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COUNSEL FOR DEBTORS
AND DEBTORS-IN-POSSESSION

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

In re:	§	Chapter 11
	§	
WILLIAMS FINANCIAL GROUP, INC., *et al.* [1]	§	Case No. 17-33578-HDH
	§	
	§	(Jointly Administered)
Debtors.	§	

SECOND AMENDED DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

Dated as of May 1, 2018

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Williams Financial Group, Inc. (8972); WFG Management Services, Inc. (7450); WFG Investments, Inc. (7860) and WFG Advisors, LP (9863). The address for all the Debtors is 2711 N. Haskell Ave., Suite 2910, Dallas, TX 75204.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON WILLIAMS FINANCIAL GROUP, INC., WFG MANAGEMENT SERVICES, INC., WFG INVESTMENTS, INC., AND WFG ADVISORS, LP'S PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE DATED AS OF DECEMBER 22, 2017, AS AMENDED FROM TIME TO TIME (THE "PLAN"). NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS, THE LIQUIDATED DEBTORS, OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR SECURITIES LAWS OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS.

ALL CREDITORS THAT ARE ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE ENTIRE DISCLOSURE STATEMENT FURNISHED TO THEM AND THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT PRIOR TO SUBMITTING A BALLOT PURSUANT TO THIS SOLICITATION. THE DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT IS INTENDED AS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ITSELF. EACH CREDITOR SHOULD READ, CONSIDER, AND CAREFULLY ANALYZE THE TERMS AND PROVISIONS OF THE PLAN.

THE DEBTORS BELIEVE THAT THE PLAN IS IN THE BEST INTERESTS OF CREDITORS. ALL CREDITORS ARE URGED TO VOTE IN FAVOR OF THE PLAN. VOTING INSTRUCTIONS ARE CONTAINED IN THE SECTION OF THIS DISCLOSURE STATEMENT TITLED "VOTING INSTRUCTIONS." TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED, EXECUTED, AND RECEIVED BY AKERMAN LLP BY NO LATER THAN **JUNE 7, 2018**.

THE PLAN PROPOSES EXCULPATION FROM LIABILITY AS TO THE DEBTORS AND VARIOUS OTHER PARTIES FOR CERTAIN ACTIONS IN CONNECTION WITH THE CHAPTER 11 CASES. ALL CREDITORS, HOLDERS OF EQUITY INTERESTS, AND OTHER PARTIES IN INTEREST ARE URGED TO READ CAREFULLY ARTICLE 12 OF THE PLAN ON EXCULPATION FROM LIABILITY.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

NO PERSON IS AUTHORIZED BY THE DEBTORS IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ATTACHED HERETO OR INCORPORATED BY REFERENCE OR REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS

HAVING BEEN AUTHORIZED BY THE DEBTORS. SUCH ADDITIONAL REPRESENTATIONS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTORS WHO, IN TURN, SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR ACTION AS MAY BE DEEMED APPROPRIATE. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THIS DISCLOSURE STATEMENT IS DATED AS OF MAY 1, 2018, AND **CREDITORS ARE ENCOURAGED TO REVIEW THE BANKRUPTCY DOCKETS FOR THE CHAPTER 11 CASES IN ORDER TO APPRISE THEMSELVES OF ALL EVENTS THAT HAVE OCCURRED IN THESE CHAPTER 11 CASES AND EVENTS WHICH OCCUR BETWEEN THE DATE OF THIS DISCLOSURE STATEMENT AND THE DATE OF THE CONFIRMATION HEARING**.

IN THE EVENT THAT ANY IMPAIRED CLASS OF CLAIMS VOTES TO REJECT THE PLAN, (1) THE DEBTORS MAY ALSO SEEK TO SATISFY THE REQUIREMENTS FOR CONFIRMATION OF THE PLAN WITH RESPECT TO THAT CLASS UNDER THE BANKRUPTCY CODE'S "CRAMDOWN" PROVISIONS AND, IF REQUIRED, MAY AMEND THE PLAN TO CONFORM TO SUCH REQUIREMENTS OR (2) THE PLAN MAY BE OTHERWISE MODIFIED OR WITHDRAWN.

THE REQUIREMENTS FOR CONFIRMATION, INCLUDING THE VOTE OF IMPAIRED CLASSES OF CLAIMS TO ACCEPT THE PLAN, AND CERTAIN OF THE STATUTORY FINDINGS THAT MUST BE MADE BY THE BANKRUPTCY COURT, ARE SET FORTH IN THE SECTION OF THIS DISCLOSURE STATEMENT TITLED "VOTING ON AND CONFIRMATION OF THE PLAN."

DISCLOSURE STATEMENT
PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE

INTRODUCTION

Williams Financial Group, Inc., ("**WFG**") and its Affiliated Entities, WFG Management Services, Inc. ("**Management**" or "**WFGM**"), WFG Investments, Inc. ("**WFGI**"), and WFG Advisors, LP ("**WFGA**") (each a "**Debtor**" and collectively "**Debtors**") each filed with the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "**Bankruptcy Court**" or "**Court**"), an Amended Plan of Liquidation Under Chapter 11 of the United States Bankruptcy Code dated as of March 21, 2018 (as amended from time to time, the "**Plan**"). The Debtors' Amended Disclosure Statement dated as of March 21, 2018 (the "**Disclosure Statement**"), is submitted pursuant to Section 1125 of the Bankruptcy Code, 11 U.S.C. Section 101, et. seq. (the "**Bankruptcy Code**"), in connection with the solicitation of votes on the Plan from Holders of Impaired Claims against the Debtors, and the hearing on Confirmation of the Plan to be scheduled by the Court.

This Disclosure Statement has been approved by the Bankruptcy Court in accordance with Section 1125(b) of the Bankruptcy Code as containing information of a kind and in sufficient detail adequate to enable a hypothetical reasonable investor typical of Holders of Claims in the relevant Voting Classes (as defined below) to make an informed judgment whether to accept or reject the Plan. The approval of this Disclosure Statement by the Bankruptcy Court and the transmittal of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan and should not be interpreted as being a recommendation by the Bankruptcy Court either to accept or reject the Plan.

IN THE OPINION OF THE DEBTORS, AS DESCRIBED BELOW, THE TREATMENT OF CLAIMS UNDER THE PLAN CONTEMPLATES A GREATER RECOVERY THAN THAT WHICH IS LIKELY TO BE ACHIEVED UNDER OTHER ALTERNATIVES FOR THE LIQUIDATION OF THE DEBTORS. ACCORDINGLY, THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

Accompanying or included as exhibits to this Disclosure Statement are copies of the following:

1. The Bankruptcy Court's Order Approving Disclosure Statement (the "**Disclosure Statement Approval Order**");

2. In the case of Impaired Classes of Claims (collectively, the "**Voting Classes**"), a Ballot for acceptance or rejection of the Plan; and

3. Liquidation Analysis.

PURPOSE OF THIS DISCLOSURE STATEMENT

The purpose of this Disclosure Statement is to provide the Holders of Claims with adequate information to make an informed judgment about the Plan. This information includes, among other things, (a) the procedures for voting on the Plan, (b) a summary of the Plan and an explanation of how the Plan will function, including the means of implementing and funding the Plan, (c) general information about the history and business of the Debtors prior to the Petition Date, (d) the events leading to the filing of the Chapter 11 Cases, and (e) a summary of significant events which have occurred to date in these Chapter 11 Cases.

This Disclosure Statement contains important information about the Plan and considerations pertinent to a vote for or against the Confirmation of the Plan. All Holders of Claims are encouraged to review carefully this Disclosure Statement.

Unless otherwise defined herein, all capitalized terms used in this Disclosure Statement have the meanings ascribed to them in the Plan. Any term used in the Plan or herein that is not defined in the Plan or herein and that is used in the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules of the Bankruptcy Court has the meaning assigned to that term in the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, as the case may be. If there is any conflict between the definitions contained in this Disclosure Statement and the definitions contained in the Plan, the definitions contained in the Plan shall control.

VOTING INSTRUCTIONS

Who May Vote

Only the Holders of Claims which are deemed "Allowed" under the Bankruptcy Code and which are "Impaired" under the terms and provisions of the Plan are permitted to vote to accept or reject the Plan. For purposes of the Plan, only the Holders of Allowed Claims in the Voting Classes are Impaired under the Plan and, thus, may vote to accept or reject the Plan. ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE PLAN IS BEING PROVIDED ONLY TO MEMBERS OF THE VOTING CLASSES.

How to Vote

Each Holder of a Claim in a Voting Class should read the Disclosure Statement, together with the Plan and any exhibits hereto, in their entirety. After carefully reviewing the Plan and this

Disclosure Statement and its exhibits, please complete the enclosed Ballot, including your vote with respect to the Plan, and return it as provided below. If you have an Impaired Claim in more than one Class, you should receive a separate Ballot for each such Claim. If you receive more than one Ballot you should assume that each Ballot is for a separate Impaired Claim and should complete and return all of them.

If you are a member of a Voting Class and did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions concerning voting procedures, please contact Scott Lawrence, Esq. with Akerman LLP at (214) 720-4300.

YOU SHOULD COMPLETE AND SIGN EACH ENCLOSED BALLOT AND RETURN IT TO THE ADDRESS PROVIDED BELOW. IN ORDER TO BE COUNTED, BALLOTS MUST BE DULY COMPLETED, EXECUTED, AND RECEIVED BY AKERMAN LLP BY NO LATER THAN JUNE 7, 2018.

All Ballots should be returned either by regular mail, hand delivery or overnight delivery to:

If by regular first class mail:

WFG Ballot Processing
Akerman LLP
2001 Ross Avenue, Suite 3600
Dallas, TX 75201

If by Federal Express, overnight courier or hand delivery:

WFG Ballot Processing
Akerman LLP
2001 Ross Avenue, Suite 3600
Dallas, TX 75201

Acceptance of Plan and Vote Required for Class Acceptance

As the Holder of an Allowed Claim in the Voting Classes, your vote on the Plan is extremely important. In order for the Plan to be accepted and thereafter confirmed by the Bankruptcy Court without resorting to the "cram-down" provisions of the Bankruptcy Code as to other Classes of Allowed Claims, votes representing at least two-thirds in dollar amount and more than one-half in number of Allowed Claims of each Impaired Class of Claims that are voted, must be cast for the acceptance of the Plan. The Debtors are soliciting acceptances only from Holders of Claims in Classes of Claims with impaired creditors, which are the only Classes entitled to vote on the Plan. You may be contacted by the Debtors or their agent with regard to your vote on the Plan.

To meet the requirement for confirmation of the Plan under the "cram-down" provisions of the Bankruptcy Code with respect to any Impaired Class of Claims which votes to reject or is

deemed to vote to reject the Plan (a "**Rejecting Class**"), the Debtors would have to show that all Classes junior to the Class rejecting the Plan will not receive or retain any property under the Plan unless all Holders of Claims in the Rejecting Class receive or retain under the Plan property having a value equal to the full amount of their Allowed Claims. For a more complete description of the implementation of the "cram down" provisions of the Bankruptcy Code pursuant to the Plan, see "VOTING ON AND CONFIRMATION OF THE PLAN -- Confirmation Without Acceptance by All Impaired Classes."

Confirmation Hearing and Objections to Confirmation

The Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan for **June 14, 2018, at 1:30 p.m.** (the "**Confirmation Hearing**"), at the United States Bankruptcy Court, Northern District of Texas, Dallas Division, Earle Cabell Federal Building, 1100 Commerce Street, 14th Floor, Courtroom #3, Dallas, Texas 75242, which Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing.

Any objection to Confirmation of the Plan must be filed and served in accordance with the Disclosure Statement Approval Order.

HISTORY OF THE DEBTORS PRIOR TO THE CHAPTER 11 FILING; CURRENT STATUS OF LIQUIDATION OF THE DEBTORS

The information contained in this section of the Disclosure Statement is intended as a summary of the Debtors' history and the status of the liquidation of the Debtors prior to and after the filing of the Voluntary Petition on the Petition Date.

A. The Debtors' Businesses

In 1988 Williams, Buchanan and Company, Inc. was incorporated and started providing financial services in the Dallas, Texas area. In 1994 Wilson Williams bought Williams, Buchanan and Company, Inc. and changed the company's name to The Williams Financial Group, Inc. In 2006, the name of the corporation was changed to WFG Investments, Inc.

In 1998, WFG Holdings, Inc. was incorporated in Texas and in 2006 changed its name to The Williams Financial Group, Inc. The Williams Financial Group, Inc. serves as the parent company for the Debtors and non-debtors.

In 2002, a Texas limited partnership of WFG Advisors, LP was formed to provide advisory services to third-party managed accounts. The general partner of WFG Advisors, LP is WFG Advisors I, Inc.

In 2004, WFG Management Services, Inc. was incorporated and began providing management services to the Debtors and non-debtors, WFG Advisors, LP and WFG Investments, Inc., and to affiliated non-debtors.

The Debtors' main business premises is located at 2711 N. Haskell Ave., Suite 2910, Dallas, TX 75204. The Debtors lease this location and intend to reject the lease as of December 31, 2017.

Prior to winding up its operations as described below, the Debtors' principal and material value was in its independent retail advice business conducted through a number of registered representatives registered with broker-dealer (the "**BD**")[2] and acting as investment advisors with the Registered Investment Advisor ("**RIA**") to retail investors under the Investment Management Act of 1940.[3]

The Debtor, WFG Advisors, LP, ("**WFGA**"), is a subsidiary of Williams Financial Group, Inc. and a SEC Registered Investment Advisor. WFGA provided fee-based wealth advisory and retirements services that included: wrap accounts, advisor directed or third party-managed accounts, asset allocation and portfolio reporting, tax trust and estate and financial planning services. The independent retail advice business was conducted through a network of independent financial advisors that are free to move their business to competing RIAs. WFGA is not a custodian and never held any client assets. WFGA started winding up its affairs in August of 2017 and current sole source of revenue is pre-petition earned advisory fees.

Debtor, WFG Investments, Inc., ("**WFGI**") was formerly a broker-dealer engaged in the business of facilitating transactions in securities, but has ceased operations and is currently engaged in the windup and liquidation of its business. WFGI operated primarily on an independent registered representative model. Prior to commencing the windup of its operations, the Debtor had approximately 225 registered representatives, all of whom were independent contractors who owned and ran their own businesses, while being licensed through and supervised by the Debtor. WFGI was solely an introducing broker-dealer, which meant that WFGI brokers took customer orders and placed trades, but the trades were cleared and the securities were held by a clearing broker dealer, National Financial Services, LLC ("**National Financial**"). If a customer transferred monies via ACH or check to purchase securities, the ACH or check was payable to National Financial and was never deposited by WFGI, and never became an asset of the Debtor. Therefore, no customer funds or securities ever were, or currently are in the possession of the Debtor, as all customer funds were and are held by National Financial. WFGI was registered with the Securities and Exchange Commission ("**SEC**") as a broker-dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934 (the "**Exchange Act**"). WFGI was also a member of the Financial Industry Regulatory Authority, Inc. ("**FINRA**"), the self-regulatory organization governing broker-dealers.

On September 22, 2017, WFGI filed Form BDW, Uniform Request Withdrawal from Broker-Dealer Registration with all securities regulators and states, thereby ceasing operations. Form BDW was approved by FINRA effective November 21, 2017.

As a registered broker dealer, WFGI was also required to and did become a member of the Securities Investor Protection Corporation ("**SIPC**"). SIPC insures that its members' customer receive back their cash and securities in the event of a member's liquidation, up to $500,000 per customer for cash and securities. SIPC is a nongovernmental, nonprofit, membership corporation.

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[2] The BD entity is WFG Investments, Inc.

[3] The advisory entity is WFG Advisors, LP.

Under Rule 15c3-1 of the Securities Exchange Act of 1934 (the "**Net Capital Rule**"), a broker-dealer is required to have at all times enough liquid assets to promptly satisfy the claims of customers if the broker-dealer goes out of business. Under this rule, broker-dealers must maintain net capital levels based upon the type of securities they conduct and based on certain financial ratios. Broker-dealers that do not clear and carry customer accounts can operate with lower levels of net capital.

B. The Debtors' Corporate Structure

Williams Financial Group, Inc., a Texas corporation, is a holding company, and is the direct or indirect parent of the following Debtors: WFG Management Services, Inc., WFGI and WFGA. Williams Financial Group, Inc. directly owns a number of non-debtor entities, including WFG Advisors 1, Inc., WFG Strategic Alliance, WFG Equity Partners, Inc., Advisory Marketing Services and WFG Street.

The Debtors typically entered into contracts and leases with third party vendors for the benefit of WFGI and WFGA through WFG. Management, as the name suggests, provided management services to include employment of all employees who provided services to WFGI or WFGA, payment of payroll and amounts owed to independent contractors and third parties providing services to WFGI and WFGA, and provided accounting services and in general such other services as WFGI and WFGA required in order to conduct their businesses.

C. Debt Structure

As of the Petition Date, the Debtors obligations are commissions and advisors fees owed to brokers, disputed unliquidated claims pending in securities arbitrations and litigation, and less than $2 million in ordinary course trade debt and other unsecured debt as of the Petition Date. Subject to a statutory cap, pre-petition commission and advisor fees have now been paid.

D. Debtors' Annual Gross Revenues

The Debtors gross revenues for the fiscal year[4] ended 2017 were approximately $45 million.

E. Assets

The Debtors have liquidated virtually all of their assets. WFGA and WFGI hold $3,179,000 from the Insurance Policy Buyout in a joint account. The Debtors allocated the cash

[4] Debtors last fiscal year was August 1, 2016 – July 30, 2017.

from the Insurance Policy Buyout on their books 77% to WFGI and 23% to WFGA, based upon a review of claims filed against both entities at the time of the Insurance Policy Buyout.

As of May 1, 2018, the cash balances of the Debtors is as follows:

WFG - $45,330.52;
WFGI - $3,841,712.32;
WFGA - $893,753.72; and
WFGM - $123,243.79.

These amounts will be reduced by payments previously authorized by the Court, as detailed herein. Prior to confirmation, the WFGI anticipates receiving approximately $405,000 from the proceeds of a court-approved sale of "house accounts" to Kestra Financial, Inc. Additionally, WFGI anticipates receiving approximately $150,000 in returned deposits from its clearing firms.

EVENTS LEADING TO THE BANKRUPTCY FILING

Due to adverse industry conditions the Debtors began to aggressively market their business in 2015. Eventually, in March 2017, the Debtors entered into an asset purchase agreement with National Holdings, Inc. and its subsidiary, National Securities, a registered broker dealer for the sale of the Debtors' business.

However, on March 17, 2017, Certain Underwriters at Lloyd's, London filed a Declaratory Judgment Action against certain of Debtors in an effort to declare E&O Insurance Policies void *ab initio*. The lawsuit was, shortly thereafter dismissed without prejudice so the parties could engage in settlement discussions. On June 16, 2017, National Holdings, Inc. and its subsidiary, National Securities and the Debtors executed a termination letter (the "**Termination Letter**") in accordance with Section 9.13(a) of the Purchase Agreement. Accordingly, the Purchase Agreement was terminated. As a result, Debtors commenced the process of winding down their businesses. Debtors and Underwriters subsequently mediated their disputes and, on September 15, 2017, the parties entered into a settlement which resulted in a cash buy back of the policy for $3,179,000, and in addition Underwriters agreed to reimburse WFG $133,000 for costs of defense of certain claims which had been paid by WFG (the "**Insurance Policy Buyout**"). As of the Petition Date, the Debtors obligations were commissions and advisors fees owed to brokers, over $13 million in disputed claims pending in securities arbitrations and litigation. The arbitrations and litigation were pending or about to be filed throughout the United States which would have required the Debtors to employ numerous counsel and defend multiple actions throughout the United States. The filing of the bankruptcy was intended to centralize the arbitrations and litigation in a manner to efficiently resolve these outstanding claims in one forum.

The main goals of the Debtors in filing these Chapter 11 Cases was to confirm a plan of liquidation that will assure a fair distribution of the Debtors' assets to its creditors, attempt to bring as many assets in the form of settlements with the Debtors' various claimants into the estate, and also establish a claims resolution process to resolve the securities arbitration and litigation claims in a fair and cost-effective manner.

SIGNIFICANT EVENTS IN THE CHAPTER 11 LIQUIDATION CASE

Filing of Petition

As set forth above, the Debtors filed Voluntary Petitions for Relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division on September 24, 2017.

Wind-down of Business

Post-petition the Debtors have been working to continue the wind-down of their businesses. This has included the ongoing process to transfer thousands of client files and records to other brokers, closing of its office, collection of referral fees for brokers and advisors, identification and analysis of claims against the Debtors and efforts to resolve disputed claims. The following pleadings have been filed in the cases and creditors are referred to the Court docket for a more complete listing.

Applications to Employ Professionals

Akerman LLP On October 6, 2017, the Debtors filed an Application for Authorization to Employ Akerman LLP as Counsel for Debtors in Possession, and on November 14, 2017, the Court entered its final order approving the Application.

Baker & McKenzie LLP On September 25, 2017, the Debtors filed an Application for Authority to Employ Baker & McKenzie LLP as Special Counsel, and on November 28, 2017, the Court entered its order approving the Application.

Sessions, Fishman, Nathan & Israel, L.L.C. On September 26, 2017, the Debtors filed an Application for Authority to Employ Sessions, Fishman, Nathan & Israel, L.L.C. as Special Counsel, and on November 28, 2017, the Court entered its order approving the Application.

Richard F. Amsberry, P.C. On November 4, 2017, the Debtors filed an Application to Employ Richard F. Amsberry as Accountant, and on November 14, 2017, the Court entered its order approving the Application.

Bridgepoint Consulting On October 30, 2017, the Debtors filed an Application to Employ Bridgepoint Consulting LLP as Financial Advisor and William Patterson as Chief Restructuring Officer, and on November 21, 2017, the Court entered its order approving the Application. The decision to hire William Patterson as Chief Restructuring Officer was a compromise with certain creditors known as the "Customer Creditors" (as defined in their pleadings) who filed a motion to convert the cases to chapter 7 or appoint chapter 11 trustee [Dkt. No. 65]. The Debtors selected Bridgepoint Consulting and William Patterson as CRO. The Customer Creditors assert that they were not consulted about the selection of Bridgepoint Consulting, an assertion that the Debtors dispute. However, the Customer Creditors assert that they did not select or propose Bridgepoint Consulting or William Patterson, and objected to their employment for, among other reasons, that Mr. Patterson and Bridgepoint are located in Austin, Texas and the Debtors' estates would incur additional travel related fees and expenses that they would not incur if they hired a firm based in the Dallas-Ft. Worth area [*See* Dkt. No. 186].

Applications for Compensation by Debtors' Professionals

The Debtors' professionals filed First Interim Fee Applications for the period of September 24, 2017 – February 28, 2017, which are set to be heard on April 24, 2018.

Akerman LLP On March 23, 2018, Akerman LLP filed its First Interim Application of Akerman LLP, Counsel to Debtors, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred [Dkt. No. 410], seeking fees of $391,132.00 and expenses of $5,666.82.

Bridgepoint Consulting On March 23, 2018, Bridgepoint Consulting filed its First Interim Fee Application of Bridgepoint Consulting, LLC, as Financial Advisor and Chief Restructuring Officer to the Debtors, for Professional Services Rendered and Actual and Necessary Expenses Incurred from October 27, 2017 through February 28, 2018 [Dkt. No. 411], seeking fees of $61,320.00 and expenses of $3,493.94.

Sessions, Fishman, Nathan & Israel, L.L.C. On March 23, 2018, Sesssions, Fishma, Nathan & Israel, L.L.C. filed its First Interim Application of Sessions, Fishman, Nathan & Israel, LLC, Special Claims Counsel to Debtors, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred [Dkt. No. 414], seeking fees of $31,420.00 and expenses of $3,458.80.

Richard F. Amsberry, P.C. On March 30, 2018, Richard F. Amsberry filed his First Interim Application of Richard F. Amsberry, P.C., Accountant to Debtors, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred [Dkt. No. 424], seeking fees of $37,200 and expenses of $95.50.

Baker & McKenzie LLP On March 30, 2018, Baker & McKenzie LLP filed its Amended First Interim Application of Baker & McKenzie LLP, Special Claims Counsel to Debtors, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred [Dkt. No. 426], seeking fees of $136,486.00 and expenses of $1,859.42.

The Customer Creditors objected to the above-described interim fee applications for, among other reasons, that any approved fees and expenses should be allocated for payment by each of the Debtors and not paid entirely by WFGI and WFGA, and that the Court should hold back and not authorize interim allowance and payment of a certain percentage of the requested fees [Dkt. No. 439]. The Court held hearings on the interim fee applications on April 24-25, 2018, took evidence, heard testimony and arguments.

On April 24 & 25, 2018, the Court heard the objections of the Customer Creditors [Dkt. No. 439] and approved the above-described interim fee applications, subject to 10% holdbacks by Bridgepoint Consulting and Akerman LLP. Sessions, Fishman, Nathan & Israel LLC's fees are to be allocated 100% to WFGI; Baker & McKenzie LLP fees shall be allocated 80% to WFGI and 20% to WFGA; Bridgepoint Consulting and Akerman LLP fees shall be allocated 40% to WFGI, 30% to WFGA, and 15% to each WFG and WFGM. Richard F. Amsberry, P.C.'s fees are to be allocated 10% to WFG, 53% to WFGI, 17% to WFGA and 20% to WFGM. These allocations were suggested by the Customer Creditors.

All allocations and the holdbacks, as well as the fee awards, are subject to change at such time as the fees and expenses are submitted for final allowance, including the possibility that professionals may have to disgorge fees awarded and paid on an interim basis.

Bridgepoint Consulting has estimated that fees after March 1, 2018 until the confirmation hearing will be approximately $250,000.

Settlement of Claims

Post-petition settlements have been reached with respect to 28 proofs of claim which included 129 claimants, whose claims totaled over $17,600,000. As a result of these settlements these claims were reduced by over 80%, to $3,405,000. The professionals of the Debtors estimated the fees incurred to obtain these settlements was between $175,000 - $200,000.

Certain creditors, including the Customer Creditors and the Jones Claimants, believe that to the extent claims are reduced as to a Debtor, and in event the holder of such claim also holds claims against insiders of that Debtor, those insider claims could be reduced. The Debtors do not necessarily concur with that view.

Chapter 11 Administration

Schedules and Statement of Financial Affairs. The Debtors filed their Schedules and Statement of Financial Affairs on October 10, 2017, amending those documents from time to time, as needed, and as further described herein.

341 Meetings with Creditors. The Section 341 meeting of creditors was held and concluded on October 23, 2017.

Noticing of Former Customers. On or about October 2, 2017, a notice appeared in the Walls Street Journal to *inter alia* notify those former customer of the November 27, 2017 bar date, and gave instructions regarding filing proofs of claim in the Liquidation Cases.

Claims Bar Date. The Bankruptcy Court fixed November 17, 2017, as the deadline for the filing of Proofs of Claim. Said deadline was extended for certain creditors who were impacted by amended Schedules for an additional twenty-one (21) days.

Sale of Assets and Administration of Case

Vacation of Business Premises. As of December 31, 2017, the Debtors vacated their business premises at 2711 N. Haskell Ave., Suite 2900, Dallas, Texas 75204 and moved to a smaller office in the same building, Suite 2910, which reduced the Debtors' monthly rent expense by approximately 90% [Dkt. Nos. 266, 329].

Utility Services. On September 24, 2017, the Debtors filed an Emergency Motion for Entry of Interim and Final Orders (I) Determining that Utility Providers have been Provided with Adequate Assurance of Payment; (II) Approving Proposed Adequate Assurance Procedures; (III)

Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Services; (IV) Determining that Debtors are Not Required to Provide any Additional Assurance; (V) Scheduling a Hearing to Consider Entry of a Final Order; and (VI) Granting Related Relief, which motion was granted on a final basis pursuant to the Bankruptcy Court's October 26, 2017 order granting the relief requested in the Motion. As of December 31, 2017, the Debtors no longer need post-petition utility services, and those have been discontinued.

Prepetition Wages. On September 24, 2017, the Debtors filed an Emergency Motion for Authorization to Pay Prepetition Wages, Salaries, and Other Employee Benefits. On September 28, 2017, the Bankruptcy Court entered an interim order granting the relief requested in that Motion. A final order was entered on November 28, 2017, which authorized the Debtors to pay pre-petition commissions up to the statutory cap of $12,850.00 and to honor post-petition commission obligations in the ordinary course of business.

Referral Fees. On October 20, 2017, the Debtor filed its Motion to Sell Referrals and Approve Referral Fee Agreements with National Securities Corporation and National Asset Management, Inc., which the Court entered on November 17, 2017, permitting the sale of referral fees.

Sale of FF&E. On November 30, 2017, the Debtor filed its Motion to (I) Retain and Pay Auctioneer, and (II) Sell Certain Property Free and Clear of all Liens, Claims and Encumbrances and on December 19, 2017, this Court entered an Order granting the Motion. The sale generated net proceeds of $23,600.00 which the Debtors allocated $13,600 to WFG and $10,000 to WFGM.

Rejection of Executory Contracts. In the exercise of their business judgment, the Debtors determined that rejection of certain executory contracts was in the best interests of the Debtors' estate, because the services subject to the executory contracts were no longer necessary to the continued operation of the Debtors' business and rejection of the executory contracts would eliminate unnecessary costs to the Debtors' estate.

Motion to Substantively Consolidate. On January 9, 2018, the Debtors filed their request for substantive consolidation of the Debtors. The Debtors thoroughly analyzed and considered a variety of scenarios to liquidate and concluded that substantively consolidating the Debtors' estates would likely return the highest and most certain recovery to creditors. Several creditors, including the Customer Creditors, the Jones Claimants, and the Dallas Proton Trustee, opposed the motion for substantive consolidation on the basis that they believed their specific claims and others similarly situated might receive a better recovery absent substantive consolidation. On February 28 and March 5, 2018, the Court held hearings and found that the Debtors had failed to overcome the high burden by which courts judge motions to substantively consolidate estates and thus denied substantive consolidation "at this time." On March 12, 2018, the Court entered an order denying the Debtors' motion for substantive consolidation. Accordingly, the Debtors have reworked the proposed plan to eliminate substantive consolidation and to treat each Debtor's estate separately for purposes of claim and asset allocation and distributions.

Sale of House Accounts. On December 29, 2017, the Debtors filed a motion to sell WFGI's right, title and interests in all remaining client accounts managed by WFGI free and clear of liens, claims and encumbrances and other interests to Kestra Financial, Inc. ("**Kestra**"). Kestra

is an investment firm regulated by FINRA, is compliant with SEC regulations, and was not an insider of the Debtors. The Court approved the sale to Kestra for $405,000.

Termination of Exclusivity. The Debtors' exclusive right to file a plan of reorganization expired on March 23, 2018. However, no other party has filed a proposed plan of reorganization and thus the Plan remains the only Plan in these Cases.

The following chart details the results of the Debtor's various asset sales and shows amounts booked to each Debtor.

	WFG	WFGM	WFGI	WFGA
Referral Fees			$445,537.07	$166,758.74
Furniture, Fixtures and Computer Equipment	$13,600.00	$10,000.00		
Client Accounts			$405,000.00	

NOTE: The sale of client Accounts has been approved and authorized by the Bankruptcy Court but has not closed as of the Date hereof.

Based on recovery of deposits, commissions and income coming in the Debtors since the Petition Date have increased their cash balance by approximately $864,000. These cash balances will be reduced by professionals' fees awarded by the Court and ongoing business expenses.

SUMMARY OF THE PLAN

Introduction.

Chapter 11 is the principal business reorganization and liquidation chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize and/or liquidate its business for the benefit of itself and its creditors and stockholders. The formulation of a Plan is the principal objective of a Chapter 11 case. In general, a Chapter 11 Plan (i) divides Claims and Equity Interests into separate classes, (ii) specifies the property that each class is to receive under such Plan, and (iii) contains other provisions necessary to the reorganization and/or liquidation of the debtor. Chapter 11 does not require each holder of a Claim or Equity Interest to vote in favor of the Plan in order for the Bankruptcy Court to confirm the Plan. However, a Plan must be accepted by the holders of at least one impaired Class of Claims without considering the votes of "insiders" as defined in the Bankruptcy Code.

The Plan is a liquidating plan and shall be funded with the Cash on hand as of the Effective Date and the liquidation and monetization of all other assets that may be liquidated or otherwise monetized and/or Claims that may be recovered for the benefit of the Liquidating Trust. A Liquidating Trust shall be established for each Debtor which shall become effective on the Effective Date.

The Plan proposes a settlement of any intercompany disputes regarding ownership of the proceeds of the Insurance Policy Buyout. In the event the settlement is not approved, the funds

will remain in the joint account where they are currently held (pending further order of the Bankruptcy Court.)

The settlement seeks to confirm the allocation of the proceeds of the Insurance Policy Buyout as carried on the Debtors' books and records. Certain securities related claimants have asserted the proceeds should go solely to securities related claimants under third-party beneficiary or constructive trust theories. In addition, the proceeds are currently in a joint account, which could imply a 50-50 split of those proceeds between WFGI and WFGA. The settlement proposes a compromise, whereby the bulk of the proceeds will go to securities related claimants as virtually all WFGI claimants are securities related claimants, and will avoid potential costly litigation over the proceeds, which could potentially eliminate any recovery in one or more estates. Because of intercompany claims asserted by WFG and WFGM against WFGI and WFGA, creditors of WFG and WFGM will receive some of the cash from the Insurance Policy Buyout unless the intercompany claims are disallowed or subordinated to the claims of creditors of WFGI and WFGA.

The Plan further provides for a settlement of post-petition administrative expense payments as between WFGI and WFGA. Historically expenses for all Debtor entities have been shared between WFGI and WFGA based on an 80 / 20 split, which was derived years ago from the respective revenues of each company. That sharing percentage will be applied to administrative expenses incurred during these Cases. However, in view of the imbalance, any funds left in the WFGA estate after payment in full of all Claims and administrative expenses shall be paid to WFGI in full settlement of its claim, if any, for contribution for post-petition administrative claims against WFGA or any other Debtor.

Distributions shall be from funds available for the creditors of each estate as provided herein. Following disbursement from the escrow account, there shall be no distinction between proceeds of the Insurance Policy Buyout and the funds available for distribution to creditors of a particular estate.

Total claims filed, excluding duplicate claims, exceed $37 million. The Debtors have performed an analysis of filed claims and estimate the following range of Allowed claims by type.

	WFGA	
	Low	High
Secured Claims	$ -	$ -
Priority Unsecured Claims	$ -	$ -
General Unsecured Claims		
Legal Claims	$ 85,000	$ 85,000
Other Unsecured Claims	$ 14,000	$ 14,000
Intercompany Claims	$ 281,000	$ 281,000
Total General Unsecured Claims	$ 380,000	$ 380,000
Total Claims	$ 380,000	$ 380,000

	WFGI	
	Low	High
Secured Claims	$ -	$ -
Priority Unsecured Claims	$ 6,000	$ 6,000
General Unsecured Claims		
Legal Claims	$ 5,010,000	$ 8,825,000
Other Unsecured Claims	$ 904,000	$ 904,000
Intercompany Claims	$ 1,123,000	$ 1,123,000
Total General Unsecured Claims	$ 7,037,000	$ 10,852,000
Total Claims	$ 7,043,000	$ 10,858,000

	WFGM	
	Low	High
Secured Claims	$ -	$ -
Priority Unsecured Claims	$ -	$ -
General Unsecured Claims		
Legal Claims	$ -	$ -
Other Unsecured Claims	$ 178,000	$ 178,000
Intercompany Claims	$ -	$ -
Total General Unsecured Claims	$ 178,000	$ 178,000
Total Claims	$ 178,000	$ 178,000

	WFG	
	Low	High
Secured Claims	$ 17,000	$ 17,000
Priority Unsecured Claims	$ 14,000	$ 14,000
General Unsecured Claims		
Legal Claims	$ -	$ -
Other Unsecured Claims	$ 2,121,000	$ 2,121,000
Intercompany Claims	$ -	$ -
Total General Unsecured Claims	$ 2,121,000	$ 2,121,000
Total Claims	$ 2,152,000	$ 2,152,000

The Debtors estimate recoveries for the Secured and Priority Unsecured classes of 100%, and General Unsecured Creditor recoveries in the following ranges:

Est. Range of Unsecured Recovery	**Low**	**High**
WFGA	91%	100%
WFGI	29%	48%
WFGM	17%	49%
WFG	22%	32%

The following table summarizes the classification and treatment of Claims and Interests under the Plan (including unclassified Claims), as well as the estimate percentage of recovery, for Holders of Interests and Allowed Claims in each Class for Alternative One. The estimated recovery is the Debtors best estimates based on what they believe will be the likely range of Allowed Claims. If Allowed Claims are greater, the recoveries will be less than projected. THE TABLE IS INTENDED FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT ADDRESS ALL ISSUES REGARDING CLASSIFICATION, TREATMENT, AND ULTIMATE RECOVERIES, THE TABLE IS NOT A SUBSTITUTE FOR A FULL REVIEW OF THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. THERE ARE NO GUARANTEED AMOUNTS OF RECOVERY.

The table includes intercompany claims. On March 20, 2018, the Debtors amended their schedules, originally filed on October 10, 2017, to include intercompany claims for (i) WFG in the amount of $982,335.97 against WFGI and $245,583.99 against WFGA, and (ii) for WFGM in the amounts of $37,527.55 against WFGA and $150,110.18 against WFGI. Historically, WFGM paid the expenses for each of the Debtors and employed all of the employees who supported WFGI and WFGA. WFG entered into contracts with vendors, such as the landlord for the space utilized by all Debtors. These costs were reimbursed by WFGI and WFGA according to an historical formula based on the revenues of each. This practice continued post-petition. The intercompany claims reflect those type of claims that remain unpaid as of the Petition Date and in the case of WFGI are largely based on rejection damage claims that were filed following the Petition Date when contracts were rejected.

The intercompany claims initially were not filed due to an oversight and subsequently due to the pending motion to substantively consolidate the estates which would have rendered them moot. The claims were filed approximately two weeks following denial of the motion for substantive consolidation.

The Customer Creditors assert that the Debtors were aware of the potential intercompany claims prior to the deadline to file their bankruptcy schedules based upon, among other things, the testimony of the Debtors' president, David Williams, and the testimony of the Debtors' former controller, Ed Kern in bankruptcy court hearings. The Customer Creditors also assert that grounds may exist to disallow or subordinate the intercompany claims based upon the timing of their disclosure and other reasons. The Debtors disagree with these assertions.

Class	Designation	Impairment	Estimated Range of Recovery
Unclassified	Administrative Claims	Paid in Full	100%
Unclassified	Fee Claims	Paid in Full	100%
Class 1WFG	Priority Claims	Unimpaired	100%
Class 1WFGI	Priority Claims	Unimpaired	100%
Class 1WFGM	Priority Claims	Unimpaired	100%
Class 1WFGA	Priority Claims	Unimpaired	100%
Class 2WFG	Secured Claims	Unimpaired	100%
Class 2WFGI	Secured Claims	Unimpaired	100%
Class 2WFGM	Secured Claims	Unimpaired	100%
Class 2WFGA	Secured Claims	Unimpaired	100%
Class 3WFG	General Unsecured Claims	Impaired	22 – 32%
Class 3WFGI	General Unsecured Claims	Impaired	29 – 48%
Class 3WFGM	General Unsecured Claims	Impaired	17 – 49%
Class 3WFGA	General Unsecured Claims	Unimpaired	91 – 100%
Class 4WFG	Subordinated Claims	Impaired	0%
Class 4WFGI	Subordinated Claims	Impaired	0%
Class 4WFGM	Subordinated Claims	Impaired	0%
Class 4WFGA	Subordinated Claims	Impaired	0%
Class 5WFG	Equity Interests	Impaired	0%
Class 5WFGI	Equity Interests	Impaired	0%
Class 5WFGM	Equity Interests	Impaired	0%
Class 5WFGA	Equity Interests	Impaired	0%

The summary of the Plan contained herein addresses only certain provisions of the Plan. As a summary, it is qualified in its entirety by reference to the Plan itself. The Plan shall control and, upon Confirmation and the Effective Date, bind the Debtors, all of the Debtors' Creditors and Holders of Equity Interests and other parties in interest, except as expressly set forth in the Plan. TO THE EXTENT THAT THE TERMS OF THIS DISCLOSURE STATEMENT VARY OR CONFLICT WITH THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL CONTROL.

Overview.

The Plan provides a mechanism for the expeditious and orderly collection of assets, the resolution of disputed claims, and the distribution of funds to creditors, including distributions in the form of interim installments to the extent such distributions are determined to be advisable by a liquidating trustee. The Debtors' secured creditors will be paid in full, as will any allowed priority or administrative claims.

The Plan provides for a professional claims resolution arbitrator to serve who will be responsible for quickly and efficiently determining the amount of the Debtors' securities arbitration claims that will be allowed. It is impossible to predict the total amount of distributions, which will be largely dependent upon the results of further litigation or settlements.

In addition, the Plan establishes a Disputed Claims Reserve for the benefit of Holders of Disputed Claims. The Liquidating Trustee may (but is not obligated) to make interim distribution of Cash on account of Allowed Claims of a given Class from time to time, provide the Liquidating Trustee leaves sufficient Cash in reserve to cover the Disputed Claims of that Class. No Distribution or payment shall be made on account of a Disputed Claim until such Disputed Claim becomes an Allowed Claim.

Classification of Claims and Equity Interests.

Section 1123 of the Bankruptcy Code provides that a Plan of liquidation shall classify the claims of a debtor's creditors and the interests of a debtor's equity holders. The Plan divides the Claims and Equity Interests into sixteen (16) Classes.

Section 101(5) of the Bankruptcy Code defines "claim" as a "right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured," or a "right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, disputed, undisputed, secured or unsecured." The Debtors are required under Section 1122 of the Bankruptcy Code to classify the Claims and Equity Interests into separate Classes which contain Claims and Equity Interests that are substantially similar to the other Claims and Equity Interests within such Class.

The Debtors believe that they have classified all Claims and Equity Interests in compliance with the provisions of Section 1122 of the Bankruptcy Code. However, it is possible that a Holder of a Claim or another interested party may challenge the classification of Claims and Equity Interests contained in the Plan and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, it is the present intent of the Debtors, to the extent permitted by the Bankruptcy Court, to make such reasonable modifications of the classifications under the Plan to provide for whatever classification might be required by the Bankruptcy Court for Confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan. A reclassification of Claims after approval of the Disclosure Statement might necessitate a resolicitation of acceptances or rejections of the Plan.

Summary of Plan Distributions.

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN.

A. Classification and Treatment of Administrative Claims, Claims and Equity Interests Under the Plan

Only administrative expenses, claims and equity interests that are "allowed" may receive distributions under a chapter 11 plan. An "allowed" administrative expense, claim or equity interest simply means that the Debtors agree, or in the event of a dispute, that the Court determines, that the administrative expense, claim or equity interest, including the amount thereof, is in fact a valid obligation of, or equity interest in, the Debtors. Section 502(a) of the Bankruptcy Code provides that a timely filed administrative expense, claim or equity interest is automatically "allowed" unless the debtor or another party in interest objects. However, section 502(b) of the Bankruptcy Code specifies certain claims that may not be "allowed" in a bankruptcy case even if a proof of claim is filed. These include, without limitation, claims that are unenforceable under the governing agreement or applicable non-bankruptcy law, claims for unmatured interest on unsecured and/or undersecured obligations, property tax claims in excess of the debtor's equity in the property, claims for certain services that exceed their reasonable value, nonresidential real property lease and employment contract rejection damage claims in excess of specified amounts, and late-filed claims. In addition, Bankruptcy Rule 3003(c)(2) prohibits the allowance of any claim or equity interest that either is not listed on the debtor's schedules or is listed as disputed, contingent, or unliquidated if the holder has not filed a proof of claim or equity interest before the deadline to file proofs of claim and equity interests.

The Bankruptcy Code also requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims against, and equity interests in, the Debtors into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are equity interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or equity interests which give rise to different legal rights, the holders of such claims and/or equity interests may find themselves as members of multiple classes of claims and/or equity interests.

Under a chapter 11 plan, the separate classes of claims and equity interests must be designated either as "impaired" (altered by the plan in any way) or "unimpaired" (unaltered by the plan). If a class of claims or interests is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims or interests, such as the right to vote on the plan (unless the plan provides for no distribution to the holder, in which case, the holder is deemed to reject the plan), and the right to receive an amount under the chapter 11 plan that is not less than the value that the holder would receive if the debtor were liquidated under chapter 7. Under section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" unless, with respect to each claim or interest of such class, the plan (i) does not alter the legal, equitable or contractual rights of the holders of such claims or interests or (ii) irrespective of the holders' right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising

from, among other things, the debtor's insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights and does not otherwise alter their legal, equitable or contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the effective date of the plan of liquidation or the date on which amounts owing are due and payable, payment in full, in cash, with postpetition interest to the extent permitted and provided under the governing agreement between the parties (or, if there is no agreement, under applicable non-bankruptcy law), and the remainder of the debtor's obligations, if any, will be performed as they come due in accordance with their terms. Thus, other than its right to accelerate the debtor's obligations, the holder of an unimpaired claim will be placed in the position it would have been in had the debtor's case not been commenced.

For purposes of computing distributions under the Plan, Allowed Claims do not include post-petition interest unless otherwise specified in the Plan.

Consistent with these requirements the Plan divides the Claims into the following Classes and affords the treatments described:

1. **Unclassified – Administrative Claims**

Administrative Claims include any right to payment constituting a cost or expense of administration of the Chapter 11 Cases of a kind specified under section 503(b) of the Bankruptcy Code and entitled to priority under section 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Debtors' estates, any actual and necessary costs and expenses of operating the Debtors' business, and the wind-up, including severance payments to the Debtors' employees pursuant to the Debtors' customary pre-petition business practices, any indebtedness or obligations incurred or assumed by the Debtors in Possession in connection with the conduct of their business, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent awarded by the Court under sections 330, 331 or 503 of the Bankruptcy Code, any fees or charges assessed against the Debtors' estates under section 1930 of chapter 123 of title 28 of the United States Code, any Claim for goods delivered to the Debtors within twenty (20) days of the Petition Date and entitled to administrative priority pursuant to section 503(b)(9) of the Bankruptcy Code.

Each holder of an Allowed Administrative Claim shall receive from the Debtors or Liquidating Trustee (a) Cash in an amount equal to the amount of such Allowed Administrative Claim on the later of the Effective Date and the date such Administrative Claim becomes an Allowed Administrative Claim, or as soon thereafter as is practicable, or (b) such other treatment as the Debtors or Liquidating Trustee and such holder shall have agreed upon in writing; provided, however, that Allowed Administrative Claims incurred in the ordinary course of the Debtors' business shall be paid when due.

Unless a prior date has been established pursuant to the Bankruptcy Code, the Bankruptcy Rules or a prior order of the Court, the Confirmation Order will establish a bar date for filing applications for allowance of Administrative Claims, which date will be the first business day that

is thirty (30) days after the Effective Date. Holders of Administrative Claims not paid prior to the Effective Date shall submit requests for payment on or before the applicable Administrative Claims Bar Date or forever be barred from doing so. The notice of confirmation to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) will set forth the Administrative Claims Bar Date and constitute good and sufficient notice of the Administrative Claims Bar Date. The Liquidating Trustee shall have 90 days (or such longer period as may be allowed by order of the Court, which may be entered without notice or a hearing) following the Administrative Claims Bar Date to review and object to all Administrative Claims.

2. Unclassified – Fee Claims

Fee Claims are Administrative Claims under section 330(a), 331 or 503 of the Bankruptcy Code for compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date.

All requests for compensation or reimbursement of Fee Claims pursuant to sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code for services rendered prior to the Effective Date shall be filed and served on the Debtors, counsel to the Debtors, the United States Trustee, the Liquidating Trustee, counsel to the Liquidating Trustee and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than thirty (30) days after the Effective Date. Holders of Fee Claims that are required to file and serve applications for final allowance of their Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, or their respective properties, and such Fee Claims shall be deemed discharged as of the Effective Date. Objections to any Fee Claims must be filed and served on the Debtors, counsel for the Debtors, Liquidating Trustee, counsel for the Liquidating Trustee and the requesting party no later than sixty (60) days after the Effective Date.

3. Classification and Treatment of Claims

The categories of Claims and Interests set forth below classify Claims and Interest for all purposes, including purposes of voting, confirmation, and distribution pursuant to the Plan and Bankruptcy Code §§ 1122 and 1123(a)(1).

For purposes of consistency there are five identical Classes for each Debtor. In some cases, however, a Class is an Empty Class. Empty Classes are disregarded for vote solicitation and Plan Acceptance purposes.

(a) Priority Claims: Classes 1WFG, 1WFGI, 1WFGM and 1WFGA. Class 1 consists of all Allowed Priority Claims. Each Holder of an Allowed Priority Claim shall be paid on the later of the thirtieth day after the Effective Date or such later date as such claim may become an Allowed Claim (a) an amount, in Cash, equal to the Allowed Amount of its Priority Claim, in accordance with Section 1129(a)(9)(B) of the Bankruptcy Code, (b) under such other terms as may be agreed upon by both the Holder of such Allowed Priority Claim and the Liquidating Trustee,

or (c) as otherwise ordered by a Final Order of the Bankruptcy Court. Each Class 1 is Unimpaired. Classes 1WFGM and 1WFGA are empty.

(b) Secured Claims: Classes 2WFG, 2WFGI, 2WFGM and 2WFGA. Each Holder of an Allowed Secured Claim shall receive one of the following at the Debtor or the Liquidating Trustee's sole option: (a) the Debtor or the Liquidating Trust shall surrender all collateral securing such Claim to the Holder thereof, in full satisfaction of such Holder's Allowed Class 2A Claim, without representation or warranty by, or recourse against, the Debtor or the Liquidating Trust, or (b) such Holder shall receive the proceeds from the sale of such Holder's Collateral. Each Class 2 is Unimpaired or (c) if such Holder has a deposit or retainer that equals or exceeds the amount of the claim, the holder may offset such retainer or deposit in an amount sufficient to satisfy the claim. Classes 2WFGI, 2WFGM and 2WFGA are empty.

(c) General Unsecured Claims: Classes 3WFG, 3WFGI, 3WFGM and 3WFGA. Except to the extent that a holder of an Allowed General Unsecured Claim shall have agreed in writing to a different treatment, each holder of an Allowed General Unsecured Claim shall receive a *pro rata* share of the Unsecured Distribution Amount attributable to its estate. Under no circumstances shall any holder of an Allowed General Unsecured Claim receive more than payment in full of such Claim.

(d) Subordinated Claims: Classes 4WFG, 4WFGI, 4WFGM and 4WFGA. Holders of Subordinated Claims shall receive no distribution under the Plan until all Allowed Administrative Priority and General Unsecured Claims in the applicable estate have been paid in full. Thereafter, Holders of the Subordinated Claims shall receive payments of the remaining funds in the Liquidating Trust up to the full amount of their Allowed Subordinated Claim. The Debtors are not aware of any subordinated claims.

(e) Equity Interests: Classes 5WFG, 5WFGI, 5WFGM and 5WFGA. Equity Interests in the Debtors shall be cancelled without further action or order of the Bankruptcy Court and all holders of Equity Interests shall not receive or retain any property under this Plan as a result of such interest.

Treatment of Executory Contracts and Unexpired Leases

Rejection of Executory Contracts and Unexpired Leases. Pursuant to Sections 365 and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtors and another Person or Entity shall be deemed rejected by the Debtors as of the Confirmation Date (collectively, the "Rejected Contracts"), unless there is pending before the Bankruptcy Court on the Confirmation Date a motion to assume any executory contract or unexpired lease.

Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection as of the Effective Date of each executory contract or unexpired lease rejected pursuant to Article 7 of the Plan.

Claims under Rejected Executory Contracts and Unexpired Leases. Any Claim for damages arising by reason of the rejection of any executory contract or unexpired lease must be filed with the Bankruptcy Court on or before the Bar Date for rejection damage Claims in respect of such rejected executory contract or unexpired lease and served upon the Debtor or such Claim shall be forever barred and unenforceable against the Debtor and/or the applicable Liquidating Trust. With respect to the Rejected Contracts, the Bar Date shall be thirty (30) days after the Confirmation Date. Such Claims, once fixed and liquidated by the Bankruptcy Court and determined to be Allowed Claims, shall be General Unsecured Claims. The Plan and any other order of the Bankruptcy Court providing for the rejection of an executory contract or unexpired lease shall constitute adequate and sufficient notice to Persons or Entities which may assert a Claim for damages from the rejection of an executory contract or unexpired lease of the Bar Date for filing a Claim in connection therewith.

Insurance None of the Disclosure Statement, Plan, or Confirmation Order shall: (a) modify the coverage provided under the Debtors' current, unexpired insurance policies, (b) except as provided for in the Plan, alter in any way the rights and obligations of the Debtors' insurers under their policies, or (c) except as provided in the Plan, alter in any way the rights and obligations of the Debtors or the Liquidating Trustee, as applicable, under the insurance policies, including, without limitation, any duty of the Debtors or the Liquidating Trustee, as applicable, to defend, at their own expense, against claims asserted under the insurance policies. The Debtors' insurers shall retain any and all defenses to coverage that such insurers may have, including the right to contest and/or litigate with any party, including the Liquidating Trust, as applicable, the existence, primacy, and/or scope of available coverage under any alleged applicable policy. Nothing in the Disclosure Statement, Plan or Confirmation Order in any way permits any holder of a Claim to recover the same amounts from the insurers and any other party including, but not limited to, the Debtors or the Liquidating Trustee. Nothing in the Disclosure Statement, Plan, or Confirmation Order shall modify the rights of the Debtors' insurers with respect to the maintenance or use of any letters of credit, or other collateral and security provided to them, in connection with liabilities arising under the applicable insurance agreements.

Means of Implementation of the Plan

General Overview of Plan. The Plan is a liquidating plan that calls for the liquidation of the Assets of the Debtors. On the Effective Date of the Plan, all of the Equity Interests in the Debtors shall be deemed cancelled, annulled, extinguished and surrendered without any further action by any party and shall be of no further force and effect, and the Liquidating Trustee and a Claims Resolution Arbitrator shall be appointed to implement the terms of the Plan with respect to the Liquidating Trust and the Claims Resolution Process, as set forth in Articles 8 and 9 of the Plan. After Confirmation, the Liquidating Trustee will be empowered to pursue and structure Settlement Agreements.

Effective Date Transactions; Vesting of Assets in the Liquidating Trust. On or as of the Effective Date, the Plan shall be implemented and the appointment of the Liquidating Trustee shall become effective. The Liquidating Trustee shall be automatically substituted for the Debtors as a party to all contested matters, adversary proceedings, claims, administrative proceedings and lawsuits, both within and outside of the Bankruptcy Court, involving the Assets, Claims against the Debtors, the Causes of Action, and the resolution of Disputed Claims. All of the Assets shall

vest in the applicable Liquidating Trusts, and all privileges with respect to the Assets, including the attorney/client privilege, to which the Debtors is or would be entitled shall automatically vest in, and may be asserted by or waived on behalf of, the Liquidating Trusts. On the Effective Date, the appointment of the Claims Resolution Arbitrator shall become effective.

Continued Corporate Existence; Dissolution. As of the Effective Date, the Debtors shall be administratively dissolved and Liquidating Trustee shall file a certificate of dissolution (or its equivalent) with the secretary of state or similar official. The officers and directors of the Debtors immediately prior to the Effective Date shall be deemed to have resigned without any further action by any party. From and after the Confirmation Date and until the Effective Date, the board of directors and officers of the Debtors shall have all powers accorded by law to put into effect and carry out the Plan and the Confirmation Order. Notwithstanding anything to the contrary set forth in the Plan, the management and administration of the Liquidating Trusts (and the Assets) shall be the sole responsibility of the Liquidating Trustee. Notwithstanding anything to the contrary set forth in the Plan, the management and administration of the Claims Resolution Process as it applies to the Securities-Related Claims shall be the sole responsibility of the Claims Resolution Arbitrator.

Selection, Duties and Compensation of the Liquidating Trustee. The initial Liquidating Trustee shall be disclosed in the Plan Supplement, and the appointment shall be effective as of the Effective Date. The Liquidating Trustee shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan and in the Confirmation Order. The Liquidating Trustee shall have and perform all of the duties, responsibilities, rights and obligations set forth in this Plan and in the Confirmation Order. The responsibilities of the Liquidating Trustee shall include (i) object to the allowance of Claims; (ii) open, maintain and administer bank accounts; (iii) engage employees and professional persons, including in the Liquidating Trustee's discretion, professionals previously retained by the Debtors, as necessary or desirable to assist in carrying out the provisions of and purposes underlying the Plan and the Liquidating Trust Agreement (which shall be filed no later than ten (10) days after entry of the order approving the Disclosure Statement); (iv) incur and pay reasonable fees, costs, and expenses in connection with administering the Liquidating Trust and implementing the terms of the Plan and the Liquidating Trust Agreement, including the reasonable fees, costs and expenses of retained professionals, in accordance with the provisions of the Plan and the Liquidating Trust Agreement; (v) expend the Liquidating Trust Assets as necessary to maintain the value of the assets of the Liquidating Trust during liquidation; (vi) investigate, analyze, commence, prosecute, litigate, compromise and otherwise administer the Causes of Action, and take all other necessary and appropriate steps to collect, recover, settle, liquidate or otherwise reduce the Liquidating Trust Assets to Cash; (vii) approve compromises of the Causes of Action and all Claims, and execute all necessary and appropriate documents to effectuate such settlements, without notice to any party and without further order of the Bankruptcy Court; (viii) administer, sell, liquidate, or otherwise dispose of the Liquidating Trust Assets in accordance with the terms of the Plan and the Liquidating Trust Agreement; (ix) represent the Liquidating Trust before the Bankruptcy Court and other courts of competent jurisdiction, if necessary, with respect to matters regarding the administration of the Liquidating Trust; (x) comply with any applicable orders of the Bankruptcy Court and any other court of competent jurisdiction, and all applicable laws and regulations, concerning the matters set forth herein; (xi) hold legal title to any and all rights of the Debtors, the Estate and the Beneficiaries under the Liquidating Trust Agreement in or arising from the Liquidating Trust Assets; (xii)

represent the Liquidating Trust in any arbitration and participate in said arbitrations; (xiii) in reliance upon the Schedules and the claims register maintained in the Bankruptcy Case, maintain on the Liquidating Trustee's books and records a register evidencing the beneficial interest held by each Beneficiary as provided by the Liquidating Trust Agreement; (xiv) make all distributions to the Holders of Allowed Claims provided for, or contemplated by, the Plan; (xv) establish the Disputed Claims Reserve; (xvi) establish the Administrative Reserve; (xvii) make all tax withholdings, file tax information returns, make tax elections by and on behalf of the Liquidating Trust and file tax returns for the Liquidating Trust as a grantor trust in accordance with Treasury Regulations Section 1.671-4(a); (xviii) pay any taxes imposed on the Liquidating Trust; (xix) send annually to each Beneficiary under the Liquidating Trust Agreement a separate statement of the Beneficiary's share of the Liquidating Trust's income, gain, loss, deduction or credit, and instruct all such Beneficiaries to report such items on their federal tax returns; (xx) as soon as reasonably practicable after the Effective Date, make a good faith valuation of the Liquidating Trust Assets which shall be made available from time to time, to the extent relevant, and used consistently by all parties for all income tax purposes; (xxi) carry insurance coverage if the Liquidating Trustee deems such insurance necessary and appropriate in his or her sole and absolute discretion; (xxii) exercise such other powers as may be vested in the Liquidating Trustee pursuant to the Plan, the Liquidating Trust Agreement, the Confirmation Order, or other Final Orders of the Bankruptcy Court; (xxiii) execute any documents, instruments, contracts or agreements necessary or desirable to carry out the powers and duties of the Liquidating Trustee; (xxiv) act as the records custodian of the Debtors pursuant to SEC and FINRA requirements; (xxv) stand in the shoes of the Debtors and the Estate for all purposes consistent with the Plan and the Liquidating Trust Agreement; (xxvi) the Liquidating Trustee shall file quarterly post-confirmation reports and shall pay quarterly fees due to the Office of United States Trustee until such time as a final decree is entered, the case is dismissed, converted, closed or the Bankruptcy Code orders otherwise; and (xxvii) such other responsibilities as may be vested in the Liquidating Trustee pursuant to the Plan, by orders of the Bankruptcy Court, or as may be necessary and proper to carry out the provisions of the Plan.

In addition to the powers described above, the Liquidating Trustee shall be empowered to appoint Special Counsel on behalf of any particular Liquidating Trust in the event of any actual or potential conflict between the Liquidating Trusts. Special Counsel so appointed shall have the power to litigate or settle, any such dispute referred to it. The Liquidating Trustee shall be deemed to be for all purposes the "representative" of the respective Liquidating Trust as set forth in Section 1123(b) of the Bankruptcy Code to retain, enforce, settle and prosecute all Causes of Action. The Liquidating Trustee shall use best efforts to promptly liquidate the Assets of the Liquidating Trust as soon as practicable at minimal cost and to distribute the proceeds thereof as soon as practicable pursuant to the Plan.

The initial compensation of the Liquidating Trustee shall be approved by the Bankruptcy Court, and that compensation, plus reimbursement for actual, reasonable and necessary expenses incurred by the Liquidating Trustee, shall be paid by the Liquidating Trust. From and after the Effective Date, any professionals engaged or retained by the Liquidating Trustee shall be entitled to reasonable compensation to perform services for the Liquidating Trustee. The fees and expenses of the Liquidating Trustee and any professionals employed by the Liquidating Trustee shall be subject to review by the United States Trustee. Unless the United States Trustee files an objection with the Bankruptcy Court within twenty (20) days of the receipt of any invoice of the Liquidating Trustee or his or her professionals, the Liquidating Trustee shall be fully authorized without an

order of the Bankruptcy Court to pay, on a monthly basis, one hundred percent (100%) of the fees and one hundred percent (100%) of the expenses incurred by the Liquidating Trustee and his or her professionals out of the Assets of the Liquidating Trust. If an objection is filed, then the Liquidating Trustee shall still be fully authorized without an order of the Bankruptcy Court to pay, on a monthly basis, one hundred percent (100%) of the fees and one hundred percent (100%) of the expenses incurred by the Liquidating Trustee and his or her professionals that are not subject to an objection. The Bankruptcy Court shall retain jurisdiction over any objections to such fees and expenses that are filed. The Liquidating Trustee and any professionals he or she hires shall not be required to file any applications for compensation with the Bankruptcy Court.

The Liquidating Trustee shall not be required to give any bond or surety or other security for the performance of his or her duties unless otherwise ordered by the Bankruptcy Court. If otherwise so ordered, all costs and expenses of procuring any such bond shall be paid by the Liquidating Trust.

The Liquidating Trustee shall serve from and after the Effective Date until his or her successor is duly appointed and qualified or until his or her earlier death, resignation or removal. In the event of the death, resignation or removal of the Liquidating Trustee, any successor thereto shall be selected by the United States Trustee.

Pursuit of Causes of Action. On the Effective Date, the Causes of Action shall be vested in the applicable Liquidating Trust; except to the extent that a Creditor or other third party has been specifically released from any Cause of Action by the terms of the Plan or by Bankruptcy Court Order. The Causes of Action shall be pursued by the Liquidating Trustee. The Debtors are not currently in a position to express an opinion on the merits of any of the Causes of Action or on the recoverability of any amounts as a result of any such Causes of Action. For purposes of providing notice, the Debtors state that any party in interest that engaged in business or other transactions with the Debtors Prepetition or that received payments from the Debtors Prepetition may be subject to litigation to the extent that applicable bankruptcy or non-bankruptcy law supports such litigation.

No Creditor or other party should vote for the Plan or otherwise rely on the Confirmation of the Plan or the entry of the Confirmation Order in order to obtain, or on the belief that it will obtain, any defense to any Causes of Action. No Creditor or other party should act or refrain from acting on the belief that it will obtain any defense to any Cause of Action. ADDITIONALLY, (UNLESS EXPRESSLY SET FORTH IN THE PLAN), THE PLAN DOES NOT, AND IS NOT INTENDED TO, RELEASE ANY CAUSES OF ACTION OR OBJECTIONS TO CLAIMS, AND ALL SUCH RIGHTS ARE SPECIFICALLY RESERVED IN FAVOR OF THE LIQUIDATING TRUSTEE AND THE LIQUIDATING TRUST. Creditors are advised that legal rights, claims, and rights of action the Debtors may have against them, if they exist, are retained under the Plan for prosecution unless a specific order of the Bankruptcy Court authorizes the release of such claims. As such, Creditors are cautioned not to rely on (i) the absence of the listing of any legal right, claim or right of action against a particular Creditor in the Disclosure Statement, the Plan, or the Schedules or (ii) the absence of litigation or demand prior to the Effective Date of the Plan as any indication that the Debtors or the Liquidating Trustee do not possess or do not intend to prosecute a particular claim or cause of action if a particular Creditor votes to accept the Plan. It is the expressed intention of the Plan to preserve rights, claims, and rights of action of the

Debtors, whether now known or unknown, for the benefit of the Liquidating Trust and the Debtors' Creditors. A Cause of Action shall not, under any circumstances, be waived as a result of the failure of the Debtors to describe such Cause of Action with specificity in the Plan or the Disclosure Statement.

The Debtors do not presently know the full extent of the Causes of Action and, for purposes of voting on the Plan, all Creditors are advised that the Liquidating Trustee will have substantially the same rights that a Chapter 7 Trustee would have with respect to the Causes of Action. Accordingly, neither a vote to accept the Plan by any Creditor nor the entry of the Confirmation Order will act as a release, waiver, bar or estoppel of any Causes of Action against such Creditor or any other Person or Entity, unless such Creditor, Person or Entity is specifically identified by name as a released party in the Plan, in the Confirmation Order, or in any other Final Order of the Bankruptcy Court. Confirmation of the Plan and entry of the Confirmation Order is not intended to and shall not be deemed to have any res judicata, collateral estoppel or other preclusive effect which would precede, preclude, or inhibit prosecution of such Causes of Action following Confirmation of the Plan.

The Claims Resolution Process

The Allowed Amount of all Securities-Related Claims, for purposes of allowance and distribution in the Liquidation case only, shall be determined pursuant to the Claims Resolution Process set forth in Article 9 of the Plan, unless the Holder of a Securities-Related Claim elects to have his or her claim estimated by the Bankruptcy Court for purposes of distribution under the Plan. The purpose of the Claims Resolution Process shall be to, among other things, establish the method pursuant to which the Claims Resolution Arbitrator will make a final and binding determination with respect to the Allowed Amount of all Securities-Related Claims that cannot be resolved by agreement between the Securities Related Claimant and the Debtor (before the Effective Date) or the Liquidating Trustee (after the Effective Date), in accordance with the Plan and the Confirmation Order.

Investors in Servergy, Inc., who have filed arbitration claims with FINRA against Debtor WFG Investments, Inc., and who are represented by Goodman & Nekvasil, P.A., may seek to have their claims resolved in a consolidated FINRA arbitration before one of the Alabama FINRA arbitration panels that is currently appointed to hear their claims, or, if one of these panels is not available, before another FINRA arbitration panel.

The Debtors are opposed to such procedures and believe that those claims should be resolved pursuant to the dispute resolution procedures provided in the Plan of Liquidation, as will be the case for all other holders of disputed investment claims.

On April 20, 2018, the Court held a hearing on the investors in Servergy's Motion for Relief form Stay and Motion to Compel Arbitration. As a result, the automatic stay remains in full force and effect as provided in Section 362 of the Bankruptcy Code. In the event, the Plan is not confirmed by July 2, 2018, the automatic stay will be lifted as to those claimants' claims to proceed in an arbitration proceeding.

Claims Resolution Expenses. The Liquidating Trustee shall pay all Claims Resolution Expenses from the Liquidating Trust in accordance with the Plan. In the event that a claim proceeding involves more than one trust, the final allocation of expenses shall be determined on the basis of the final result *pro-rata*, or in the event of a no liability finding against all Liquidating Trusts as determined by the Trustee.

Selection, Duties and Compensation of the Claims Resolution Arbitrator. The initial Claims Resolution Arbitrator shall be Hon. Glen M. Ashworth, subject to the approval of the Bankruptcy Court, and such appointment shall be effective as of the Effective Date.

The Claims Resolution Arbitrator shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan and the Conformation Order. For purposes of performing his or her duties and fulfilling his or her obligations under the Plan, the Claims Resolution Arbitrator shall be deemed to be a party in interest within the meaning of Section 1109(b) of the Bankruptcy Code. The responsibilities of the Claims Resolution Arbitrator shall include (i) the receipt and review of all documentation related to Securities-Related Claims, the determination with respect to Allowed Amount of Securities-Related Claims, both with respect to liability and damages, all as governed by the Plan; (ii) acting as mediator for all mediations of Securities-Related Claims; (iii) the calculation and final and binding determination of the Allowed Amounts of all Securities-Related Claims that are not resolved in a consensual manner; and (iv) such other responsibilities as may be vested in the Claims Resolution Arbitrator pursuant to the Plan, by orders of the Bankruptcy Court, or as may be necessary and proper to carry out the provisions of the Plan, including the retention of professionals.

The initial compensation of the Claims Resolution Arbitrator shall be approved by the Bankruptcy Court, and such compensation, plus reimbursement for actual, reasonable and necessary expenses incurred by the Claims Resolution Arbitrator, shall constitute Claims Resolution Expenses to be paid from the Liquidating Trust. The Claims Resolution Arbitrator shall not be entitled to increase his or her compensation absent approval of the Liquidating Trustee and the United States Trustee or an order of the Bankruptcy Court. From and after the Effective Date, any professionals engaged or retained by the Claims Resolution Arbitrator shall be entitled to reasonable compensation to perform services for the Claims Resolution Arbitrator. The fees and expenses of the Claims Resolution Arbitrator and any professionals employed by the Claims Resolution Arbitrator shall be subject to review by the Liquidating Trustee and the United States Trustee. Unless the Liquidating Trustee or the United States Trustee files an objection with the Bankruptcy Court within twenty (20) days of the receipt of any invoice of the Claims Resolution Arbitrator or his or her professionals, the Liquidating Trustee shall be fully authorized without an order of the Bankruptcy Court to pay, on a monthly basis, one hundred percent (100%) of the fees and one hundred percent (100%) of the expenses incurred by the Claims Resolution Process and the Claims Resolution Arbitrator and his or her professionals. If an objection is filed, then the Liquidating Trustee shall still be fully authorized without an order of the Bankruptcy Court to pay, on a monthly basis, one hundred percent (100%) of the fees and one hundred percent (100%) of the expenses incurred by the Claims Resolution Process and the Claims Resolution Arbitrator and his or her professionals that are not subject to an objection. The Bankruptcy Court shall retain jurisdiction over any objections to such fees and expenses that are filed. Neither the Claims Resolution Arbitrator nor any professional he retains, shall be required to file any applications for compensation with the Bankruptcy Court.

The Claims Resolution Arbitrator shall not be required to give any bond or surety or other security for the performance of his or her duties unless otherwise ordered by the Bankruptcy Court. If otherwise so ordered, all costs and expenses of procuring any such bond shall constitute Claims Resolution Expenses.

The Claims Resolution Arbitrator shall serve from and after the Effective Date until his successor is duly appointed and qualified or until his or her earlier death, resignation or removal. In the event of the death, resignation or removal of the Claims Resolution Arbitrator, any successor thereto shall be selected by the Liquidating Trustee subject to court approval after notice to creditors with disputed claims to the Master Service List and a hearing before the Bankruptcy Court.

Operation of Claims Resolution Process. As of the Effective Date, the Claims Resolution Arbitrator shall be empowered to act as the final arbitrator and make a final and binding determination with respect to the Allowed Amount of all Securities-Related Claims, unless the Holder of a Securities-Related Claim elects to have his or her claim estimated by the Bankruptcy Court for purposes of distribution under the Plan. The Bankruptcy Court has broad authority and power to estimate the Securities-Related Claims and establish the process related thereto best suited under the circumstances, subject to due process requirements. The process established by the Court may be a summary-type hearing or evidentiary in nature similar to adversary proceedings.

Detailed procedures for the operation of the Claims Resolution Process are set forth in the Plan. The purpose of the Claims Resolution Process is to provide an expedited method for resolution of Securities-Related Claims which will be faster, more efficient, and less expensive than FINRA arbitration or litigation of such Securities-Related Claims. The Liquidating Trustee will review all Potential Securities Related Claims within thirty (30) days from the Effective Date and determine whether to accept the Securities Related Claim for distribution under the Plan as filed or scheduled, or whether further estimation process is necessary. If a Securities Related Claim is not accepted by the Liquidating Trustee, the Liquidating Trustee will contact the Claimant or the attorney for the Claimant and request additional non-privileged information on an approved Securities-Related Claim form, with attached supporting documentation as required, to assist the Liquidating Trustee in evaluating the Claim. Claimants must respond to the Information Request from the Liquidating Trustee within thirty (30) days of the date the request is made by providing the information request or explaining why the information cannot be provided within 30 days. The Information Request will contain an election of whether the Claimant desires his or her claim to be estimated by the Claims Resolution Arbitrator or the Bankruptcy Court. At any time after review of the information provided, the Claims Resolution Arbitrator may engage in informal mediation with the Claimant and/or the Claimant's attorney on the one hand and the Liquidating Trustee on the other to determine if a settlement of the Securities Related Claim can be agreed upon. In the event the Liquidating Trustee and Claimant cannot come to an agreement on the amount of the Claim within ninety (90) days after the Effective Date, the claim shall go to mediation with the Claims Resolution Arbitrator acting as mediator.

If a Securities Related Claim cannot be resolved by mediation, the Securities-Related Claim shall be decided by the Claims Resolution Arbitrator or the Bankruptcy Court based on the Claimant's election stated in the Claimant's response to the Information Request. The Claims

Arbitrator may conduct an arbitration to receive evidence and argument in support of a Securities Related Claim. It is intended that an arbitration pursuant to the Plan will be less formal than normal FINRA arbitrations. Rules of evidence are not applicable. The Claims Resolution Arbitrator will have the discretion to establish appropriate procedures for each arbitration.

The Claims Resolution Arbitrator shall then calculate the amount of each Allowed Securities-Related Claim. With respect to this loss calculation, there shall be no credit for interest, fees, costs, or attorneys' fees. The determination of the Claims Resolution Process Administrator with respect to the Allowed Amount of all Securities-Related Claims shall be final and binding on all Securities-Related Claimants who elect to have their Securities-Related Claims arbitrated.

Determination of Claims Other Than Securities-Related Claims. Unless otherwise ordered by the Bankruptcy Court, and except as to any late-filed Claims and Claims resulting from the rejection of executory contracts or unexpired leases, if any, all objections to Claims shall be filed with the Bankruptcy Court by no later than ninety (90) days following the Effective Date (unless such period is extended by the Bankruptcy Court upon motion of the Debtors or the Liquidating Trustee), and the Confirmation Order shall contain appropriate language to that effect. Holders of Unsecured Claims that have not filed such Claims on or before the Bar Date shall serve notice of any request to the Bankruptcy Court for allowance to file late Unsecured Claims on the Debtors and such other parties as the Bankruptcy Court may direct. If the Bankruptcy Court grants the request to file a late Unsecured Claim, such Unsecured Claim shall be treated in all respects as an Unsecured Claim. Objections to late-filed Claims and Claims resulting from the rejection of executory contracts or unexpired leases shall be filed on the later of (a) thirty (30) days following the Effective Date or (b) the date sixty (60) days after the Debtors receive actual notice of the filing of such Claim.

Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the Holder of the Claim if the Debtors or the Liquidating Trustee effectuates service in any of the following manners (a) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004, (b) to the extent counsel for the Holder of a Claim is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto, or (c) by first class mail, postage prepaid, on any counsel that has filed a notice of appearance in the Liquidation Case on behalf of the Holder of a Claim.

Disputed Claims shall be fixed or liquidated in the Bankruptcy Court as core proceedings within the meaning of 28 U.S.C. § 157(b)(2)(B) unless the Bankruptcy Court orders otherwise. If the fixing or liquidation of a contingent or unliquidated Claim would cause undue delay in the administration of the Liquidation Case, such Claim shall be estimated by the Bankruptcy Court for purposes of allowance and distribution. Upon receipt of a timely filed Proof of Claim, the Debtor, the Liquidating Trustee or other party in interest may file a request for estimation along with its objection to the Claim set forth therein. The determination of Claims in Estimation Hearings shall be binding for purposes of establishing the maximum amount of the Claim for purposes of allowance and distribution. Procedures for specific Estimation Hearings, including provisions for discovery, shall be set by the Bankruptcy Court giving due consideration to applicable Bankruptcy Rules and the need for prompt determination of the Disputed Claim.

De Minimis Distributions as to Allowed Class 3 General Unsecured Claims. In order to avoid the disproportionate expense and inconvenience associated with making a de minimis distribution to the Holder of an Allowed General Unsecured Claim, the Liquidating Trustee shall not be required to make, and shall be excused from making, any initial or interim distribution to such Holder which is in the amount of less than $25.00. At the time of any final distribution to the Holders of Allowed Class 3 Unsecured Claims, all such excused distributions to such Holder shall be aggregated and, if such aggregated amount is $25.00 or more, the Liquidating Trustee shall make a final distribution to such Holder equal to such aggregated amount.

Unclaimed Distributions. If the Holder of an Allowed Claim fails to negotiate a check issued to such Holder within ninety (90) days of the date such check was issued, then the Liquidating Trustee shall provide written notice to such Holder stating that unless such Holder negotiates such check within ninety (90) days of the date of such notice, the amount of Cash attributable to such check shall be deemed to be unclaimed, such Holder shall be deemed to have no further Claim in respect of such check, such Holder's Allowed Claim shall no longer be deemed to be Allowed, and such Holder shall not be entitled to participate in any further distributions under the Plan in respect of such Claim.

If a Cash distribution made pursuant to the Plan to any Holder of an Allowed Claim is returned to the Liquidating Trustee due to an incorrect or incomplete address for the Holder of such Allowed Claim, and no claim is made in writing to the Liquidating Trustee as to such distribution within ninety (90) days of the date such distribution was made, then the amount of Cash attributable to such distribution shall be deemed to be unclaimed, such Holder shall be deemed to have no further Claim in respect of such distribution, such Holder's Allowed Claim shall no longer be deemed to be Allowed, and such Holder shall not be entitled to participate in any further distributions under the Plan in respect of such Claim.

Any unclaimed Cash distribution as described above originally sent by the Liquidating Trustee shall be contributed by the Liquidating Trustee on behalf of the Liquidating Trust to Texas Comptroller pursuant to the Texas Unclaimed Property Laws.

Standing to Object to Intercompany Claims. Notwithstanding any other provision in the Plan, both the Liquidating Trustee and the Trustee of the Dallas Proton bankruptcy estate shall have standing to object to any intercompany claim.

Transfer of Claim. In the event that the Holder of any Claim shall transfer such Claim on and after the Effective Date, such Holder shall immediately advise the Liquidating Trustee in writing of such transfer and provide sufficient written evidence of such transfer. The Liquidating Trustee shall be entitled to assume that no transfer of any Claim has been made by any Holder unless and until the Liquidating Trustee shall have received written notice to the contrary. Each transferee of any Claim shall take such Claim subject to the provisions of the Plan and to any request made, waiver or consent given or other action taken hereunder and, except as otherwise expressly provided in such notice, the Liquidating Trustee shall be entitled to assume conclusively that the transferee named in such notice shall thereafter be vested with all rights and powers of the transferor under the Plan.

One Distribution Per Holder. If the Holder of a Claim holds more than one Claim in any one Class, all Claims of such Holder in such Class shall be aggregated and deemed to be one Claim for distribution purposes, and only one distribution shall be made with respect to the single aggregated Claim.

Effect of Pre-Confirmation Distributions. Nothing in the Plan shall be deemed to entitle the Holder of a Claim that received, prior to the Effective Date, full or partial payment of such Holder's Claim, by way of settlement or otherwise, pursuant to an order of the Bankruptcy Court, provision of the Bankruptcy Code, or other means, to receive a duplicate payment in full or in part pursuant to the Plan; and all such full or partial payments shall be deemed to be payments made under the Plan for purposes of satisfying the obligations of the Debtor or the Liquidating Trustee to such Holder hereunder.

No Interest on Claims or Equity Interests. Except as expressly stated in the Plan or otherwise Allowed by a Final Order of the Bankruptcy Court, no Holder of an Allowed Claim shall be entitled to the accrual of Postpetition interest or the payment of Postpetition interest, penalties, or late charges on account of such Allowed Claim for any purpose. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

Compliance with Tax Requirements. In connection with the Plan, the Liquidating Trustee shall comply with all tax withholding and reporting requirements imposed by federal, state, local and foreign taxing authorities and all distributions hereunder shall be subject to such withholding and reporting requirements.

Conditions Precedent to Confirmation of the Plan. The following conditions precedent to Confirmation of the Plan must each be satisfied or waived in accordance with Article 11 of the Plan before the Plan can be confirmed. These conditions to Confirmation are as follows:

(a) The Bankruptcy Court shall have made such findings and determinations regarding the Plan as shall enable the entry of the Confirmation Order in a manner consistent with the provisions of the Plan and in a form satisfactory to the Debtors.

Conditions Precedent to the Effective Date. The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or may be waived in accordance with Article 11.2 of the Plan:

(a) The Confirmation Order shall have been entered by the Bankruptcy Court and the Confirmation Order and any order of the District Court shall be in form and substance acceptable to the Debtors and the Liquidating Trustee, and the Confirmation Order (and any affirming order of the District Court) shall have become a Final Order; provided, however; that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtors unless the effectiveness of the Confirmation Order has been stayed, reversed or vacated. The Effective Date may occur, again at the option of the Debtors, on the first Business Day immediately following the expiration or other termination of any stay of effectiveness of the Confirmation Order; and

(b) The Plan Documents necessary or appropriate to implement the Plan shall have been executed and delivered; all conditions precedent to the effectiveness of each of such Plan Documents shall have been satisfied or waived by the respective parties thereto; and the Plan Documents shall be in full force and effect. The Plan Documents shall be acceptable to the Liquidating Trustee and the Debtors.

(c) The conditions precedent set forth in Article 11.1 and Article 11.2 of the Plan may be waived, in whole or in part, by the Debtors, without any notice to the Bankruptcy Court and without a hearing.

Injunction, Exculpation from Liability and Releases.

Article 12 of the Plan contains detailed exculpation and injunction provisions for the benefit of the Debtors and other parties. Set forth below is a summary of these provisions.

Exculpation from Liability. **The Debtors and their officers, directors, shareholders, agents and employees and their Professionals (acting in such capacity), shall neither have nor incur any liability whatsoever to any Person or Entity for any act taken or omitted to be taken in good faith in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, any Plan Document, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Plan or the Liquidation Cases; provided, however, that this exculpation from liability provision shall not be applicable to any liability found by a court of competent jurisdiction to have resulted from gross mismanagement, breach of fiduciary duty, fraud or the willful misconduct of any such party. The rights granted under Article 12.1 of the Plan are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Debtors and their Professionals have or obtain pursuant to any provision of the Bankruptcy Code or other applicable law. This exculpation from liability provision is an integral part of the Plan and is essential to its implementation. Notwithstanding anything to the contrary contained herein, the provisions of Article 12.1 of the Plan shall not release or be deemed a release of any of the Causes of Action.**

Debtors Releases. **In exchange for Wilson Williams waiving his rights to his $200,000 secured claim against WFGI, on or before the Effective Date, the Debtors, on behalf of themselves and their estates, shall be deemed to release unconditionally all of their respective officers, directors, shareholders, members, employees, partners, advisors, attorneys, financial advisors, accountants, and other professionals, and affiliates (including W.H. Williams Family Partnership) (collectively the "Released Parties" and each a "Released Party") from any and all claims, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions taken solely in their respective capacities described above or any omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, or the Plan, except that (i) no individual shall be released from any act or omission that constitutes gross negligence or willful**

misconduct, and (ii) the foregoing release applies to the Released Parties solely in their respective capacities described above.

Regardless of the forgoing release and exculpation, Released Parties may nonetheless be named in any director and officer ("D&O") claims commenced by the Liquidating Trustee as may be necessary to enable the Liquidating Trustee to plead and recover under and pursuant to the D&O Insurance. The Liquidating Trustee will limit his or her enforcement of recovery for causes of action against Released Parties to the amounts, if any, that the insurance company pays, or is required to pay, on its obligation to Debtors or the Liquidating Trust for D&O Claims and no event shall Released Parties have individual liability for such claims.

The following officers and directors are included in the definition of Released Parties included in the Debtor's Releases above:

Claude Connelly
Edward Kern
Fred Knopf
Thomas Kowalczyk
Emily Osborne
Robert Schlangen
David Williams
Wilson H. Williams

The following affiliates, including their ownership interest in WFG, are included in the Released Parties (these entities may be controlled by one or more of the Debtors' Insiders):

W.H. Williams Family LP – holds 33.4% ownership interest
Williams Family Dynasty Trust – holds 59.4% ownership interest
2011 Magnolia Interests, LTD – holds 6.5% ownership interest

The following affiliate, including its ownership interest in WFG Advisors, is included in the Released Parties:

WFG Advisors I, Inc. – hold 1% ownership interest

The Debtor Release was requested because although they do not believe they have engaged in any actionable behavior that would give rise to a claim, claim, the current directors and officers wanted to bring closure to their involvement with the Debtors for their own behalf, and on behalf of affiliates and certain other individuals who have served as officers and directors of the Debtors.

In evaluating the Debtors' Releases, the Debtors reviewed the history of payments to the officers and directors and determined that they were predominantly for wages, commissions, employee expense reimbursements and regularly scheduled debt service payments, within the ordinary course of the Debtors' business. In addition, the W.H. Williams Family Partnership ("**WHWFP**") acquired Fiscus' stock from WFG in exchange for the forgiveness of debt by Wilson Williams totaling $246,583.00 during the insider look back period. Fiscus was a privately held company that had no established market value. Subsequently the stock was sold by WHWFP for

approximately $65,700 to an unaffiliated party. The Debtors are unaware of any facts that would give rise to claims that would potentially be covered by D&O Insurance. Accordingly, the Debtors believe that getting $200,000 for the Debtors' release is a significant benefit to the Debtors and fair consideration for the settlement.

Certain creditors, including the Customer Creditors and Jones Claimants, believe that claims could exist against the Released Parties and that $200,000 may not be fair consideration for the releases because they believe, among other things, that Wilson Williams' $200,000 claim could be subject to disallowance, subordination, or recharacterization as an equity investment. The Debtors disagree with these assertions and further believe these assertions are based purely on hypothetical facts. The Insiders assert that valid property interests in the amount of $200,000 would be waived if this settlement is not accepted.

WFGI has accepted and consented to two fines assessed by FINRA related to alleged violations of FINRA rules based on conduct that occurred within four years of the Petition Date, which fines total $107,500. On June 10, 2016, FINRA initiated proceeding number 20140416168101 relating to 2014 or earlier conduct for allegedly failing to identify and apply sales charge discounts, which was resolved by WFGI accepting a fine of $65,000. On December 22, 2015, FINRA initiated proceeding number 201404598101 relating to 2014 or earlier conduct for allegedly effecting customer transaction in a municipal security in an amount lower than the minimum donation, which was resolved by WFGI accepting a fine of $42,500.

The Debtors do not believe these events would give rise to director or officer claims for various reasons, including (i) that violation of FINRA rules does not confer a private cause of action and (ii) the events in question did not involve actions by officers or directors or occur pursuant to policies approved by the officers or directors. All other FINRA proceedings initiated against WFGI related to conduct that occurred more than four years prior to the Petition Date and thus outside the applicable statute of limitations.

The Customer Creditors have requested the following chart be included in the Disclosure Statement. The Debtors assert that the two items below relate to conduct by a broker who was no longer associated with WFG after June 2013. The Debtors assert that the third item relates in part to that broker, and also to other events which occurred in or before July 2013. The Debtors do not believe any of these events would give rise to a claim against officers or directors, and further because all of these events occurred more than four years before the Petition Date, believe that any such claims would be barred by applicable statutes of limitation.

Date Initiated	Docket No.	Summary of Allegations	Resolution	Fine
5/31/2017	2015045755003	Failure to supervise.	Acceptance, Waiver & Consent	$150,000.00
2/5/2014	IC15-CF-03	Failure to enforce its written supervisory procedures	Acceptance, Waiver & Consent	$175,000.00
12/16/2014	2013035346501	Failure to supervise.	Acceptance, Waiver & Consent	$700,000.00

3/31/2014	2012033081101	Transmitted to the order audit trail system (OATS) reportable order events (ROES) that were rejected by OATS for context or syntax errors and were repairable. The firm failed to repair a majority of these rejected ROES. The findings states that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations.	Acceptance, Waiver & Consent	$17,500.00

The Debtors do maintain an insurance policy with a $2 million limit of liability covering claims against directors and officers, however, that policy excludes claims "in connection with the rendering of or the failure to render any professional services for others for a fee commission or other compensation" and thus would appear to exclude from coverage claims relating to the underlying facts involved in FINRA actions.

Certain creditors, including the Customer Creditors and Jones Claimants, believe that the history of FINRA fines and basis for them, including failure to supervise, might support claims against certain of the Debtors' insiders for, among other things, breaches of fiduciary duty. They also believe that coverage under the D&O policy could exist that could lead to additional assets for distribution to creditors, and that the D&O policy and ability to pursue claims that could lead to coverage must not be compromised, limited, or otherwise impacted by the plan.

For the avoidance of doubt, the releases contained in the Plan of Liquidation do not release any direct claim any person or entity holds against a Released Party.

Term of Certain Injunctions and Automatic Stay. All injunctions or automatic stays provided for in the Chapter 11 Cases and Liquidating Trust Agreement pursuant to Sections 105, 362 or other applicable provisions of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect as provided in Section 362 of the Bankruptcy Code.

With respect to all arbitrations and all lawsuits pending in courts in any jurisdiction (other than the Bankruptcy Court and arbitration proceedings) that seek to establish the Debtors' liability on Prepetition Claims asserted therein and that are stayed pursuant to Section 362 of the Bankruptcy Code, such lawsuits and arbitrations shall be deemed dismissed only with respect to the Debtors as of the Effective Date, unless the Liquidating Trustee with respect to Claims to be satisfied by it elects to have the Debtor's liability established by such other courts, and any pending motions seeking relief from the automatic stay for purposes of continuing any such lawsuits in such other courts shall be deemed denied as of the Effective Date, and the automatic stay shall continue in effect, unless the Liquidating Trustee elects to have the automatic stay lifted and to have the Debtors' liability established by such other courts; and the Prepetition Claims at issue in such lawsuits shall be determined and either Allowed or disallowed in whole or part by the

Bankruptcy Court pursuant to the applicable provisions of the Plan, unless otherwise elected by the Debtors as provided herein.

Any preliminary or permanent injunction entered by the Bankruptcy Court shall continue in full force and effect following the Confirmation Date and the Final Decree Date, unless otherwise ordered by the Bankruptcy Court.

No Liability for Tax Claims. Unless a taxing Governmental Authority has asserted a Claim against the Debtors before the Bar Date or Administrative Claims Bar Date established therefore, no Claim of such Governmental Authority shall be Allowed against the Debtors for taxes, penalties, interest, additions to tax or other charges arising out of (i) the failure, if any, of the Debtors, any of its Affiliates, or any other Person or Entity to have paid any tax due or to have filed any tax return (including any income, sales or franchise tax return) in or for any tax period ending on or prior to the Effective Date or (ii) an audit of any tax return of the Debtors for a tax period ending on or prior to the Effective Date.

Section 1146 Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any security or the making, delivery or recording of any instrument of transfer pursuant to, in implementation of, or as contemplated by the Plan or any Plan Document, or the revesting, transfer or sale of any real or personal Property of, by or in the Debtors pursuant to, in implementation of, or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by or in any way related to the foregoing, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall be, and hereby are, directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Retention of Jurisdiction. The Plan provides for the retention of jurisdiction by the Bankruptcy Court following the Effective Date to, among other things, determine all disputes relating to Claims, Equity Interests, and other issues presented by or arising under the Plan. The Bankruptcy Court will also retain jurisdiction under the Plan for any actions brought in connection with the implementation and consummation of the Plan and the transactions contemplated thereby. See Article 13 of the Plan for a more detailed description.

Nothing in the Confirmation Order or the Plan shall effect a release of any claim by the United States Government or any of its agencies or any state and local authority whatsoever, including without limitation any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority against any party or person, nor shall anything in the Confirmation Order or the Plan enjoin the United States or any state or local authority from bringing any claim, suit, action, or other proceedings against any party or person for any liability of such persons whatever, including without limitation any claim, suit or action arising under the Internal Revenue Code after the effective date, the environmental laws or any criminal laws of the United States or any state and local authority against such persons, nor shall anything in the Confirmation Order or the Plan exculpate any party or person from any

liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority against any party or person.

*Notwithstanding any provision herein to the contrary or an abstention from voting on the Plan, no provision of the Plan, or any order confirming the Plan, (i) releases any non-debtor person or entity from any claim or cause of action of the U.S. Securities and Exchange Commission ("**SEC**"); or, (ii) enjoins, limits, impairs or delays the SEC from commencing or continuing any claims, causes of action, proceedings or investigations against any non-debtor person or entity in any forum.*

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES.

VOTING ON AND CONFIRMATION OF THE PLAN

Confirmation and Acceptance by All Impaired Classes

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if all of the requirements of Bankruptcy Code Section 1129 are met. Among the requirements for confirmation of a Plan are that the Plan be accepted by all impaired classes of claims and equity interests, and satisfaction of the matters described below.

Feasibility. A Plan may be confirmed only if it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor. The Debtors believe that the parties will be able to perform their obligations under the Plan without further financial reorganization.

The Plan basically provides for the sale of assets and payment to Holders of Allowed Claims, including contingent, unliquidated, and Disputed Claims, to the extent they become Allowed Claims, in the order of their Bankruptcy Code priority. The Plan further authorizes and directs the Debtors to take all actions to implement the Plan. Accordingly, the Debtors believe that the Plan is per se feasible.

The obligations under the Plan to Holders of contingent, unliquidated, and Disputed Claims cannot be ascertained without the determination of the validity and amount of those Claims by the Bankruptcy Court. Until the Claim determination process is complete, the exact amount to be received by Unsecured Creditors cannot be ascertained.

Best Interests Standard. The Bankruptcy Code requires that the Plan meet the "best interest" test, which requires that members of a Class must receive or retain under the Plan,

property having a value not less than the amount which the Class members would have received or retained if the Debtor was liquidated under Chapter 7 on the same date. As set forth in the attached liquidation analysis, the Debtor believes that distributions to all Impaired Classes of Claims in accordance with the terms of the Plan would exceed the net distribution that would otherwise take place in Chapter 7. The proceeds to the General Unsecured Creditors in Chapter 7 would result in a worse outcome than the recoveries proposed in the Plan:

Est. Range of Unsecured Recovery	Plan Recoveries		Chapter 7
	Low	High	Recoveries
WFGA	91%	100%	84%
WFGI	29%	48%	28%
WFGM	17%	49%	14%
WFG	22%	32%	20%

Confirmation Without Acceptance by All Impaired Classes

If one or more of the Impaired Classes of Claims or Equity Interests does not accept the Plan, the Plan may nevertheless be confirmed and be binding upon the non-accepting Impaired Class under the "cram-down" provisions of the Bankruptcy Code, if the Plan does not "discriminate unfairly" and is "fair and equitable" to the non-accepting Impaired Classes under the Plan.

Discriminate Unfairly. The Bankruptcy Code requirement that a Plan not "discriminate unfairly" means that a dissenting class must be treated equally with respect to other classes of equal rank. The Debtors believe that the Plan does not "discriminate unfairly" with respect to any Class of Claims or Equity Interests because no class is afforded treatment which is disproportionate to the treatment afforded other Classes of equal rank.

Fair and Equitable Standard. The "fair and equitable" standard, also known as the "absolute priority rule," requires that a dissenting class receive full compensation for its allowed claims or interests before any junior class receives any distribution. The Debtors believe the Plan is fair and equitable to all Classes pursuant to this standard.

With respect to the Impaired Classes of Unsecured Claims, Bankruptcy Code Section 1129(b)(2)(B) provides that a Plan is "fair and equitable" if it provides that (i) each holder of a claim of such a class receives or retains on account of such claim, property of a value as of the effective date of the Plan equal to the allowed amount of such claim; or (ii) the Holder of any claim or interest that is junior to the claims of such class will not receive or retain any property under the Plan on account of such junior claim or interest. The Debtors believe that the Plan meets these standards.

With respect to Impaired Classes of Equity Interests, Bankruptcy Code Section 1129(b)(2)(C) provides that a Plan is "fair and equitable" if it provides that (i) each stockholder receives or retains on account of its stockholder interest, property of a value equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any

fixed redemption price to which such holder is entitled, or the value of such interest, or (ii) the holder of any interest that is junior to the interests of such class will not receive or retain any property under the Plan. The Debtors believe that the Plan meets these standards.

Accordingly, if necessary, the Debtors believe that the Plan meets the requirements for Confirmation by the Bankruptcy Court, notwithstanding the non-acceptance by an Impaired Class of Claims or Holders of Equity Interests.

The Debtors intend to evaluate the results of the balloting to determine whether to seek Confirmation of the Plan in the event that less than all the Impaired Classes of Claims or Equity Interests do not vote to accept the Plan. The determination as to whether to seek Confirmation under such circumstances will be announced before or at the Confirmation Hearing.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed, the potential alternatives include (a) alternative Plans under Chapter 11 (including a liquidation Plan), (b) dismissal of the cases, or (c) conversion of the cases to cases under Chapter 7 of the Bankruptcy Code.

Alternative Amended Plans of Liquidation

If the Plan is not confirmed, the Debtors or any other party in interest in the Liquidation Cases could attempt to formulate and propose a different Plan or Amended Plans. The Debtors believe that the Plan will enable Creditors to be paid the maximum amount possible for their Allowed Claims.

Liquidation under Chapter 7 or Chapter 11

If a Plan is not confirmed, the Liquidation Cases may be converted to Chapter 7 liquidation cases. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the assets of the Debtors and be entitled to a commission on all distributions. It is possible the conversion would result in the appointment of multiple trustees, each with their own professionals. Chapter 7 trustees may incur additional administrative fees as compared to the Liquidating Trustee as they would not be able to participate in the Claims Resolution Process. Converting the cases to Chapter 7 cases would simply add an additional layer of administrative expenses and costs to the Estates. By contrast, the Debtors estimate that post confirmation administrative expenses, including legal expenses, would be in the range of $450,000 to $600,000 as compared to approximately $750,000 if the Liquidation Cases were converted. The proceeds of the liquidation would be distributed to the Creditors and Holders of Equity Interests of the Debtors in accordance with the priorities established by the Bankruptcy Code.

In general, the Debtors believe that liquidation under Chapter 7 would result in diminution of the value of the interests of the Creditors because of (a) additional administrative expenses involved in the appointment of Liquidation Trustee and attorneys, accountants, and other professionals to assist the Liquidating Trustee; (b) additional expenses and claims, some of which might be entitled to priority, which would arise by reason of the liquidation; (c) failure to realize the full value of the Debtors' assets; (d) the inability to utilize the work product and knowledge of

the Debtors' Professionals; (e) the substantial delay which would elapse before Creditors would receive any distribution in respect of their Claims; and (f) litigation of various issues resolved by the Plan.

CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED HEREIN BY REFERENCE), PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

The Financial Projections included in this Disclosure Statement are dependent upon the validity of the assumptions contained therein. These projections reflect numerous assumptions, including, without limitation, confirmation and consummation of the Plan in accordance with its terms. In addition, unanticipated events and circumstances occurring subsequent to the preparation of the Disclosure Statement may affect financial results.

Costs of administration may exceed estimated claims, which would reduce estimated recoveries.

Numerous claims have been asserted against multiple estates and filed claims greatly exceed the amount of allowed claims that are estimated. Accordingly, if Allowed Claims in any particular estate exceed the estimates, actual recoveries to creditors would likely be less than estimated.

It the settlement of the insurance proceeds allocation is not approved, a different allocation than estimated could result and such would reduce recoveries to estates who receive less than they would have received if the settlement was approved. Moreover, litigation costs would likely increase as a result of the litigation over the appropriate allocation.

Although the Debtors believe that the Plan satisfies all of the requirements necessary for confirmation by the Court, there can be no assurance that the Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes to accept the Plan, as modified. If the Plan is not confirmed, significant delay will ensue, which the Debtors believe will hamper their prospects for liquidation and likely result in smaller recoveries to creditors.

While the Debtors project certain recoveries to creditors the exact amount of such recovery will be based upon the ultimate aggregate amount of Allowed General Unsecured Claims, the performance of the Liquidating Trust in managing the claims and the expenses of the Liquidating Trust. Accordingly, actual recoveries may ultimately be less than the projected approximate recovery.

SUMMARY, RECOMMENDATION AND CONCLUSION

The Plan provides for an orderly and prompt distribution to Holders of Allowed Claims against the Debtors. The Debtors believe that its efforts to maximize the return for Creditors have been full and complete. The Debtors further believe that the Plan is in the best interests of all Creditors, because, among other things, it is anticipated that all Unsecured Creditors will be paid more than they would receive under any alternative. In the event of a liquidation of the Debtors' assets under Chapter 7 of the Bankruptcy Code, the Debtors believe there would be little or no distribution to Unsecured Creditors. For these reasons, the Debtors urge that the Plan is in the best interests of all Creditors and that the Plan be accepted.

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Dated as May 1, 2018

Respectfully submitted

WILLIAMS FINANCIAL GROUP, INC.

By:_____
David Williams, President

WFG MANAGEMENT SERVICES, INC.

By:_____
David Williams, President

WFG INVESTMENTS, INC.

By:_____
David Williams, President

WFG ADVISORS, LP

By its GENERAL PARTNER
WFG ADVISORS I, INC.

By:_____
David Williams, President

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Counsel for the Debtors

EXHIBIT A

Williams Financial Group, Inc., et al
Chapter 7 Liquidation
Amended Disclosure Statement Exhibit

	WFG			WFGA			WFGI			WFGM		
Asset Category	**Asset Value**	**Liquidation %**	**Estimated Liquidated Value**	**Asset Value**	**Liquidation %**	**Estimated Liquidated Value**	**Asset Value**	**Liquidation %**	**Estimated Liquidated Value**	**Asset Value**	**Liquidation %**	**Estimated Liquidated Value**
Cash & Equivalents	45,656	100%	45,656	850,000	100%	850,000	4,200,000	100%	4,200,000	5,000	100%	5,000
Other (Equity in Subs)	-	100%	-	-	0%	-	-	0%	-	-	0%	-
Intercompany Claims	1,215,916	39%	475,800	-	0%	-	-	0%	-	187,638	39%	73,425
Total Assets	**1,261,572**		**521,456**	**850,000**		**850,000**	**4,200,000**		**4,200,000**	**192,638**		**78,425**
Administrative Expenses												
Ch 11 Professional Fees			-			237,500			712,500			-
Ch 7 Trustee Fees			15,644			25,500			126,000			2,353
Ch 7 Professional Fees			50,000			250,000			250,000			50,000
Other Admin			10,429			17,000			84,000			1,568
Total Admin Expenses			76,073			530,000			1,172,500			53,921
Funds Available to Creditors			**445,383**			**320,000**			**3,027,500**			**24,503**
	Claim Amount	**Recovery %**	**$ Distributed**	**Claim Amount**	**Recovery %**	**$ Distributed**	**Claim Amount**	**Recovery %**	**$ Distributed**	**Claim Amount**	**Recovery %**	**$ Distributed**
Secured Creditors	17,239	100%	17,239	-		-	-		-	-		-
Priority Unsecured Creditors	13,511	100%	13,511	-		-	5,515	100%	5,515	-		-
Non-Priority Unsecured Creditors												
Legal Claims	-		-	85,000	84%	71,624	8,825,381	28%	2,457,675	-		-
Other Unsecured Claims	2,120,687	20%	414,633	14,049	84%	11,838	903,562	28%	251,622	177,638	14%	24,503
Intercompany Claims	-		-	280,711	84%	236,537	1,122,843	28%	312,687	-		-
Total Unsecured Claims	2,120,687	20%	414,633	379,760	84%	320,000	10,851,785	28%	3,021,985	177,638	14%	24,503
Remaining Funds			-			-			-			-