JC Cattle Co. and the reparations JC Cattle Co. plans to make to the grow yard's water drainage system, the grow yard will not bring in sufficient funds to cover the indebtedness owed to Lone Star. Lone Star in turn will have a larger deficiency claim reducing potential recovery to creditors.

Additionally, the only asset for the Chapter 7 trustee to administer will be any potential preference claims or other bankruptcy avoidance claims the Estates may have against third parties. The Chapter 7 trustee will be required to hire professionals that have not been involved with the bankruptcy cases. These professionals will need to get up to speed on the bankruptcy cases, increasing administrative costs to the bankruptcy estates. Additionally, a Chapter 7 Trustee is entitled to a commission for any distribution it makes to creditors under the Bankruptcy Code. The commission is treated as an administrative expense. The Debtors' Plan will not create an administrative expense for the sale of the Remaining Jointly Owned Cattle and distribution to creditors as the Debtors are not entitled to a commission for property distributed to creditors under the Plan.

ARTICLE X

RISK FACTORS

A. ESTIMATED RECOVERY RISKS

By way of a global comment, the main risk the Debtors perceive with the Plan is the current cattle market. Currently the cattle industry has been experiencing a significant decrease in the price of cattle, both feeder cattle and packer cattle. Should the market remain stagnant, then the sale of the Remaining Jointly Owned Cattle will not generate as much recovery for the Debtors creditors.

Additionally, the Debtors recognize the risks associated with the current litigation involving Lone Star and the Barrett Entities in the Adversary Proceeding. Depending on the outcome of the Adversary Proceeding, the deficiency claim of Lone Star may be greater than anticipated diluting the potential recovery for Unsecured Creditors in Classes A4 and A5. Likewise, there will be risks associated with the preferential transfer action JC Cattle Co. has brought against the Barrett Entities.

While the Debtors do not anticipate a decrease in the custom cattle feeding operation of Corn Cattle, LLC, if the cattle market remains depressed, it may have effects on the future operations of Corn Cattle, LLC. This in turn may affect the ability of Corn Cattle, LLC to make its lease payments on the grow yard, improvements, and equipment to JC Cattle Co. Additionally, it may affect the salary of the Corns.

B. BANKRUPTCY RISKS

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

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

- Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.
- Since the Debtors may be seeking to obtain approval of the Plan over the rejection of one or more impaired Classes of Claims, the cramdown process could delay confirmation.

ARTICLE XI CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND SECURITIES LAW CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax consequences to the Debtors and certain holders of Allowed Claims of the implementation of the Plan. This summary is for general information purposes only, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to any particular Debtor or holder of an Allowed Claim. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

The discussion is based upon the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (“IRS”), all as in effect on the date hereof. Legislative, judicial or administrative changes or new interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the U.S. federal income tax consequences of the Plan. Any such changes or new interpretations may have retroactive effect and could significantly affect the U.S. federal income tax consequences of the Plan described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this discussion does not address foreign, state or local tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to (i) special classes of taxpayers (such as Persons who are related to the Debtors within the meaning of the Tax Code, non-U.S. persons, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax-exempt organizations, and investors in pass-through entities and holders of Claims or Equity Interests who are themselves in bankruptcy) or (ii) holders not entitled to vote on the Plan, including holders whose Claims or Equity Interests are to be extinguished without any Distribution. Holders of Allowed Claims should consult their own tax advisors as to the effect such ownership may have on the U.S. federal income tax consequences described below.

This discussion assumes that holders of Claims or Equity Interests hold only Claims or Equity Interests in a single Class. Holders of multiple Classes of Claims or Equity Interests should consult their own tax advisors as to the effect such ownership may have on the U.S. federal income tax consequences described below. This discussion further assumes that the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY AS MANDATED BY SECTION 1125 OF THE BANKRUPTCY CODE AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE HEREBY NOTIFIED THAT: (1) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE RELIED

UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER OF A CLAIM FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS UNDER THE TAX CODE, (2) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE CONFIRMATION OF THE PLAN TO WHICH THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE ANCILLARY, AND (3) HOLDERS OF CLAIMS SHOULD SEEK ADVICE BASED UPON THEIR PARTICULAR CIRCUMSTANCES FROM THEIR OWN TAX ADVISOR.

Tax Status of JC Cattle Co. JC Cattle Co. was formed as a S corporation and is classified as a pass through entity for U.S. federal income tax purposes. Accordingly, all items of income, gain, loss, deduction, and credit of JC Cattle Co., for U.S. federal income tax purposes (such as gains, losses, and cancellation of indebtedness income from effectuation of the Plan), will be taken into account by the person(s) who owned Equity Interests in JC Cattle Co. prior to the Effective Date.

A. TAX CONSEQUENCES TO THE DEBTORS

The Debtors will generally realize gain or loss on the sale of their assets equal to the difference between (i) the amount realized on the sale and the fair market value of the assets sold, and (ii) its adjusted tax basis in the assets sold or transferred. The character of any gain or loss as capital or ordinary, and in the case of capital gain or loss, as short term or long term will depend upon the nature of assets sold or transferred and the Debtors' holding period for the assets.

To the extent that the consideration issued to holders of Claims pursuant to the Plan is attributable to accrued but unpaid interest, the Debtors should be entitled to interest deductions in the amount of such accrued interest, but only to the extent the Debtors have not already deducted such amount. The Debtors should not have COD income (as defined below) from the discharge of any accrued but unpaid interest pursuant to the Plan to the extent that the payment of such interest would have given rise to a deduction pursuant to § 108(e)(2) of the Internal Revenue Code. Further, the discharge of a recourse debt obligation by a debtor for an amount of Cash and/or fair market value of property that is less than the adjusted issue price of the debt obligation (as determined for U.S. federal income tax purposes) gives rise to cancellation of indebtedness ("COD") income, which must be included in the debtor's income, subject to certain statutory or judicial exceptions that can apply to limit the amount of COD income (such as where the payment of the canceled debt would have given rise to a tax deduction). A specific statutory exception applies to certain debtors if the discharge of indebtedness is granted in a case under Title 11 of the United States Code (relating to bankruptcy) and pursuant to a plan approved by a bankruptcy court in such case. A separate exception applies to taxpayers if the discharge occurs when the taxpayer is insolvent. In the case of debtors that are pass through entities, both of the aforementioned statutory exceptions must be applied at the partner level. Unless an exception applies, the owners of Equity Interests of the Debtors will realize their distributive share of COD income realized by the Debtors as a result of the Plan to the extent an Allowed Claim is cancelled for no consideration, or in exchange for Cash or other assets conveyed, if any, that in the aggregate is less than the adjusted issue price of the Allowed Claim.

For the foregoing reasons, the precise amount of taxable gain or loss, COD income, or both, which the Debtors, and hence the owners of Equity Interests of the Debtors will realize as a result of effectuation of the Plan cannot be determined until the date of the exchange.

B. TAX CONSEQUENCES TO CREDITORS

The tax consequences of the implementation of the Plan to Creditors will depend in part, on the type of consideration received by the Creditor in exchange for its Allowed Claim, whether the Creditor reports income on the accrual or cash basis, whether the Creditor receives consideration in more than one tax year of the Creditor, whether the Creditor is a resident of the United States, and whether all consideration received by the Creditor is deemed to be received by that Creditor in an integrated transaction. The tax consequences of the receipt of Cash or property that is allocable to interest are discussed below in the section entitled “Receipt of Interest.”

Receipt of Cash and Other Property. A Creditor who receives Cash and/or other property in satisfaction of its Claim generally will recognize gain (or loss) on the exchange equal to the difference between the amount of any Cash and the fair market value of any property received (not allocable to interest) and the Creditor’s tax basis in its Claim. The character of any gain or loss as capital or ordinary income or loss and, in the case of capital gain or loss, as short-term or long-term, will depend on a number of factors, including: (i) the nature and origin of the Claim (e.g., Claims arising in the ordinary course of a trade or business or made for investment purposes); (ii) the tax status of the holder of the Claim; (iii) whether the Claim is a capital asset in the hands of the Holder; (iv) whether the Claim has been held by the holder for more than one year; (v) the extent to which the holder previously claimed a loss or a bad debt deduction with respect to the Claim; and (vi) the extent to which the holder acquired the Claim at a market discount. Creditors should consult their own tax advisors regarding the amount and character of gain or loss, if any, to be recognized by them under the Plan.

Receipt of Interest. Consideration received by a Creditor that is attributable to accrued interest not previously included in taxable income should be treated as ordinary income, regardless of whether the Creditor’s existing Claims are capital. Conversely, a holder of an Allowed Claim may be able to recognize a deductible loss (or possibly a write-off against a reserve for worthless debts) to the extent that any accrued interest on the Allowed Claim was previously included in the holder’s gross income but was not paid in full by the Debtors. The extent to which the consideration received by a holder of an Allowed Claim will be attributable to accrued interest is unclear.

Market Discount. The Tax Code generally requires holders of debt instruments with “market discount,” (generally, the amount by which the “adjusted issue price” of a debt instrument (*i.e.*, the sum of its issue price plus accrued original issue discount) exceeds the holder’s adjusted tax basis in such debt instrument), to treat as ordinary income any gain realized on the disposition of such debt instruments to the extent of the market discount accrued during the holder’s period of ownership. Holders should consult their own tax advisors as to the potential application of the

market discount rules to them in light of their individual circumstances, and the advisability of making an election to accrue market discount on a current basis.

Backup Withholding. Under the Tax Code, interest, dividends and other “reportable payments” may, under certain circumstances, be subject to “backup withholding.” Withholding generally applies if the holder: (a) fails to furnish his social security number or other taxpayer identification number (“TIN”), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax, but merely an advance payment, which may be refunded or credited against such holder’s U.S. federal income taxes. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

C. IMPORTANCE OF OBTAINING PROFESSIONAL TAX ASSISTANCE

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY AS MANDATED BY SECTION 1125 OF THE BANKRUPTCY CODE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER’S PARTICULAR CIRCUMSTANCES. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

ARTICLE XII **MISCELLANEOUS PROVISIONS**

Certain Rights Unaffected. Except as otherwise provided in the Plan, any rights or obligations which the Debtor’s Creditors may have amongst them as to their respective claims or the relative priority or subordination thereof are unaffected.

Binding Effect. As of the Effective Date, the Plan shall be binding upon and inure to the benefit of the Debtors, the holders of Claims, and their respective successors and assigns.

Compliance with Regulations of the Office of the U.S. Trustee. During the pendency of these Proceedings, the Debtors will comply with all regulations promulgated by the Office of the U.S. Trustee, including remaining current on all quarterly fees assessed against the Estate by the U.S. Trustee. Upon confirmation of the Plan, and until a final decree is entered in the Bankruptcy Cases, the Reorganized Debtors shall file the required quarterly reports and pay the fees due under the

provisions of 11 U.S.C. section 1930(a)(6) on behalf of JC Cattle Co. and the Corns.

Notices. All notices, requests or demands in connection with the Plan shall be in writing and shall be deemed to have been given when received or, if mailed, five (5) days after the date of mailing, provided such writing shall have been sent by registered or certified mail, postage prepaid, return receipt requested, and sent to the following parties, addressed to:

Debtors' Counsel:

David R. Langston
Brad W. Odell
MULLIN HOARD & BROWN, L.L.P.
P.O. Box 2585
Lubbock, Texas 79408-2585
Telephone: (806)765-7491
Facsimile: (806) 765-0553

All notices and request to holders of Claims and Interests shall be sent to them at the address listed on the last-filed Proof of Claim and if no Proof of Claim is filed, at the address listed in the Debtors' Schedules.

CONCLUSION

The Debtors respectfully submit that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, including the "best interest of creditors" and "feasibility" requirements and that it should be confirmed even in the event a class of claims does not vote for acceptance of the Plan. The Debtors believe that the Plan "is fair and equitable" and "does not discriminate unfairly." Additionally, the Debtors believe that the Plan has been proposed in good faith.

The Debtors respectfully request that this Disclosure Statement be approved for circulation to the creditors of the Debtors and that they are permitted to solicit votes for acceptance of the Plan.

The Debtors further urge holders of Claims in any impaired Class to vote to ACCEPT the Plan and to evidence such acceptance by returning their ballots so that they will be received on or before 5:00 p.m. (CST), on _____, 2017.

DATED: January 25, 2017

Respectfully submitted,

MULLIN HOARD & BROWN, L.L.P.

P.O. Box 2585

Lubbock, Texas 79408-2585

Telephone: (806)765-7491

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By /s/ Brad W. Odell

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